Financing forest landscape restoration in Europe, Caucasus and Central Asia

Europe, Caucasus and Central Asia have the untapped forest landscape restoration potential that can accelerate the implementation of multiple international climate, biodiversity and sustainable development goals and national priorities on climate-resilience and low-emission development. Forest landscape restoration is a Nature-based Solution to regaining ecological integrity and improving human wellbeing from degraded and deforested landscapes through the creation of multi-functional healthy landscapes. A restored landscape can accommodate a mosaic of land uses such as agriculture, protected reserves, ecological corridors, regenerated forests, agroforestry systems, riparian plantings and so on, with the aim of bringing benefits to people and nature.

The forest landscape restoration is not a new approach in the region, there are number of restoration efforts implemented and underway, for example, forest landscape restoration in Southern Europe; agroforestry systems in France; riparian forest restoration in Greece; planting for erosion control in Armenia; greenbelts in Astana; afforestation in Turkey; restoring gallery forest in Georgia; reforestation in Scotland; natural regeneration in Portugal; restoration and rehabilitation of Aral Sea and many more.

Since 2011, the Bonn Challenge – the largest global effort to bring 150 million hectares of degraded and deforested land into restoration by 2020 and 350 million hectares by 2030 - has emerged as a unifying global restoration movement to help countries to implement forest landscape restoration at scale. To accelerate forest landscape restoration implementation, ECCA30 - a regional initiative to bring 30 million ha into restoration in Europe, Caucasus and Central Asia by 2030 - was launched during the UN Secretary-General’s Climate Action Summit in September 2019, by the International Union for Conservation of Nature, United Nations Economic Commission for Europe, Food and Agriculture Organization of the United Nations, the World Resources Institute and the World Bank.

The strong signs of commitment to forest landscape restoration are evidenced by the range of ongoing government-led restoration efforts across ECCA. To date, eight countries in Europe, Caucasus and Central Asia have pledged close to 3 million hectares to the Bonn Challenge. The European Green Deal and Biodiversity Strategy could boost current commitments and cooperation among countries as both recognize the importance of the Restore Nature vital for biodiversity and climate. In addition, UN Decade of Ecosystem Restoration calls everyone to
massively scale up restoration efforts across diverse ecosystems. To accelerate the implementation of restoration efforts in the region, UNECE, FAO and IUCN are currently working with the countries of Eastern and South-East Europe for the preparation of the Ministerial Roundtable on Forest Landscape Restoration and the Bonn Challenge, scheduled to be hosted by Turkey in April 2021. Although interest is high, scaling up the forest landscape restoration efforts is limited due to the lack of financial resources, specially during the post-COVID-19 period, when the priorities shift to economic recovery and health. The common questions that emerge from the countries’ stakeholders are - **how are we going to pay for forest landscape restoration? What are the sources of finance and who will invest in forest landscape restoration?**

The exploration of the above-mentioned questions was the objective of the webinar *Financing Forest Landscape Restoration* organized by joint UNECE/FAO Forestry and Timber Section and IUCN on July 16th, 2020. The webinar brought together the latest insights in the region with a list of practical funding sources from the International Climate Initiative of the Federal German Ministry for the Environment, Nature Conservation and Nuclear Safety, Global Environmental Facility, Green Climate Fund, and European Investment Bank.

The current government funding in the region alone cannot meet the financing needs of large-scale forest landscape restoration to achieve the goals of regional restoration movement. In fact, the lack of funding opportunities impede countries to raise further ambition and actions on restoring degraded and deforested landscapes across the region. Some sources of finance are relatively hard to tap into due to the budgetary constraints and lack of supportive cross-sectoral policies for restoration projects. The insights from United Nations Forum on Forests also emphasized the role of blended public, international and private finance in forest landscape restoration. **Mr. Peter Gondo**, Inter-Regional Adviser, Sustainable Forest Management, from UNFF mapped out funding opportunities in the region, and introduced the Global Forest Financing Facilitation Network (*GFFFN*). Financing mechanisms and sources of finance are diverse. The key is to link restoration efforts to national objectives so the targeted finance from climate, biodiversity, sustainable development, private sector can be accessed.

“…different sources of funding could be more effectively accessed if the benefits – to biodiversity, climate, socio-economic development – are well articulated as return on investments from restoration and would provide the basis to design the financial architecture for scaling up forest landscape restoration in the region” – Salome Begeladze, IUCN.

**Examples of funding opportunities for Europe, Caucasus and Central Asia**

**Dr. Michael Krause-Besan**, Zukunft – Umwelt – Gesellschaft, gGmbH on behalf of the International Climate Initiative (IKI) of the Federal German Ministry for the Environment, Nature Conservation and Nuclear Safety highlighted IKI project portfolio for ODA eligible countries through large-scale programmes and thematic and country calls as well as IKI opportunities accelerated actions on forest landscape restoration across Africa, Asia, and Latin America.

**Mr. Ulrich Apel**, Senior Environmental Specialist from the Global Environment Facility (GEF) gave overall picture on restoration funding under GEF, highlighting that the funding is country driven and projects are based on country ownership. In the current GEF-7 cycle, about $350 million of GEF grants are being made available for restoration. Although, the majority of remaining GEF-7 resources in this cycle has been committed, GEF is planning to continue
supporting restoration activities based on countries request and especially in support of the Bonn Challenge in GEF. It was also noted that the Bonn Challenge pledges are important selection criteria for funding restoration.

**Mr. Marc Dumas-Johansen**, Forest and Land Use Specialist, from the Green Climate Fund (GCF), introduced the long-term climate financing opportunities under United Nations Framework Convention on Climate Change, promoting low-emission and climate-resilient development pathways. current forest and land use portfolio in Eastern Europe and Central Asia, and opportunities for multi country projects and programmes though the key priority areas - deforestation-free commodities supply chains; forest restoration and reforestation; sustainable forest management and restoration; forest conservation (Protected Areas) – that clearly demonstrate strong climate rational and country driven impact potential along GCF’s 8 result areas.

**Mr. Stephen D. Hart**, Senior Loan Officer, from the European Investment Bank (EIB) illustrated the Natural Capital financing Facility - a pilot initiative to stipulate financing for biodiversity and climate adaptation for businesses and cities using nature-based solutions; financing conservation, biodiversity, ecosystems restoration using market based financing instruments. EIB supports EU’s policy objectives and the achievement of SDG’s and climate and environment are among EIB’s priorities.

**Where does this discussion lead us?**

Accessing finance is challenging but there are many opportunities within internal and external sources of finance. The Bonn Challenge commitments send a signal to the international community to donors, decision-makers and private investors, about political leadership, commitment and willingness to implement forest landscape restoration.

“The UNECE/FAO Forestry and Timber Section is determined to support countries under the ECCA30 initiative and the Bonn Challenge by providing a platform for policy dialogue and advise and capacity building on forest landscape restoration as well as on data improvement and assessment. We look forward to organize the Ministerial Roundtable on FLR and ECCA30/ Bonn Challenge for countries of Eastern and South-East Europe and support countries of Caucasus and Central Asia in identifying key financing means and tools of forest landscape restoration.” - Gianluca Sambucini, Chief of UNECE/FAO Forestry and Timber Section

“We wish to congratulate all the countries in Eastern Europe, the Caucasus and Central Asia who have already pledged to restore degraded and deforested landscapes at national level. It is exciting to see such a massive early uptake and leadership for the ECCA30 initiative across the region. IUCN remains committed to help countries step up and operationalize their restoration efforts. Today’s webinar proved to be very useful, offering concrete examples of financing opportunities for Forest Landscape Restoration in our region.” - Boris Erg, Director of the IUCN Regional Office for Eastern Europe and Central Asia.”

Should you have any questions, please feel free to contact us Roksolana.shelest@un.org or Salome Begeladze at Salome.belegadze@iucn.org.

**Useful links:**
Bonn Challenge: [https://www.bonnchallenge.org/](https://www.bonnchallenge.org/)

ECCA30: [https://infoflr.org/bonn-challenge/regional-initiatives/ecca30](https://infoflr.org/bonn-challenge/regional-initiatives/ecca30)
