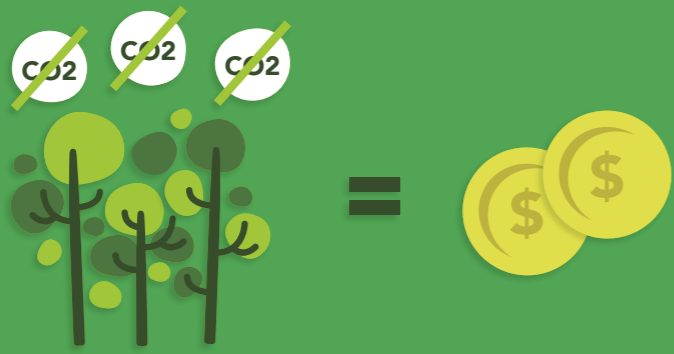


# REDD+ and Sustainable Forest Management

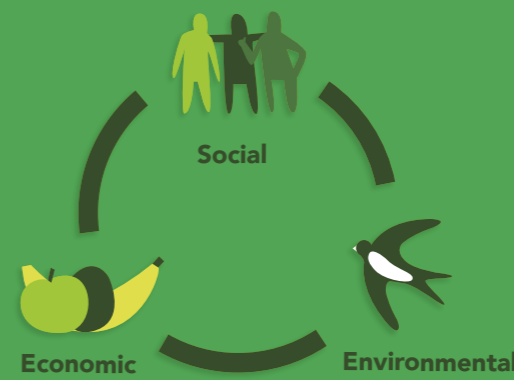
## Financing and possible synergies

### REDD+



- Climate change mitigation mechanism.
- It offers results-based payments for countries that reduce emissions from deforestation and forest degradation.
- The + refers to conservation activities, sustainable management of forests, and the enhancement of forest carbon stocks.

### Sustainable Forest Management



Sustainable forest management (SFM) is a dynamic concept. Its objective is to maintain and increase the economic, social and environmental value of all types of forests, for the benefit of present and future generations.

### REDD+ financing

\$ 3.7 billion

Pledged to  
13 countries  
between 2009-2014

Annual average:



### SFM financing

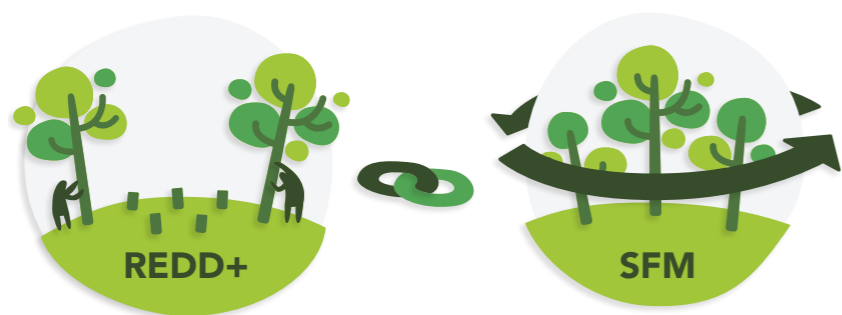
Funding needs:  
\$ 70-160 billion

Official Development Assistance  
annual average (2006-2015):



Financing for SFM and REDD+ are not easy to differentiate, as there are a number of overlaps. Many sustainable forest management activities also contribute to reducing deforestation and its associated

emissions. Given its multiple complementarities, there is significant potential to establish more coordination and synergies in REDD+ and SFM finance.

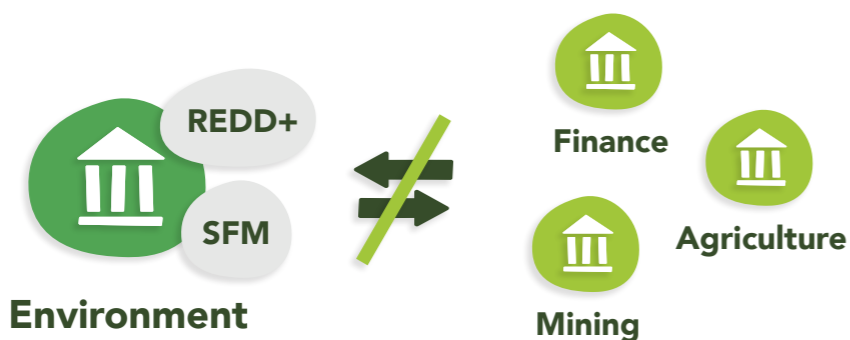


#### 1. Potential for cooperation

There is significant potential to establish greater levels of coordination between finance for REDD+ and for Sustainable Forest Management (SFM), particularly during the development of financial strategies and/or investment plans.

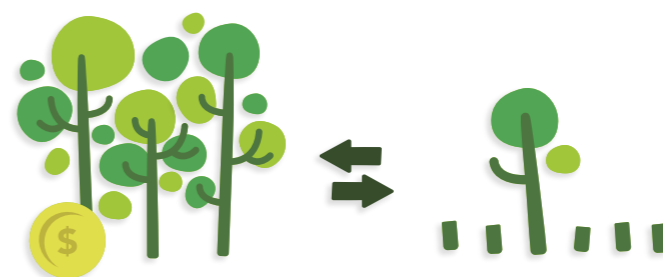
#### 2. Complementary financial strategies

Financing strategies for REDD+ and SFM can complement each other. In Latin America and the Caribbean, financial strategies for SFM have focused mainly on finding domestic sources of funding such as taxes and levies. The REDD+ financial strategies analyzed focus on accessing international financing such as grants for readiness and implementation, and on unlocking results-based payments, amongst others.



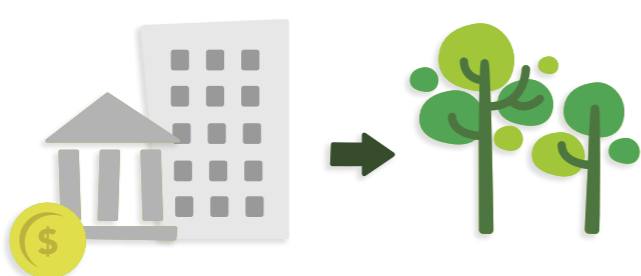
#### 3. Limits to the implementation

REDD+ and SFM must be coordinated at sectoral level. Usually the mandates of the ministries of Environment, which often lead both SFM and REDD+ processes, are restricted and therefore limit the effective implementation of REDD+ and SFM.



#### 4. Funding

Despite increasing funding for REDD and SFM, it remains orders of magnitude smaller than funding that can contribute to deforestation and to the unsustainable use of forest resources.



#### 5. Financing opportunities

National development banks can offer opportunities to leverage financing for SFM and REDD+ activities (financial products for the forestry sector / including forest conservation considerations into credit operations within the agricultural sector.)



#### 6. Public interventions

There are specific public interventions that can improve the competitiveness of more sustainable business models in the forestry sector.