

Proceedings

“Country Led Initiative” Preparatory Workshop

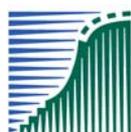
on

FINANCING SUSTAINABLE FOREST MANAGEMENT

International Developments and Perspectives for Suriname

16 - 19 June 2008

Paramaribo, Suriname



**landbouw, natuur en
voedselkwaliteit**



Colofon

These proceedings are published on behalf of the CLI Presidential Task Force
by the Tropenbos Suriname Programme
Paramaribo, Suriname – July 2008

Reporting and editing:
Mr. Rutger de Wolf, assisted by Mrs. Marije Vermaas,
Environmental Services & Support, Paramaribo, Suriname



Graphic design:
Mr. Kris Vermaas, Vinc advies, Amsterdam, The Netherlands

Photography:
Environmental Services & Support, Paramaribo, Suriname

Printing:
Office World, Paramaribo, Suriname

First issue (July 2008):
150 copies

By making knowledge work for forests and people, Tropenbos International contributes to well-informed decision making for improved management and governance of tropical forests. Our longstanding local presence and ability to bring together local, national and international partners makes us a trusted partner in sustainable development.

The opinions expressed in this document are those of the authors and the participants and do not necessarily reflect the views of the Tropenbos Suriname Programme.

This is the second in the series of TBI Suriname Reports. The first Report was published in April 2008, covering the issue of REDD (Reduced Emissions from Deforestation and Forest Degradation) as potential financing mechanism for sustainable forest management.

Table of Contents

A. Acronyms	5
B. Preface	7
C. Executive Summary	9
D. Introduction	15
I. Session I – Opening	19
1.1 Words of welcome	19
1.1.1 Mr. Frans Kasantaroeno (Ministry of Physical Planning, Land and Forest management)	19
1.1.2 Mr. Harry Verweij (Embassy of the Kingdom of The Netherlands)	21
1.1.3 Ms. L. Bobbie Schreiber Hughes (Ambassador of the United States of America)	23
1.2 The International Forest Policy Dialogue: Current Status and the Challenges Ahead	23
1.3 Background, Expected Outcomes, Program, Organization and the Procedures of the Workshop	24
2. Session 2 – Setting the International Stage	27
2.1 International Forest Policy Deliberations: Evolving Perspectives and Progress	27
2.2 The UNFCCC and REDD	28
2.3 An Overview of UNCBD, UNCCD, ITTO	29
2.4 World Bank’s Involvement in Forest Financing	30
2.5 Amazon Cooperation and Treaty Organization (ACTO)	31
2.6 Forest Certification	32
2.7 Towards a New International Arrangement of Forest Finance: The Portfolio Approach	33
3. Session 3 – Sharing the National Experience	37
3.1 Suriname Case Study	37
3.2 National Experiences: a Comparative Analysis	39
3.3 National Experiences from Latin America	40
3.4 Plenary Discussion on National Experiences	41
4. Session 4 – Forest Finance in Suriname: Status Quo and Challenges	45
4.1 Session 4a – Visioning a Financing strategy for SFM (Conceptual Model and Required elements)	45
4.2 Session 4b – Forest Types, Forest Functions and Stakeholders	49
4.3 Session 4c – Financing Investments in Forests	50
4.4 Wrap up Session 4a – 4c	51
4.5 Session 4d – Payments for Forest Goods and Services	52
4.6 Session 4e – The Enabling Environment	54
4.7 Session 4f – Key Elements for the Suriname Case: Main Conclusions	55

5. Session 5 – Principles, Elements and Steps towards a National Strategy on Forest Financing: Defining the Suriname Case	59
5.1 Presentation Consultants – Forest Finance in Suriname	59
5.2 Presentation of “Aide Mémoire”	60
5.3 Synthesis of the Workshop	61
5.4 The CLI and the Agenda for the September Meeting	61
6. Session 6 – Closure	65
6.1 Mr. Rene Somopawiro (Acting Director of the Foundation for Forest Management and Production Control, UNFF Focal Point)	65
6.2 Mr. Hans Hooegeveen (Director General of the Ministry of Agriculture, Nature and Food Quality of The Netherlands)	66
7. Websites of Relevant Organizations	69
Annex 1: List of Participants	71
Annex 2: Preparatory Workshop Program	75
Annex 3: United Nations Forum On Forests	79
Annex 4: Suriname Forest Resource	81
Annex 5: Suriname Forest Sector Characteristics	85
Annex 6: Stakeholders	87

A. Acronyms

Acronyms	
AC	Advisory Committee
ACTO	Amazon Cooperation Treaty Organization
AHEG	Ad-Hoc Expert Group
BOG	Break-Out-Groups
BOSNAS	Forest and Nature Authority in Suriname
CARICOM	Caribbean Community and Common Market
CBO	Community Based Organization
CDM	Clean Development Mechanism
CELOS	Centre for Agricultural Research in Suriname
CIFOR	Center for International Forest Research
CLI	Country Led Initiative
FAO	United Nations Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIF	Forest Investment Fund
FFM	Forest Finance Mechanism
FLEG	Forest Law Enforcement and Governance
FSC	Forest Stewardship Council
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFP	Global Forest Partnership
HKV	Houtkapvergunning (Communal Wood Cutting License)
IDB	Inter-American Development Bank
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
LBB	's Lands Bosbeheer (former Forest Service of Suriname)
MDG	Millennium Development Goals
NGO	Non-Governmental Organization
NIMOS	National Institute for Environment and Development in Suriname
NLBI	Non-Legally Binding Instrument
NTFP	Non-Timber Forest Product
ODA	Official Development Assistance
PES	Payment for Ecosystem Services / Payment for Environmental Services
REDD	Reduced Emissions from Deforestation and forest Degradation
RIL	Reduced Impact Logging
SBB	Foundation for Forest Management and Production Control
SCF	Suriname Conservation Foundation
SCS	Suriname Case Study
SFM	Sustainable Forest Management
STINASU	Foundation for Nature Conservation in Suriname
SWOT	Strengths Weaknesses Opportunities and Threats (strategic planning method)
TBI	Tropenbos International
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests

USA	United States of America
WTO	World Trade Organization
WUR	Wageningen University and Research (The Netherlands)
WWF	World Wildlife Fund

B. Preface

Endowed with a forest cover of almost 90 % with an annual deforestation rate of less than 0,3 %, Suriname is one of the most forest rich countries in the world, belonging to the exclusive category of “high forest cover, low deforestation” – countries. If well managed, Suriname’s forests offer an enormous potential to contribute to national development, not only because of its timber, but also for the benefits and opportunities they offer for, such as, livelihood and rural development for the people who live in the forest, non-timber forest products (NTFPs), ecotourism, energy and water. Through its forests Suriname can also contribute to the global policy agendas – viz. the Millennium Development Goals (MDG), biodiversity conservation and climate change mitigation – benefiting from the emerging opportunities which these offer for the country its development. Much of the potential contribution of forests to socio-economic development and human well-being is still “untapped”. Improvements will be needed in forest harvesting and to capture the prospects provided by NTFPs and forest services.

One of the challenges, which Suriname – as many other countries in the region and around the globe - is facing in this endeavor, is related to the adequate financing of sustainable forest management (SFM) and the optimal use of new and additional forest investment and revenue opportunities.

As capacity building and institutional support are one of the cornerstones of Tropenbos International, the Tropenbos Suriname Programme feels honored to be able to assist the Government of the Republic of Suriname, represented by the Presidential Task Force and the Ministry of Physical Planning, Land and Forest Management in preparing for the “*Paramaribo Dialogue: a Country Led Initiative on Financing for Sustainable Forest Management, in Support of the United Nations Forum on Forests*”, that will be organized by the Government of Suriname and co-hosted by The Netherlands and the United States of America from 8-12 September 2008.

This publication reports on the workshop on “**Financing Sustainable Forest Management: International Developments and Perspectives for Suriname**” which was held from 16-19 June 2008 in Paramaribo, as a preparatory to the Country Lead Initiative (CLI) meeting in September 2008. It synthesizes the presentations and major issues discussed.

Bringing together national and international experts – constituting a wealth of information, knowledge and expertise – the workshop has certainly contributed to a better understanding of the various processes and actions in the field of SFM and financing in the international and regional arena and their relevance for Suriname. It has also generated valuable ideas and possible elements for the further development of forest financing for Suriname. The workshop and these proceedings can be considered as building blocks towards this end.

Tropenbos Suriname Programme

Mr. Sietze van Dijk, acting team leader until 30 June 2008

Mr. Rudi van Kantén, team leader as of 1 July 2008



C. Executive Summary

I Introduction

Representatives of the government, private sector and non-governmental organizations (NGOs) of Suriname met in a workshop in Paramaribo, from 16-19 June 2008, with the objective to discuss financing sustainable forest management (SFM) in Suriname. Commissioned by the Presidential Task Force for the Country Led Initiative (CLI) on Financing for SFM, the Workshop was organized by Tropenbos International. Representatives of multilateral and regional agencies and international specialists were invited to participate and contribute with their inputs to the discussion. The list of participants is attached (Annex I).

The purpose of the Preparatory Workshop was threefold:

1. To get a better understanding of:
 - International and regional processes and actions on forest financing and their relevance for Suriname;
 - Main concepts and elements of forest financing;
 - Experiences of Suriname on forest financing;
 - Main elements and issues for a forest financing strategy for Suriname;
2. To identify concrete inputs for the Suriname Case Study (SCS) to be presented at the CLI;
3. To establish a basis for a follow-up process towards a forest financing strategy for Suriname.

The CLI, to be held in Paramaribo from 8-12 September 2008, is organized as an input to the planned meeting of the Ad-hoc Expert Group of the United Nations Forum on Forests (UNFF), to be held from 3 to 7 November 2008 at the United Nations Office at Vienna, Austria.

The discussions at the CLI preparatory workshop, which were stimulating and informal and based on knowledge sharing, were organized in two parts. First, to provide an international context to the preparation of the SCS and second, to assist in the organization of the contents of the SCS, that reflect and support Suriname's strategic objectives related to forests.

2 International Context

History

Forests emerged as a priority on the international political agenda at the UN Conference on Environment and Development (UNCED) held in Rio de Janeiro (1992). Significant progress in international forest policy has been made at the UNFF and its predecessor bodies established in 1995. At its seventh session, the UNFF agreed to a Non-Legally Binding Instrument (NLBI) on forests and decided to: "develop specific proposals for the development of a voluntary global finance mechanism / Portfolio Approach / forest financing framework" to support SFM and to enhance the contribution of forests to human well-being.

Input to the UNFF

During the past 12+ years of the intergovernmental forest policy deliberation, nearly 60+ CLI's have been organized and co-sponsored by countries, international organizations and NGO's. These CLI's have engaged thousands of experts and stakeholders worldwide, who have analyzed, synthesized and summarized the best available knowledge on many complex,

politically sensitive forest issues. The non-binding outputs of CLI's are submitted to the UNFF Secretariat, as an input to the preparation of the United Nations Secretary General's Reports for consideration by the UNFF member countries.

International Conventions and Institutions

Forests and SFM are cross-sectoral issues and are addressed in a wide range of internationally agreed Conventions and instruments. Furthermore forests are high priority on the international political agenda and addressed by many multilateral organizations. Presentations on this topic included: the activities of the UNFF, UNFCCC-REDD, UNCBD, UNCCD, ITTO, FAO, ACTO, World Bank; initiatives related to Forest Law Enforcement and Governance; and certification of sustainably managed forests.

Regional Cooperation

The regional experience on forest financing presented by Amazon Cooperation Treaty Organization (ACTO), highlighted the opportunities and value added of regional cooperation and knowledge sharing and exchange between Suriname and its neighboring Amazon countries.

Financial Instruments

Of particular interest to Suriname were the presentations on the forest-related activities of the ACTO, the Guiana Shield Bio-Region and the following three new financial instruments currently under development at the World Bank:

- Forest Investment Fund / Program (FIF)
- Forest Carbon Partnership Facility (FCPF)
- Global Forest Partnership (GFP)

Positive contribution of certification of sustainable managed forests in Suriname was noted with considerable interest. It was pointed out that Official Development Assistance (ODA) specifically targeted at forests has been declining during the past decade and that the high-level political priorities are currently focused on addressing issues related to human well-being such as: the Millennium Development Goals (MDG); the Johannesburg Declaration, poverty reduction and sustainable livelihoods; food security; human health and combating terrorism. Accordingly, it was suggested that it would be desirable to structure the SCS that responds to the internationally agreed current political priorities, i.e. to enhance the contribution of forests (through SFM) to human well-being.

3 Highlights of Suriname's Perspectives

Portfolio Approach

- There is a need to change paradigms concerning forests and their use and embrace a broader perspective. A multi-functional approach is necessary, which includes combination of conservation, production, economic, environmental and social goals for different forests in different mixes for different situations.
- For an effective application of the Portfolio Approach for the forest sector in Suriname, it is important that various stakeholders work together more closely, have more regular contacts and have the mandate to speak in the name of their respective organizations.

Stakeholders, Forest Functions and Use

- In Suriname there are many stakeholders and right holders who are making use of the forest and its different functions and benefits. It is important that stakeholders work more closely together in order to manage the forest in a sustainable manner. Free riders, both

national and international, should be identified and also possible competing claims between various forest uses and stakeholders.

- We need to define 'forests' in a broad sense, whereby the degraded and secondary forests as well as agro-forests are also included. Forests are an integral part of the landscape and of the livelihood of people.
- We need to look at the multiple values and benefits of forest not only their commercial value but in a holistic way. A one-sided commercial approach to forests could create time bombs. Social and spiritual use of the forest is important and needs recognition. Forest financing mechanisms are not an issue only for foresters and economists but also for anthropologists and other social disciplines.
- When we consider forest financing mechanisms in a holistic approach, then we also have to include a livelihood perspective for people living in the hinterland. We need to address questions such as: what investment mechanisms are available for forest management; what mechanisms for the payment of goods and services are being employed?
- For any activity in the forest, prior consent is needed from the Indigenous and Maroon communities living in the forests in order to avoid problems such as, the stealing and use of indigenous knowledge as well as of biological materials (e.g. medicinal plants).
- There is a need for equitable treatment accorded to international enterprises as well as to domestic small- and medium-size enterprises.

Investments in Suriname's Forests

- It is important to closely examine the magnitude of: small scale investments for NTFP production, processing and trade; remittances originating from relatives from abroad; and investments from urban areas to the hinterland.
- Although there are some formal funds available, people in the hinterland do not have a good access to loans. Perhaps a system of informal financing is operating which needs further exploration.
- It is important to examine the existing experience in investments in forests gained by the Suriname Conservation Foundation (SCF) and benefit from it.
- Surinamese banks are interested in the development of forest financing mechanisms, but are hesitant to invest in the forest sector due to their past experiences. The forest sector is being perceived as 'risky' and there is a need to explore further if, and to what extent, this is true. It is recommended that the banking sector and the forest sector initiate a dialogue and develop a permanent discussion forum. The government may consider the establishment of a Guarantee Fund for loans, but this would probably imply a change of legislation. Land right issues or user issues should be resolved, so that such rights can be used as a collateral to obtain loans from banks.
- For any investment to be of a real benefit to the country, it is imperative that it be based on SFM principles.

Mechanisms for the Payment of Forest Products and Services

- Regarding the concessions for timber exploitation, much documentation has been produced in the last decade and many measures have been proposed. It is time to focus on the implementation of the proposed ideas and measures.
- Forests in Suriname provide important services for watershed management, but currently the payment for these services seems to be absent. Opportunities for receiving payments for forest products and services include: from mining companies that disturb water courses

and occupy lands; and water bottling companies for the water they use. Research is needed, for example, on the possibility to generate payments from international sources.

- There is a need to investigate if there is a Code of Conduct developed by the International Mining Association that may provide a basis to minimize damage to the forest caused by mining operations in forests.
- Regarding the production of NTFP's, there is a need for more information on the actual size and composition of the NTFP sector. A production chain approach and involvement of all stakeholders in the chain is necessary. There is already a willingness to pay for these products and markets already exist. Bio-prospecting needs special attention. The ongoing decentralization process in Suriname offers possibilities to further develop the NTFP sector.
- The magnitude of the contribution of forests to Suriname's tourism sector needs to be assessed. Forests are one of the big assets of Suriname's tourism sector and this sector has much potential to grow. Tourism is an established sector in Suriname and ecotourism has a long history. Challenges include: aggressive marketing; the improvement of the access to Suriname by air; and creation of appropriate financial mechanisms so that the tourism sector makes enhanced contribution to sustainable management of forests and nature.
- The carbon market is emerging and Suriname is in need of continuous updates on the rapidly developing opportunities. REDD is perhaps not the most promising mechanism with great potential for Suriname. However, Suriname needs to make an inventory of its forest carbon stocks and of its natural resources in general. An enhanced pro-active approach (more exposure) towards seeking financial compensation from the international community is critical. As a steward of significant stocks of carbon in its forests, Suriname needs to actively promote its case in cooperation with other forest rich countries with low deforestation rates.

Enabling Environment

- The enabling environment for foreign investments in Suriname needs to be more favorable. For example, the procedures to start a company in Suriname need to be simplified. This constraint also has consequences for the forest sector.
- Not all stakeholders are convinced that the forest sector is sufficiently prioritized in Suriname. It is important to collect objective data that compare the sector with other economic sectors.
- It is important to differentiate the roles of major stakeholders in the forest sector. For example:
 - The responsibility of the government is to create infrastructure in a broad sense so that the private sector can start their enterprises. The government should also encourage other stakeholders, stimulate them to take action and facilitate developments. Suriname needs a proactive approach towards the development of new financial mechanisms. The state also has an important role in building of human and institutional capacities. Preparation of an inventory of existing capacities and those needed to address emerging opportunities is recommended.
 - The private sector needs to produce products and services in a socially responsible and sustainable manner.
 - The forest dependent communities need to use the forest to improve their livelihoods, as well as to utilize the forest sustainably.
 - The international community needs to strengthen its support to different stakeholders in order to effectively perform their roles and tasks.

-
- For the State to realize its roles and responsibilities, it needs revenue. At present, it is not compensated for some of its services. It is recommended to speed up actions to establish the 'Forest Fund', announced in the latest forest policy documents. This fund could also be the mechanism to provide funding for research, education and other elements of the enabling environment to strengthen the forest sector.
 - Capacity building for major stakeholders on financial mechanisms is a vital aspect of a strategy for financing SFM in Suriname.

4 The Suriname Case Study

Suriname is a forest- and biodiversity-rich country, but the contribution of forests to socio-economic development and human well-being is "under utilized". Significant improvements are needed in forest harvesting and wood utilization and to capture the opportunities and benefits of NTFP's and forest services. The participants noted that the SCS would need to: mainstream forests in Suriname's development strategy; and align closely as a response to the current internationally agreed high level political priorities (e.g. MDG).

Suriname's Identified Needs

It is desirable to mainstream forests in the national development strategy, MDG and Poverty Alleviation Strategy.

Recognizing that SFM is a cross-sectoral issue and requires an integrated approach, it is necessary to establish an effective mechanism for interagency cooperation and coordination that also includes all relevant stakeholders. While it was recognized that good data are available on forests and financial needs for SFM, it would be useful to include data on the identity and magnitude of various beneficiaries, constituencies and stakeholders. The need for building human, institutional and financial capacity was particularly emphasized. It was recognized that there is an equally significant need for creating a favorable enabling environment including: good governance; institutional and legal frameworks; and clarified tenure regimes.

It was noted that limitations in Suriname's capacity in some areas has perhaps resulted in missed opportunities to access some new and additional funding. Accordingly, Suriname would need to strengthen its capacity to monitor international developments and opportunities in order to intervene in a proactive and timely manner.

Suriname's Identified Concerns

The participants expressed a number of forest-related concerns in Suriname including: the impact of gold mining on forests; clarification of land rights and use rights for the people in the interior; and capacity in the development and implementation of policy and programs.

Some Overarching Issues, Opportunities and Challenges for Suriname

The participants identified the following as some of the over-arching opportunities and issues for Suriname.

There is a need for Suriname to identify and pursue proactively priority issues of strategic interest to Suriname (e.g. compensation for carbon stocks, payment for ecosystem services (PES), biodiversity conservation and utilization) and mobilize international support. For example, to:

- Seek compensation for biodiversity loss and degradation caused by gold mining industry;
- Solve the issue of land rights for Indigenous and Maroon people;
- Monitor international deliberations and to champion compensation for carbon stock;

-
- Establish alliances with countries having convergent interests on: compensation for carbon stock; and compensation for damage to biodiversity by gold mining;
 - Explore the value of potential alliances with: Guyana Shield Bioregion countries; some West African countries, CARICOM countries and Amazon Cooperation Treaty countries.
 - Champion that SFM is an important instrument to enhance the contribution of forests towards human well-being in Suriname, identify various beneficiaries and constituencies and mobilize their support;
 - Explore the potential to mobilize funds from the users and beneficiaries of Suriname's forestland (e.g. 'green contribution' from eco-tourists; water consumers; etc.)

There is critical need to: monitor selectively relevant international deliberations; be creative and proactive; be opportunistic and make timely interventions to position Suriname as an attractive country for the introduction of innovative Forest Financing Mechanisms (FFM).

5 Acknowledgements

During the closing session of the workshop the government of Suriname acknowledged the contribution and support of the governments of The Netherlands and the United States of America and for their participation in the workshop. The international participants expressed their gratitude to the government and the people of Suriname for the invitation to participate in the CLI preparatory workshop and for the warm welcome and hospitality. The support from Tropenbos International was gratefully acknowledged.



D. Introduction

Suriname, with a forest cover of 90 %, is one of the most forest rich countries in the world. One of the big challenges which Suriname – as many other countries in the region and around the globe – is facing, is related to the creation of a sound financial basis for the sustainable management of its forests and the optimal use of the opportunities to generate new and additional financial resources for its various SFM goals. Worldwide, there has been an increase in the importance of and the interest in adequate financing for ensuring SFM. Various actions have been undertaken at all levels in terms of developing a balanced international forest policy while considering effective policy implementation through mobilizing adequate resources, including finance, capacity development, and the transfer of environmentally sound technologies.

Following the United Nations Conference on Environment and Development (UNCED) in 1992, numerous other international conferences and processes have placed the issue of sustainable development at the forefront of the international political agenda. Most recently, within the context of the 7th Session of the United Nations Forum on Forests (UNFF-7) the international community has adopted a Non-Legally Binding Instrument (NLBI) on all types of forests. One of the most important elements of this international forest instrument was the agreement that increasing financing for sustainable development policies will entail the development of a broad array of funds from national, international, public and private sources, together with the strengthening of enabling policy environments and forest-related governance and management. Consensus was also reached on the fact that during the next UNFF meeting (UNFF-8 in April 2009) an international finance mechanism will be agreed that will be based on the so-called “Portfolio Approach” to support the national implementation of SFM. It was further agreed that the continuing negotiations on the Forest Finance Mechanism (FFM) will be preceded by an UNFF Ad-Hoc Expert Group (AHEG) to be held in November/December 2008 in order to “develop specific proposals for the development of a voluntary global finance mechanism / Portfolio Approach / forest financing framework”. The outcome of the AHEG meeting will thus serve as an input to the UNFF-8 meeting.

To strengthen the ongoing processes on SFM, the Government of the Republic of Suriname will host a **Country Led Initiative (CLI) on Financing for SFM** in support of the AHEG and UNFF-8, in collaboration with the Government of The Netherlands and the Government of the United States of America. The CLI will be held in Paramaribo, Suriname, from 8-12 September 2008.

In support of the various actions and activities that Suriname will embark upon as the host country for the CLI, The Netherlands and the USA also offered the possibility to organize a preparatory workshop. This **CLI preparatory workshop on “Financing Sustainable Forest Management: International Developments and Perspectives for Suriname”** was held from 16–19 June 2008 in Paramaribo, Suriname, and dealt with various international and regional processes and actions in the field of SFM and the development of the FFM. One major aspect of the preparatory workshop was on providing information on the development of the FFM and the earlier mentioned “Portfolio Approach”.

The Presidential Task Force, which was established by the President of the Republic of Suriname for the overall organization and coordination of the CLI, organized the CLI preparatory workshop. Tropenbos International, in collaboration with the Ministry of Agriculture, Nature and Food Quality of The Netherlands, supported the Presidential Task

Force in preparing and organizing both the CLI preparatory workshop and the commissioning of the SCS on FFM.

The objectives of the CLI preparatory workshop were:

- Information sharing on international processes of forest financing and the various arrangements of financing mechanisms such as payment for ecosystem services (PES), UNFCCC (Clean Development Mechanism (CDM) and Joint Implementation), and UNCCD (Global Mechanism);
- Knowledge sharing and presentation of a comparative study of other national SFM and FFM experiences, with special focus on the interface between the national and international efforts;
- Capacity building based on the technical experiences of financing of forest management.

One of the major inputs for the CLI preparatory workshop was the draft version of a Suriname Case Study (SCS) on FFM. This case study includes an inventory of existing experiences on SFM and forest financing in Suriname and provides elements for the development of a Suriname country strategy on FFM. This case study will be presented at the CLI by the Government of Suriname and can be used for various purposes in relation to the CLI. A first draft of this SCS was discussed during the CLI preparatory workshop, yielding valuable ideas and suggestions from the participants for incorporation in the final version of the study.

The CLI preparatory workshop, or part of it, was attended by over 80 participants (an average of 30-40 persons per day), representing all parties of the Government of Suriname involved in the CLI process, policy makers involved in environmental (forest related) issues and in the financial sector, representatives from the Anton de Kom University of Suriname including the Centre for Agricultural Research in Suriname (CELOS), as well as representatives from relevant non-governmental organizations (NGOs), the private sector and other stakeholders having a role in follow-up actions to enhance forest management and its financing in Suriname. Various representatives of multilateral and regional agencies and international specialists attended the workshop and contributed with their inputs to the discussion (see Annex I for list of participants).

The CLI preparatory workshop was organized in the following six sessions divided over four days:

1. Opening
2. Setting the international stage
3. Sharing the national experience
4. Forest finance in Suriname: status quo & challenges
5. Principles, elements and steps towards a national strategy on forest financing: defining the Suriname case
6. Closure

All sessions were conducted in the English language, except for session 4 (1½ days) which was held in Dutch. This session was more like a training, both participatory and informal, and meant to stimulate the exchange of information and discussion about the practice of SFM and FFM in Suriname. These discussions were attended by 25-30 participants and held in the Dutch

language. The full program of the CLI preparatory workshop and its sessions is included in Annex 2.

The present proceedings summarize all presentations and discussions of the CLI preparatory workshop and it is structured following the order of the six workshop sessions. The proceedings may serve as a reference for what was presented and discussed, but also as a source of ideas and suggestions for completing the SCS on FFM.



I. Session I – Opening

I.1 Words of welcome

On Monday 16 June, the Chair of the CLI Presidential Task Force, Ambassador Ewald Limon, extended a warm welcome to the participants of the CLI preparatory workshop. Also representatives of the Government of Suriname (Mr. Frans Kasantaroeno), the Royal Embassy of the Kingdom of The Netherlands (Mr. Harry Verweij) and the Embassy of the United States of America (Ambassador L. Bobbie Schreiber Hughes) made introductory remarks, emphasizing the significance of forests to Suriname, the Preparatory Workshop in preparing the SCS in context of the CLI and the UNFF 8. Next, Ambassador Ewald Limon handed over the chair of the workshop to the facilitator Mr. Jag Maini.

I.1.1 Mr. Frans Kasantaroeno (Ministry of Physical Planning, Land and Forest management)

English summary: Worldwide people are concerned about deforestation, loss of biodiversity and carbon dioxide emission. In his speech, Mr. Kasantaroeno expressed the special position of Suriname as a “high forest cover low deforestation” country, which implies good management of their forests. Mining and illegal forest exploitation are main threats to the forests of Suriname. There is a need for financial mechanisms for SFM in Suriname, but one should be cautious that local people should also benefit from these mechanisms. Reduced Emission from Deforestation and forest Degradation (REDD) and other new mechanisms seem to reward countries that halt their high rate of deforestation, while Suriname as forest conserver does not benefit from these mechanisms. The Portfolio Approach seems to be more applicable for Suriname. During this workshop, national and international experts will share their knowledge on these financial mechanisms, which hopefully will be helpful for the Suriname case.



Goedemorgen dames en heren

Een speciale groet aan afgevaardigden van het ministerie van Landbouw, Natuur en Voedselkwaliteit, de leden van de Presidential Task Force, dhr. Van Dijk van Tropenbos, leden van het diplomatieke korps, internationale organisaties en instituten en overige buitenlandse gasten, vertegenwoordigers van de diverse overheidsinstanties en private sectororganisaties, leden van de pers, participanten aan de workshop.

Dames en heren

Het is met genoegen dat ik ben ingegaan op de uitnodiging van de Presidential Task Force om vandaag bij de opening van de *national CLI preparatory workshop* een kort woord tot u te richten. Ik wil van deze gelegenheid gebruikmaken om mijn waardering uit te spreken voor het ministerie van Landbouw, Natuur en Voedselkwaliteit en Tropenbos om hun bereidheid deze workshop op touw te zetten en te helpen financieren. Ook wil ik mijn dank uitspreken aan de verschillende Surinaamse en buitenlandse trainers en sprekers die zich bereid hebben getoond om hun bijdrage te leveren aan deze workshop. Daarmee zullen zij de participanten kennis bijbrengen ten aanzien van financieringsmodaliteiten in het kader van duurzaam bosbeheer.

Wereldwijd maken mensen zich bezorgd om de snelle ontbossing die zich voltrekt in verscheidene landen op de wereld, waarbij CO₂ vrijkomt en biodiversiteit verloren gaat. Het

behoud van bossen en biodiversiteit staat hoog op de agenda van de internationale gemeenschap.

Het bos is een belangrijke hulpbron voor Suriname. Wij ontkomen er niet aan het bos te gebruiken om inkomsten te genereren en we moeten dat waarschijnlijk blijven doen. Wij ontkomen er niet aan om bomen te vellen, omdat hout niet alleen een exportwaarde heeft, maar ook lokaal veel gevraagd wordt. Uiteindelijk gaat het erom dat wij onze bossen duurzaam gebruiken.

Suriname is tezamen met tien andere landen ingedeeld in een categorie van landen die “*high forest cover, low deforestation*”-countries worden genoemd. Binnen deze groep heeft Suriname de hoogste bosbedekking van circa 95% en het laagste ontbossingspercentage van 0,2%. Met deze informatie in de hand kunnen wij heel trots zeggen dat ons geen verwijten kan worden gemaakt van slecht bosbeheer. Waarom wordt er van buiten af zoveel ophef gemaakt dat we onze bossen moeten beschermen en biodiversiteit moeten behouden? Omdat er bedreigingen zijn voor het bos. De mijnbouw, de illegale houtkap en het simpele feit dat elders op de wereld landen zijn die de houtkap aan banden leggen, waardoor houtmultinationals steeds andere locaties zoeken om aan hout te komen. De waarde van tropisch regenwoud blijft stijgen en we merken dat de aanvragen voor houtconcessies blijven binnenstromen.

Ons land is niet slechts kampioen wanneer het aankomt op bosbedekking. Ook het totale percentage aan beschermde gebieden in relatie tot het territoir van Suriname is uitzonderlijk. Ons land is op de wereld niet gewoon een good guy maar een *uitzonderlijke* good guy.

Wij merken echter dat de internationale gemeenschap, ondanks dat zij van de daken schreeuwt hoe belangrijk de bossen zijn, niet bereid is om financiële compensaties te verschaffen voor de waarde van het bos als *Carbon sink*. Dit is een *environmental service* die vele en vele miljoenen dollars waard is. De internationale gemeenschap is wel bereid om landen die flink tekeer zijn gegaan met ontbossen te compenseren, zo blijkt uit de verschillende modaliteiten die worden geaccepteerd als basis voor financiële compensatie. Voorbeelden hiervan zijn *REDD, afforestation en reforestation*.

De *Portfolio Approach* is natuurlijk een goede zaak. Het is echter pas interessant voor Suriname als er een geldstroom op gang komt van buiten de grenzen naar binnen de grenzen. Ik hoop natuurlijk van harte dat deze workshop met strategieën en benaderingen kan komen op dit gebied, zodat inzicht kan worden verkregen wat Suriname kan doen om *international PES* te krijgen in plaats van *local PES*. Het laatste wordt namelijk zwaar gepropageerd, maar betekent in veel gevallen niets anders dan her-distributie van het nationaal inkomen.

Lokale mensen, die geholpen moeten worden, zouden er door *local PES* bekaaid van af kunnen komen, omdat betaling voor elke dienst de kostprijs omhoog stuwt en daarmee ook de uiteindelijke prijs hoger wordt. De internationale gemeenschap bevordert de toepassing van *local payment*, omdat het dan zelf minder op tafel hoeft te leggen en haar doelstelling toch wordt bereikt. Het ontgaat veel Surinamers niet hoe er middelen worden vrijgemaakt voor bepaalde organisaties om subtiel de omstandigheden te creëren op basis waarvan het principe van *local PES* in ons land kan worden geïntroduceerd, terwijl *international PES* wegblijft en wordt genegeerd. Het ontgaat ons ook niet hoe soms hele hoge bedragen worden genoemd als zijnde de waarde van het bos, terwijl men in de praktijk met name in het kader van de UNFCCC/Kyoto protocol helemaal geen interesse schijnt te hebben om landen zoals Suriname (die uitzonderlijke good guys zijn) te compenseren. *There is much talk but no action*. Het lijkt er meer op dat door hoge bedragen te noemen, maar in de praktijk de betaling daarvan te ontwijken, men de lokale mensen nodeloos warm maakt om bossen te beschermen. Men gaat met andere woorden overdrijven met REDD als een vorm van compensatie die goed is voor ontwikkelingslanden en dus ook voor Suriname, terwijl de Surinaamse realiteit anders ligt. Ik

hoor geluiden dat zolang wij beschermde gebieden blijven instellen compensatie niet hoger op de agenda zal komen.

Er zijn in het kader van deze workshop veel buitenlandse en lokale experts en ik wil hen vragen om de Surinaamse zaak goed te bestuderen en onze mensen bij te staan in het ontwerpen van een stappenplan zodat wij in UNFF, maar ook in UNFCCC verband het Surinaams belang beter kunnen behartigen. Zodat wij ook weten hoe wij de *voluntary market* het beste kunnen opgaan.

Het zal mij niet verwonderen als er mensen zijn die naar aanleiding van hetgeen ik vandaag heb gezegd, beweren dat ik aan kaalkap wil doen. Ik wil iedereen geruststellen dat wij de waarde van onze eigen natuur kennen. We zullen onze bossen maximaal benutten en wel op een duurzame wijze.

Ik wil nogmaals mijn dank uitbrengen aan een ieder die heeft bijgedragen aan deze workshop. De participanten wil ik vragen om goede nota te nemen van hetgeen naar voren zal worden gebracht en de kennis te gebruiken voor ons land. Ik wens u allen zeer vruchtbare dagen toe en open bij deze de workshop.

Dank u wel.

1.1.2 Mr. Harry Verweij (Embassy of the Kingdom of The Netherlands)

Mr. Chairman, Mr. Jag Maini; Director of Physical Planning, Land and Forest Management, Mr. Kasantaroeno; Dear Members of the Presidential Task Force; Representatives of the Government of Suriname; Representatives of the National Organizations and NGOs.

Ladies and Gentlemen,

It is my honour to assist, on behalf of the Kingdom of The Netherlands, in the opening of the CLI preparatory workshop organized in close collaboration between the Government of Suriname and the Ministry of Agriculture, Nature and Food Quality of the Netherlands. The Director General of this Ministry and Chairman of UNFF-7, Mr. Hans Hoogeveen, will join us later this week.



This workshop is preparatory to the CLI on Financing for SFM, to be organized in Paramaribo in September of this year by the Government of Suriname and co-hosted by The Netherlands and the United States. I would like to start by congratulating the Government of Suriname for taking the initiative to host this CLI under the UNFF. Suriname, with its extensive forest cover, has one of the lowest deforestation rates in the world, thus setting an example to the rest of the world. Hosting the CLI will provide Suriname an excellent opportunity to profile itself internationally in the field of forest management.

Financing of SFM is currently a much discussed theme at many international meetings. It is linked to issues prominent on the international agenda of today's politicians. For instance: the recent High-Level Conference on World Food Security adopted a Declaration on June 5th - just two weeks ago- urging governments to assign appropriate priority to the agriculture, forestry and fisheries sectors, in order to create opportunities to enable the world's smallholder farmers and fishers to participate in, and benefit from financial mechanisms and

investment flows. This Declaration supports the establishment of agricultural systems and SFM practices that positively contribute to the mitigation of climate change and ecological balance.

After 15 years of discussions and negotiations, the 7th meeting of the UNFF adopted a NLBI on all types of forests in 2007. This instrument highlights the adverse impact that loss of forest cover has on economies, the environment, livelihoods and cultural heritage of billions of people, but also contains a commitment by Member States to reverse this loss. It emphasizes the need for more effective implementation of SFM at all levels to address these critical challenges. The implementation of the Instrument will directly support the livelihoods of the most vulnerable people in the developing world.

While forests show significant societal and environmental potential, main players including governments, NGOs, business and industry sectors are in severe need to increased means of implementation. This includes financial resources, capacity building and technology transfer. To achieve effective solutions to common global problems of alarming rates of deforestation and forest degradation the SFM calls for further global action. For this resources are needed.

We hope and expect that the CLI on Financing for SFM from 8–12 September 2008 in Paramaribo will provide a sound basis for a successful decision at UNFF-8 in 2009 on an international Finance Mechanism for SFM.

This CLI preparatory workshop will deal with the various international and regional processes and actions in the field of SFM and more in particular on the development of the FFMs. This workshop will also result in the development of ideas and elements for the development of a national strategy on forest financing. It will hopefully give you a better understanding of the international arena as well as experiences in other countries that you can build on. The draft of a national strategy on forest financing and action plan that will be discussed the coming days will indicate what kind of support from an international arrangement on forest finance would best serve the national endeavors of the Government of Suriname.

Ladies and Gentlemen,

Let us not forget that today over 1.6 billion people depend on forests for fuel, food, medicine and income. Therefore, protecting forests actually means fostering sustainable development. So let us all work together to assure that our common aspirations for the implementation of SFM can become a reality for the benefit of future generations.

I would like to conclude by wishing you a highly productive and interactive workshop. With your commitment and the assistance of the national and international experts I trust the workshop will meet our mutual expectations and needs to be fully prepared for the upcoming UNFF CLI in September.

Thank you.

I.1.3 Ms. L. Bobbie Schreiber Hughes (Ambassador of the United States of America)

Ambassador L. Bobbie Schreiber Hughes felt honored for being an ambassador during the period in which this preparatory session and the UNFF meeting will be held in Suriname. It is a huge commitment by the government of Suriname and other involved governments to contribute to this meeting.

There is no question that financing is critical. We must work together to make SFM possible. But nothing will be accomplished unless we feel it in our hearts. The USA embassy has truly the commitment to the sustainability of the forests.

“To whom much is given, much is expected.” Suriname has been given much with the beauty and importance of the forests, which has been the longest living in Suriname. It is important to recognize that we have a responsibility to keep the forests sustainable, and if we do not, we will not have it ever again. The ambassador finally wished the audience luck and strength in making the workshop to a good end.



I.2 The International Forest Policy Dialogue: Current Status and the Challenges Ahead

Ms. Barbara Tavora-Jainchill (United Nations Forum on Forests Secretariat)

Ms. Tavora-Jainchill praised the commitment of the Government of Suriname for SFM and to host the CLI that will help participants of many countries. Grateful thanks are also extended to both the governments of The Netherlands and the United States of America for their support in the UNFF in general and this CLI preparatory workshop and specifically the upcoming CLI meeting.

Next she highlighted what has been achieved lately and mentioned the NLBI on all types of forests, which was agreed after a difficult negotiation process under the guidance of Mr. Hans Hoogeveen, and basically encompasses everything which the UNFF stands for. The UNFF is the only subsidiary body under the Economic and Social Council under the United Nations with universal membership. It shows the importance of the forests and the need for equal right in voting for all members of the UN.



The UNFF was created in October 2000 but has made important achievements. The NLBI on all types of forests needs to be a commitment of the people who are in the forests. Therefore it is of importance to spread the words of that resolution and reach for SFM.

The UNFF was created in October 2000 but has made important achievements. The NLBI on all types of forests needs to be a commitment of the people who are in the forests. Therefore it is of importance to spread the words of that resolution and reach for SFM.

The objective of the CLI is mainly on financing SFM. The 7th Session of the UNFF also approved a multi-year program of work, valid until 2015, which entails the three principles of sustainability: environmental, economic and social aspects. Next UNFF sessions will therefore have overall themes regarding means of implementation for SFM. Forest financing will be considered at the 8th Session, forests for people, livelihoods and poverty eradication at the 9th Session, and forests and economic development at the 10th session of the UNFF.

During the 8th Session of the UNFF, a decision needs to be taken on the financial aspects of SFM, if it should be either a voluntary global financing mechanism, or a Portfolio Approach or a forest financing framework. The first step towards taking this decision is the CLI in September 2008. Next an expert meeting will be organized in November 2008, with representative experts from each member state, during which the outcomes of the CLI will be taken into account to further discuss the issue. These activities will also contribute to the global objectives of the UNFF to:

- Reverse the loss of forest cover worldwide through SFM, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation;
- Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people;
- Increase significantly the area of sustainable managed forests, including protected forests, and increase the proportion of forest products derived from sustainable managed forests; and
- Reverse the decline in Official Development Assistance (ODA) for SFM and mobilize significantly increased new and additional financial resources from all sources for the implementation of SFM.

I.3 Background, Expected Outcomes, Program, Organization and the Procedures of the Workshop

Mr. Jag Maini (*Adjunct Professor, University of Toronto; Facilitator of the Workshop*)



In his presentation, Mr. Maini introduced the program, context and goals of this workshop. The methodology of the workshop concentrated especially on active engagement of participants through an open, informal setting during the group and plenary discussions. Participants were invited to introduce themselves and share their expectations on this workshop.

Context

There are many developments regarding SFM and financing. Accordingly an International Forest Dialogue has been established at the UN and many other international forums.

Suriname is also focusing on deliberations on forest financial mechanisms in order to finance the sustainable management of their forests. From 8-12 September 2008 a CLI will be held in Paramaribo. This CLI preparatory workshop is held in order to share information on their current developments regarding financing SFM. Presentations of national and international experts and group discussions will help to formulate ideas and actions for the SCS to be showcased at the CLI on Financing for SFM to be held in Suriname.

Goals

The purpose of this workshop is threefold:

1. Get a better understanding of:
 - International and regional processes and actions on forest financing and their relevance for Suriname;
 - Main concepts and elements of forest finance;
 - Experiences of Suriname on forest finance;
 - Main elements and issues for a forest finance strategy for Suriname;
2. To identify concrete inputs for the SCS to be presented at the CLI;
3. To establish a basis for follow-up process towards forest finance strategy for Suriname.

Mr Maini emphasized the open and participatory character of the workshop as an opportunity to share information, experiences and views in an informal manner and to learn from each other.

Expectations

Participants were invited to introduce themselves and to share their expectations on the workshop. The following expectations were mentioned:

- Sharing of experience with different stakeholders;
- Learn how global initiatives and deliberations can be connected to national interests (and vice versa);
- Learn more on forest financing and SFM;
- Learn more about how to link WTO, GATT, UNFF and UNCBD;
- High expectations on international financing versus current accessibility / availability of funding for Suriname;
- How achievements gained by UNCBD are related to UNFF and other international processes;
- Learn more about the performance of international and national (climate) funds;
- Get a better understanding of how existing mechanisms function, and why some are not working well;
- Learn how local communities can benefit better from mechanisms;
- What are the interests of donors in developing international financial mechanisms for Suriname?
- Learn more about challenges – why are some initiatives not functioning smoothly?



2. Session 2 – Setting the International Stage

This session introduced the international stage on forest policy, arrangements on forest finance, and international and regional forest-related processes and initiatives. The relevance of international development for forest finance in Suriname was discussed.

2.1 International Forest Policy Deliberations: Evolving Perspectives and Progress

Mr. Jag Maini (Adjunct Professor, University of Toronto)

In his presentation, Mr. Maini provided information on the global forest discussions and challenges, particularly the shift after the Earth Summit at Rio in 1992.

During the past 12+ years of the intergovernmental forest policy deliberation, nearly 60+ CLI's have been co-sponsored by countries, international organizations and NGOs. Forest is a cross-sectoral issue that is addressed in a wide range of internationally agreed Conventions and instruments, as well as by multilateral organizations. The sovereignty principal, the critical role and contribution of NGO's and the consequences of deforestation and forest degradation contributed to the fact that forests are among the most controversial issues at the Rio Convention.

Deforestation has many negative consequences. By showing factual figures, J. Maini explained four realities of forest endowment in the world: High per capita income and low forest cover (e.g. The Netherlands); high per capita income and high forest cover (e.g. Sweden); low per capita income and low forest cover (e.g. India); low per capita income and high forest cover (e.g. Brazil). Further, he expanded the scale and scope of forests issues: the increasingly complexity of it, and the Cross-Connections between the SFM principles and increasing Geographic Scope of forest issues.

An overview of forest finance deliberations shows that forest finance deliberations developed considerably during the past decade. Pre-Rio deliberations were mostly bilateral, supported by multilateral organizations.

At Rio the inadequate financial, institutional and human capacity were recognized. Consequently, much progress has taken place in forest policy since Rio on many issues including: more effective ODA and accountability; ODA is country and not donor driven; the need for a more sustained support of ODA; and the establishment of an National Forest Program facility at FAO.

Political priorities in the new millennium have evolved and new opportunities are emerging, such as options to match multiple sources of finances to serve divergent needs of both the forest-rich and low forest-cover countries. The political perspectives on forest have also evolved. The pre-mid 1980s governments focused mainly on regulations and forests were managed on sustained yield principle mainly for industrial wood. During early 1990s, the Brundtland Commission and the Earth Summit at Rio, resulted in the notion of SFM emerged and forest were viewed as an ecosystem, providing multiple benefits. From the mid 1990s onwards, the cross-sectoral linkages of forests are receiving increasing recognition and forests are now viewed as an important instrument to attain sustainable development and the MDG. For FFM there is now an increased focus on market instruments. The present political priority is aimed at fostering partnerships between government, civil society and markets to enhance the contribution of forests to human well-being world-wide.

Developing countries neither have the capacity and expertise nor the same priorities as developed countries, since they have a need for investments and development. The developing countries feel constrained in their international trade in forest products by the sustainable development standards that developed countries impose on them. The developing countries would benefit from making trans-boundary and regional agreements to advance their collective needs to seek development assistance to address these issues, and create awareness on accountability for forests and sustainable management of these forests.

A number of CLI's have been organized in order to provide developing countries with information on financial means to support SFM. The non-binding outputs of CLI's are submitted to the UNFF secretariat, as an input to the preparation of the United Nations secretary General's report for consideration by the UNFF member countries.

CLI's have greatly facilitated intergovernmental deliberations on cross-sectoral, complex and politically sensitive forest issues.

2.2 The UNFCCC and REDD

Ms. Henna Uiterloo (Ministry of Labour, Technological Development and Environment)



In her presentation, Ms. Uiterloo introduced the background and activities of the UNFCCC and the envisaged REDD-instrument.

The United Nations Framework Convention on Climate Change (UNFCCC) was created during the 1980s, in order to achieve stabilization of the greenhouse gas concentration in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. The basic principle of the UNFCCC is to reach a balance between finding solutions to tackle climate change and sustainable development, which requires some general and specific commitments. These commitments differ for Annex I and Non-Annex I countries. However, all parties should take precautionary actions to help SFM.

The Kyoto Protocol aims at reducing the effects caused by the emission of greenhouse gasses. Mechanisms such as emissions trading, joint implementation and clean development mechanisms are instruments of Annex I countries to reduce greenhouse gasses. Several national activities have taken place since the establishment of UNFCCC and the Kyoto Protocol, such as the First National Communication, the Climate Change Action Plan, proposed adaptation measures, preparation of the Second National Communication and of an Adaptation Action Plan.

The mechanism REDD is an initiative of the government of Indonesia and presented at the UNFCCC in Bali (2007). REDD aims at preventing the loss of tropical forests through carbon payment incentives that finance SFM and greenhouse gas mitigation in developing countries. Since REDD is a fairly new mechanism, it is still under discussion. Suriname can possibly benefit from REDD as a high forest cover country. However, Suriname lacks information, knowledge and expertise on REDD. Therefore, training and knowledge transfer is needed.

Questions, answers and remarks

I. How can Suriname get involved in trading carbon credits?

Developed countries are trading the carbon credits. Suriname, as a developing country, is not involved in this. A board might be helpful to create structures that are relevant for this trading market. This training workshop will be held coming Wednesday.

2. How can we get more information on REDD?

The REDD platform in The Netherlands is a platform that shares knowledge and important articles and information. It is suggested to establish a REDD platform in Suriname, and enroll on the list of REDD. In that way you get all the information of the REDD platform in The Netherlands.

2.3 An Overview of UNCBD, UNCCD, ITTO

Ms. Kim van Seeters (Ministry of Agriculture, Nature and Food Quality of The Netherlands)

In her presentation, Ms. Van Seeters gave an overview of various international and regional forest-related processes and initiatives, specifically UNCBD, UNCCD and ITTO.

United Nations Convention on Biological Diversity (UNCBD) was established in 1993. Currently it counts 191 member states. The main objectives of UNCBD are conserving the biological diversity, using the components in a sustainable manner and to share fairly and equitably the benefits arising from the exploitation of genetic resources. Together with the Global Environment Facility (GEF) the UNCBD aims “to provide new and additional grants and concession funds to meet the agreed incremental costs of measures to achieve environmental benefits”.



The UNCBD Secretariat is involved in the preparations for pilot and demonstration projects, through collaboration with the members of the Collaborative Partnership on Forests, notably the UNFCCC Secretariat and the World Bank. The UNCBD Secretariat is also further exploring the biodiversity benefits of the REDD mechanisms and other PES. In May 2008 in Bonn, it was agreed that collaboration between UNCBD, UNFCCC and UNCCD should be stimulated and climate aspects should be integrated in the working program. Also, a document was adopted with recommendations to the GEF for 2010-2014.

United Nations Convention to Combat desertification (UNCCD) was adopted in 1994 and currently has 192 member states. UNCCD has as main objective to combat desertification and mitigate the effects of drought through national, regional and sub-regional action programs. It agreed on the global mechanism that focuses on an increasing the effectiveness and efficiency of existing financial mechanisms and to promote actions to mobilize substantial financial sources. They also declared the 17th of June as the World Day to Combat desertification.

International Tropical Timber Organization (ITTO) was founded in 1986, and has a main objective to promote and implement the conservation and wise utilization of tropical forest resources through sustainable management. Since 1987 700 projects, pre-projects and activities have been funded by ITTO, including the establishment of the International Tropical Forest Investment Forum. The ratification of ITTO is still ongoing, but hopefully it will be finished in 2009. The CLI on Financing for SFM is followed with great interest by the ITTO secretariat.

Questions, answers and remarks

1. How do developing countries work with these different mechanisms and is there information available about how many projects have been realized?
2. If developed countries are not able to access these mechanisms and develop projects, how will developing countries manage to get access?

Most innovative mechanisms are still developing and in a pilot phase. Developing countries may benefit from this fact, by helping to create the preconditions of these funds.

2.4 World Bank's Involvement in Forest Financing

Mr. Patrick Verkooijen (World Bank)



In his presentation, Mr. Verkooijen introduced three innovative financial instruments under development at the World Bank, namely, the Forest Investment Fund, the Forest Carbon Partnership Facility and the Global Forest Partnership.

Forest Investment Fund (FIF). In May 2008 in Berlin, the World Bank was given a mandate to establish a FIF-program “by the end of 2008, to mobilize significantly increased funds to reduce deforestation and degradation, and promote improved SFM, leading to emissions reductions and the protection of carbon reservoirs”. The development of the FIF program will be based on a broad and transparent consultative process. That process will take into account country led priorities for the containment of deforestation and degradation, and build upon complementarities between existing forest initiatives.

The World Bank did a survey and mapping exercise to investigate what is needed and what already exists. Suriname can have input by the CLI and input with other key countries/stakeholders in an early phase.

Forest Carbon Partnership Facility (FCPF). The FCPF was launched in Bali and is composed of two funds: the Readiness Fund created for capacity building on a local level, and the Carbon Fund (payments for emission reduction, for carbon) created to establish a carbon finance mechanism. A country needs to be ready to apply for the Carbon Fund. Currently the FCPF received 39 requests for participation and 22 countries provided a proposal. The World Bank can prescribe what countries should do. In October 2006 consultations were started, in July 2008 the first selection of countries will be made, and in September 2008 the first meeting of participants will take place.

Global Forest Partnership (GFP). The GFP has many connections with the different mechanisms and has a broad consultation process on real investment needs.

There are many opportunities, but Suriname needs to have a proactive attitude. They should invest in building capacity, knowledge, the CLI, and they need to be ready in order to access appropriate opportunities for financing.

Questions, answers and remarks

1. These funds are not enough to finance all forests.

These funds are still very small, since it is a pilot program. The trend is that forest funds are rapidly growing. For example, the voluntary carbon market tripled last year. It is now US\$ 6,00 /ton, not a high price but it is increasing. The markets are very young and are developing so quickly that what we say now, will be irrelevant in 30 days. We are now in the process of creating these markets, which means that we can jump in. Suriname might want to concentrate on the carbon storage and get ready for it by dialogue and input and feedback from the international level to explore the possibilities: World Bank, ideas, resources that needs to be explored.

2. Are the three new mechanisms included in the 40 Chapters of Agenda 21?
No, these initiatives are brand new and therefore still under construction. We need to benefit from this, since we are now provided with the information about these mechanisms.
3. What is the Carbon Fund?
The Carbon Fund deals with the compensation for not destroying the forests to ensure the storage of Carbon.
4. If Suriname started to be involved in this Fund, it would only get US\$ 1.8 million. In total I heard some numbers of US\$ 5 billion. Where does that money go? What lies ahead?
The second Fund is the pilot fund FCPF, based on new methods (pilot program). It will not cover the problems in the world, but it is rapidly growing in size, which shows that there is much going on in this sector. It would be really interesting for Suriname to create instruments that the market is looking for.

2.5 Amazon Cooperation and Treaty Organization (ACTO)

Mr. Carlos Aragon (ACTO)

Mr. Aragon gave a presentation on ACTO, an organization aiming at the promotion of joint actions among the Amazon Countries towards the harmonious development of the Amazon Basin. The Amazon Cooperation Treaty is signed by Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela.



The ACTO Secretariat is acting as a catalyst and promoter of efforts throughout the region, including the promotion of the sustainable use of biodiversity. One of the main roles of ACTO is to work as a mechanism of coordination and cooperation among the countries of the basin for themes of regional interest. There are many forest related initiatives brought up by the ACTO, including policy and law enforcement initiatives, global and regional dialogues on forests, criteria and indicators for SFM, financing and programs towards bio trade, protected areas and sustainable tourism. Suriname, however, is not participating very actively in any of these activities.

The ACTO initiative on forest law enforcement aims at knowledge sharing, regional discussions and inter-sectoral dialogue to establish relevant issues for a regional agenda, and has several pilot projects on forest dialogues, community based logging and better understanding of forest law application constraints. Next a forest cover monitoring was carried out, including training courses and exchange of knowledge regarding available technology among ACTO members. Furthermore, it is meant as a preparation for a regional Project for the institutionalization of national forest cover systems with a regional approach. The Puembo Initiative aims at regional dialogue on SFM and is supported by several

international organizations and institutes. The outputs are a list of common interest priorities for discussion and for the development of a regional agenda, production of inputs for a regional (Latin America and the Caribbean) policy dialogue at Forestry Commission, and consolidation of a community of practices for SFM among all the participants. ACTO is furthermore collaborating with a broad range of organizations and institutions of which many have a global reach.

Questions, answers and remarks

1. The UNFF and ACTO have a strong and positive cooperation.
2. ACTO tries to improve their activities continually and is currently translating all documents in Dutch to limit language problems between ACTO and Suriname. Communication has the attention of ACTO and will improve in future.
3. Is ACTO in the position to develop an independent regional financial mechanism?
A few years ago there was no funding mechanism, but national financing mechanisms have been established, of which a part was under Economic Commission for Latin America and the Caribbean. The reason for being here is to explore possibilities, as they want a project proposal to continue their activities. There was an effort for establishing a regional fund, but it is important to receive agreement of Suriname and the other members on this. ACTO will be available to assist in this development, but political mandate of the member countries is necessary.

2.6 Forest Certification

Mr. Dominiek Plouvier (Regional Representative WWF Guianas)



Mr. Plouvier gave a presentation on forest certification as a tool for SFM, and referred especially to the situation in Suriname.

Deforestation and forest degradation is a global problem and to respond to that issue a certification mechanism was developed in the early nineties. Certification is a market-based mechanism to combat deforestation that initially focused on especially the tropics. One of the best-known certification organizations is the Forest Stewardship Council (FSC), although there are plenty of other schemes. FSC is set up with three chambers responding to the economic, social and environmental aspects of the forests. FSC set 10 principles for responsible forest management and accredits independent certifiers to audit the forest companies. FSC furthermore sets the rules for the evaluation of the Chain of Custody and controls the use of its logo. Certification regards both forest management (administration and performance in practice) and the chain of custody, which is controlled annually.

The chain of custody needs to be controlled to secure that timber sold with the FSC logo originates from a FSC certified forest management unit. It means that all chains from the forest to the final trader or shop need to be certified. Today the majority of certified forests is in the northern region of the world. Just a very small amount is located in the tropics. One of the main reasons is the complications of processes in the management of tropical forest. Certification, therefore, should be considered as a tool, but does not need to be over exaggerated. It is not a tool against deforestation, but a tool towards more responsible forest management. Most timber is still going to markets that are not sensitive for certified timber.

To some extent it had some influence in several countries, but that is partly the result of policy reforms. In practice the benefits do not always reach the investors for certification. It is thus a limited tool, but has to be supported by the governments. In Suriname the log production is very low, consequently the exportation of timber (to The Netherlands, United Kingdom and to a certain degree the USA) is also very low. Few concessionaires are interested in FSC, as the majority produces for the local market. But last week the first Surinamese company received the FSC certificate: Suma Lumber. This is a major milestone in Suriname for FSC that hopefully will be followed by other examples. The current challenge is to receive green premium for the certified timber.

Questions, answers and remarks

1. Tree planting after forest exploitation is generally not demanded, as sufficient stock of middle sized species remains available in the forest to guarantee a stock for the next 30 years.
2. Suriname does not have nationally adopted criteria and indicators, therefore regional criteria are applied.
3. The Suma Lumber case is interesting, as 60,000 ha are certified, which cost the company between US\$ 20 and 30,000.00 to upgrade their forest management. The major costs are on changing their forest management from simple logging to planned logging (inventories and reduced impact logging (RIL)). It is however an ongoing process (employees still need to be trained) and WWF is willing to support them.
4. The Bolivia case shows that the legal governance institutional framework is important, as it reduces costs. Does Suriname have a movement to improve the legal framework and governance?
Suriname has good forest legislation, although more participatory forest policy development is necessary. The government does also have too little means to control the forestry activities. There is little movement to private certification, although the government has never been quite opposed to independent certification. If there are more examples of private company certification, this might stimulate the government. The independent certification can help as there is still a lot of room to improve. The Suma Lumber case is now a concrete example.
5. In Suriname it is not the government but the private sector that is making the footprints in the forests. But both the government and the private sector have a policy on forests (National Forest Policy, and Private Sector Strategic Action Plan), which are in coherence, and both adopt SFM and certification as bench marks.

2.7 Towards a New International Arrangement of Forest Finance: The Portfolio Approach

Mr. Michael Jenkins (Forest Trends)

Mr. Jenkins presented a study that was undertaken for ProFor in support of the UNFF to help deliberations on a new forest financing strategy. It is currently known as the Portfolio Approach. He shared also some thoughts about how this relates to issues faced in Suriname and other countries that might be helpful in the process currently started in Suriname.

He recaptured the changes described by Mr. Jag Maini from the timber exploitation in the mid eighties towards the



actual focus on forests providing a very wide range of benefits to society as well as the complexity in relationships and partnerships that we need to build. This development intensified the pressure on the forests. Nowadays, for instance, all attention is on climate change, and currently the energy and food price increases, that all are urgent issues, but also intensify the pressure on forests. We need to take actions on forests to arrange such issues in a proper way for future generations. The aim of the paper was to update the current state of forest financing mechanisms, and to highlight trends and emerging options likely to significantly influence forest sector finance. The most important underlying challenge is the inadequacy of financial support needed to deal with these issues on a global scale. That was the driver behind developing the above mentioned paper. It moreover focused on practical issues, discussing both existing “traditional” sources of funds and potential innovative approaches and mechanisms. That analysis provided the basis for this strategy on the Portfolio Approach.

In the past there was a great hope for forest certification, but we now realize that it is a wonderful tool, but we were not able to make it profitable for forest landowners. Therefore other possibilities need to be searched. The majority and most interesting sources of payments are now coming from an unusual source: the private sector and the payments for ecosystem services (PES). That is a conceptual breakthrough, a fundamental shift: by making a link between forests and clean air and water, we can create structures by which payments can come back to forests through the provision of services to the society. Actually certification was one of the first payments for ecosystem services.

There are four types of payments for ecosystem services:

- Self-organized private deals (private entities pay for private services);
- Public payments to private land and forest owners (public agency pays for service);
- ‘Cap and Trade’ - trading of environmental credits under a cap or floor (Landowners either comply directly with regulations, or buy compliance credits);
- Eco-labeling of agricultural and tree products (consumers prefer certified sustainable supplies).

The largest of these markets are a range of carbon markets, of which the largest are the regulated markets: European Trading Scheme, CDM, and Joint Implementation markets. Some expect that these will become the largest markets in the world. Even more interesting markets include several voluntary carbon markets. Actions are taking place here now, and they can serve as a catalyst, in which the United States is playing an important role. Forestry will be a big player in that, and therefore it is anticipated that the situation will change enormously. These markets are very young, but are growing dramatically, likely being a billion dollar market next year. In the CDM market there is just one forestry project today, representing less than 1% of that market, while the role of forests in emission reduction is estimated at more than 20%. At the voluntary markets the major challenge is the confidence in the product, because it is not regulated. How do we know that we have real emission reduction? But the infrastructure at voluntary markets is in developing, including registries and certification. We can influence it now and a strategic way is developing standards.

About a fifth of carbon emissions is coming out of forests, and therefore forests should be one of four key elements of global climate change mitigation strategy. Forests are a very cost effective way of reducing emissions. REDD has also co-benefits: biodiversity, water and (perhaps) equity. REDD is however a very complex system with many challenges. Baselines are difficult due to future uncertainty, ex-post payments but up-front costs, national strategy is vital due to leakage, equity concerns and deforestation is highest where governance is worst.

We need to think how to respond to that, and it is expected that we will have serious discussions in the near future on carbon storage. The water quality and quantity markets will be more important than carbon markets. They are a tool to shift to other markets. Water is an interesting issue in Suriname as it is resource of abundance: take account of that. The demand for clean water is increasing rapidly and investment in watershed management is cheaper than treatment or obtaining new water supplies. Payments of upstream watershed protection are already taking place in several countries.

Another type of PES is biodiversity and landscape. A complicated asset or value, but biodiversity offsets are growing fast, both regulatory (mainly industrialized countries) and voluntary. The mining companies can function as pilot projects regarding biodiversity offsets. Eco-tourism is also an important segment. Other emerging instruments are community-company partnerships. We need mechanisms to involve everybody who can be a part of the solution. Creating a new range of companies implementing SFM, producing vital timber that the world needs. There is a need to tackle policy, market and governance failures, e.g. illegal logging, weak property rights and weak compliance. These cause high opportunity costs so SFM cannot compete with alternative land uses. The challenge is forest finance together with incentives. The challenge of REDD is furthermore the need of multiple financing and partnerships. Can we combine mitigation with adaptation? Besides, we also have to address global food and energy needs.

The logic behind the Portfolio Approach is the need to address multiple forest types, uses and interests and overcome the 'opportunity cost' problem of SFM. This needs a more integrated approach to SFM combining financial, legal, policy and governance measures and partnerships. For example: catalyzing improved donor collaboration, leverage of private sector investment, shaping forest/carbon markets, strengthening governance, addressing the forest-poverty interaction, catalyzing new PES markets for forests and supporting transparent information platforms. Several types of investors need to get involved: private sector, ODA and philanthropy organizations.

SFM and conservation face big challenges requiring action on several fronts, e.g. PES/REDD need up-front financing, better governance, property rights, lower transaction costs for communities, legal and institutional reforms and support services. Therefore we need a combination of financing mechanisms and governance, legal and institutional actions. The Portfolio Approach allows a more holistic response to problems, and gives a better chance of win-win (environment and poverty) outcomes. With the changing landscape for forest finance, the need for multiple financial mechanisms is greater. REDD provides ideal opportunity for the Portfolio Approach in tropical forest countries and an International Financing Mechanism could support the national Portfolio Approach.

Questions, answers and remarks

1. The payments for watershed services can be both domestic and international. Good examples can be found in Costa Rica with property rights and mechanisms for compensation. Most examples are domestic, though it can be cross-borders.
2. How will the portfolio look like for Suriname? Historically Suriname has always been dependent on overseas development assistance. It is now changing towards private sector investment, but therefore good governance is needed and landowners need to have rights on lands.
3. As Suriname is a highly forested country with low deforestation it is hard to get anything from REDD. It is better to look at the second 'D'. Most impact on forests in Suriname

comes from gold mining (especially the thousands of non-registered companies), which is a regional issue. There is a need for in-depth discussion on this issue.

4. It is anticipated that next year we will be talking about carbon storage, at that time Suriname will have a legitimate case to pursue.
5. CDM is not working as a perfect instrument, REDD may also not be perfect. A mix of approaches is necessary: a Portfolio Approach. We will need a wide range of instruments. No single mechanism is a solution.
6. It is important that Suriname participates actively, shares concerns and seeks collective opportunities with other ACTO member countries.
7. Is there a possibility for ACTO that this issue will be approved in short time?
Negotiations on REDD will be held next month (July 2008) in Peru. But each country should have its own national decision making process.

3. Session 3 – Sharing the National Experience

During this session, the national experience was investigated by the presentation of the SCS, a comparative analysis and national experiences from Latin America. Session three was concluded with a group discussion.

3.1 Suriname Case Study

Ms. Sheila Bhairo-Marhé and Mr. Winston Caldeira (Consultants)

Ms. Bhairo-Marhé from AP&G Consultancy and Mr. Caldeira from CANAWAPIBO Development presented the SCS in which they mainly presented a rapid assessment of existing financial mechanisms for SFM in Suriname.



Suriname has a land surface area of 16.4 million ha, a population of 518,000 and a forest coverage of 14.8 million ha (91%). Of the forested land 15% is already issued for commercial forest exploitation, 14% is for eventual issuance of timber logging concessions, 16% is established as protected areas (incl. MUMAs, nature reserves, nature parks) and 55% is reserve forest with no special allocation. SFM however only counts for 2% of national GDP. There is quite a lot of legislation in place (e.g. Forest Management Act, Nature Conservation Law, Game Law and a Draft Environmental Act) and several policy documents have been developed (National Forest Policy 2003, draft Interim Strategic Action Plan for the Forest Sector - under discussion -, National Biodiversity Strategy and a National Forest Financing Strategy is being developed). Quite an amount of stakeholders are identified, ranging from governmental institutions, private sector, tribal Indigenous and Maroon communities, research institutions, environmental NGOs and others. Regarding the enabling environment it is mentioned that the government of Suriname owns more than 99% of all forest lands. The institutional capacity of the government however needs improvement; there is a lack of capacity for cross-sectoral project formulation and execution. The concession policy aims at concessions for logging, community cutting license (HKV) and community forests. The investment climate is quite poor, company owners do need a special industry licenses, there are non-tariff barriers, tariff barriers, legislation has to be improved and local and foreign banks loans are unattractive.

Current financial sources are firstly, formal sources: public sources, ODA (bilateral, multilateral), international payments for goods and services, commercial loans and equity capital. Secondly, there is a huge source in the informal sphere: private lending and donations from abroad. Payments for goods mainly exist for timber and timber products, and in addition NTFPs and operators. Sources do come from loans, micro-saving, micro-credit, household savings, grants from NGOs and public-private (bilateral aid). Some potential sources are markets for sustainable harvested NTFPs, direct investment by non-local investors and green funds. Adequate development policy on NTFP's does not exist and its trade occurs in the informal market, except for wildlife. Furthermore the financial contribution of NTFP's to economy is unknown. The major forest services for which no payments are made are hydrological services, including provision of water and aesthetic beauty and landscape enrichment at national level, and maintenance of biodiversity and climate regulation services through carbon stock protection or carbon sequestration at international level. Sources and instruments for forest services include public funding, GEF grants, bilateral and multilateral aid (grants) and philanthropic aid (grants). There is a potential for compensatory payments at

private levels, venture capital, green funds and (voluntary) markets for forest services. Suriname, however, does not have a policy on the trade in forest services. For watershed no payments exist and regarding climate regulation no carbon trade is in place. An endowment fund exists (Suriname Conservation Foundation (SCF)) for maintenance of biodiversity and there is a bio-prospecting initiative. Furthermore, landscape beauty is a potential market for nature tourism.

Financial sources need to be listed, prioritized and studied and sources are to be allocated per category, with financing modalities: who finances what and how? Next it should all be integrated and implemented, which is not a simple task. A special mechanism needed is a National Fund for SFM. Financing needs can be clustered in three areas (with rough estimated need):

1. Support services and public infrastructure (US\$ 120-200 million);
2. Protected area management (US\$ 50-100 million);
3. Sustainable forest production (US\$ 300-500 million).

Potential sources include:

1. Government budget allocations from taxes, user fees, PES, grants, soft loans, commercial loans;
2. ODA: indirectly through the government, or directly to NGOs, CBOs and private investors (certification);
3. Private domestic savings: from communities and financial institutions (banks, capital market, equity capital);
4. Private external savings: financial institutions (banks, Monetary Financial Institutes, direct foreign investment);
5. Other: direct from rich private to poor private.

Questions, answers and remarks

1. Shifting cultivation is a crucial system for the interior and should be incorporated; although current shifting cultivation practices are not always sustainable, they can and need to be developed towards sustainable practices. This process needs a paradigm shift as food security for local communities in the interior needs to be secured and some forested areas have to be offered for their agricultural activities, although agricultural practices need to be sustainable. Furthermore the Government of Suriname clearly stated that some forest areas would be sacrificed for e.g. hydropower constructions and oil palm plantations.
2. HKV (Houtkapvergunning) is, in many cases, far from community forestry; HKV is more linked to the captain and his family.
3. CELOS has several projects on agroforestry practices and NTFP use in the interior.
4. Calculations on forest products and services are hard to make (except for timber), as hardly any numbers are available, non-timber goods are moreover not transparent.
5. Concession area fees have to be increased, stumpage fees decreased; this will result in better utilization of concessions, current sleeping concessions do give too little revenues.
6. Abandoned area in coastal areas needs to be re-used for agriculture or reforestation (carbon market – CDM)

7. The consultant team did not investigate the number of experts needed, but probably Suriname will not be able to do it alone and may need people from outside. Awareness should have the attention to reach commitment at public and private sector and NGOs.
8. There are also other innovative models. NGO managing the protected areas (instead of the government), or examples of gold mining companies as partners in management. Look at and participate in experiences in the region to learn from them, seek for a broader view.
9. It is important to give attention to mangrove forests.
10. The FAO and the Center for International Forest Research (CIFOR, located in Indonesia) will have plenty of publications on community forestry; Suriname might learn from those experiences, e.g. protection mangrove areas in Malaysia.
11. Is there a national poverty alleviation strategy in which forestry activities can be mainstreamed?
There is a Multi-annual Development Plan, but the forest sector is not mainstreamed in this plan. It is a challenge for Suriname to mainstream the total environmental sector in its development plan.
12. The poorest people of Suriname live in and around the forest. We have forgotten those people. It results in the influx of foreigners with destructive technologies (small scale gold mining). We should address the poverty issue in order to reach SFM.

3.2 National Experiences: a Comparative Analysis

Mr. Michael Richards (*Forest Trends*)

Mr. Richards gave a presentation on complementing the Portfolio Approach and several projects funded by the UNFF to support the development of a Portfolio Approach.

The Portfolio Approach is based on the recognition that SFM (including conservation) requires complementary financial mechanisms – at least five main types – as well as good governance, secure property rights, enabling policy and legal basis, partnerships and information. The Portfolio will therefore be a mix of national and international activities and instruments and will involve different elements in different national settings.



Components of the Portfolio Approach that needs to be assessed are e.g. the legal and regulatory basis, tenure and property rights, support REDD readiness, forest governance, small and medium forest enterprises, catalyzing other PES markets, donor collaboration, industrial forest sector and private sector flows. Case-study countries with varying characteristics are selected (Peru, Uganda, Tanzania and a country in Asia) for mapping/visioning and SWOT analysis on key portfolio components with multiple stakeholder key informants. Key issues are regarding the selection of key portfolio components, current state of each component, and a road map for implementing the Portfolio Approach.

Next Forest Trends is undertaking several other activities under the legal and regulatory analysis regarding PES, establishing a PES ‘incubator’ (helping communities to access PES markets), and developing impact assessment methods for PES projects. The legal and governance study investigates constraints to PES development in Colombia and Brazil. Next an

assessment is being implemented on property rights, contracts, negotiation process, compliance and enforcement issues, dispute resolution and public participation (transparency, accountability). It will result in country reports and a Katoomba Group 'Getting Started' manual for governments to address legal gaps and opportunities in PES. The Tropical America Katoomba Group investigated possibilities for community based PES projects and develops mechanisms. A model will be documented and support is delivered by UNFF for the country level. Multiple benefit projects are becoming popular despite the fact that these projects are poorly monitored on a systematic base. There are certification standards coming in, but there is a lack of clear guidance. UNFF is working in this key gap, including methods and indicators.

Questions, answers and remarks

1. Are there examples of successful community forestry projects on carbon business, with direct and indirect benefits for the communities?
Yes, there are well documented case studies. Less in financial payment, but more in social and human development. Communities are going through a strengthening process by developing better negotiation skills (on property rights, land rights, negotiating with other stakeholders). It has a broad set of benefits that have a positive effect on the whole community. Not all projects have been successful as it is institutionally and technologically a quite difficult system, that is why pilots need a lot of support.
2. Regarding the components of the portfolio: many issues are integrated, how are you going to solve that?
That is not implemented yet, but it is indeed integrated and they have to look for the synthesis of these components. Governance for instance is in everything and is difficult to separate.

3.3 National Experiences from Latin America

Mr. Carlos Aragon (ACTO)

Mr. Aragon gave a presentation on financing experiences in Latin America.

The regional-led initiative regarding financing is prepared through a variety of activities (meetings, studies and programs), with a wide range of international partners that contributed to this process. The conceptual framework of H. Savenije and K. Van Dijk was recaptured, stressing the importance of considering the investments, payments and enabling conditions for SFM in an integrated way.

Investment constraints in Latin America have to do with investment risks, attractiveness and opportunity costs, restricted financial value for forest goods and services, "business as usual" oriented investments and scale of the investments. Payments constraints consists of lack of market prices for relevant forest goods and services, dependency on international cooperation, restricted local funding from governments, PES schemes that are only implemented at a pilot scale and the highly efficient and low cost management structures needed for effective PES. Regarding the enabling conditions (investment and payments climate) it is concluded that unstable functioning of political, legal and institutional frameworks constrain forest governance and deteriorate the sector image. Furthermore the complexity and ambiguity of laws and statutory acts have strong impact in operations, the stability of the patterns of ownership has to be secured, financing mechanisms need to be embedded in larger and reliable policies and institutional frameworks, and the (international) economic and financing environment impacts forest related activities. Opportunities for financing mechanisms are the integrated approach (portfolio) including global solutions, local solutions could be

designed with regional approach and the non-public sector needs to be involved to develop innovative initiatives.

ACTO is a good opportunity to support Suriname in the improvement of the forest related regulation framework, knowledge management (sharing lessons from other countries), national and regional policy dialogue, and training.

Questions, answers and remarks

1. There is a real disconnect between the political discussion and what countries are doing. Countries are really interested in establishing PES systems. But how can we bring together the practical and political part?
Information is a limitation in dialogues. ACTO tries to consolidate knowledge to guide discussions. The mandate of ACTO is to share experiences and deliver information.
2. Money is not always the problem. In order to solve the real problem we need to solve the other constraints. Constraints can be aspects of the enabling environment, like markets that are not functioning. ACTO tries to bring in such knowledge to countries.
3. Information of countries is available on the FAO website, including lots of studies. There was a whole regional program to collect information on financing. Its main function was to enhance communication and coordination between these countries. This process has contributed to the convergence of work and developing a common agenda. On that basis country analyses have been developed, setting the agenda for joint work in de several sub regions of Latin America.

3.4 Plenary Discussion on National Experiences

General introductory question of the facilitators: What are the most important issues in today's presentation for possible development and application in forest financing in Suriname?

1. Forest today gets much attention because of climate issues. Worldwide it is recognized that forests need to be protected. But there are different approaches to protect the forest landscape: forest sector is important to earn financing, and possible innovative mechanisms are an issue, but what works elsewhere might not work in Suriname. If you look at demand and supply we will need the forest. The national situation of forest is that 99% of forest is owned by the government. But we need to consider that there should be one company group as supplier of ecosystem services, and there should be a clear buyer of the services. A solution is to create a supplier: putting in an environmental tax for mining (and other) companies and then all incomes can be used for further work on the issues. But local people in the interior need their land rights, and they also need PES.
2. In Suriname we might be quite far away from national systems for PES, global environmental services seem more promising. At the national level we need to do some preparatory work: forming alliances, environmental mapping and assessment of carbon potential and carbon values.
3. We should be cautious, e.g. with projects regarding afforestation and reforestation. The additionality and leakage are very important. The mandatory and voluntary market might be an opportunity for Suriname (reforestation in combination with conservation). But once you have protected an area: why pay for it? Position of leverage becomes weaker. So we need lots of discussion to determine what we are going to do.
4. Iwokrama is an example of a multiple use management system (botanical, timber, eco-tourism). An investment company of the United Kingdom has invested in the Iwokrama park and they think that in ten years they will earn money from their investment.

-
5. First we need to develop a national strategy on forest resource use, and maybe next a national forest financing strategy. There are a lot of ideas in Suriname, but we have a limited number of critical mass of people, always the same people are doing the job. This national strategy is crucial and we just need to figure a limited number of actions. The danger is that we have too many issues with scattered results and as a result in-depth work is lacking.
 6. A common constraint is that at institutional level organizations, departments and governments do not easily cooperate. There is a need to develop an interdepartmental committee to facilitate coordination.
 7. Suriname hardly utilizes its forest for production of timber, and we have to be very careful to make decisions. There is a forest policy and currently a strategy is in preparation, taking into account the developments in the world. One of the actions that should have attention is the interdepartmental cooperation (as already mentioned before). Next a forest fund needs to be established for the implementation of forest policy (planned actions). Suriname will need US\$ 60 million to enhance the forest sector. Take into account the forest production in the development of financial mechanisms and do not only concentrate on conservation and PES.
 8. Attracting financing for forest through environmental services is today's a big challenge. There are so many opportunities to derive extra income from proper forest management (e.g. improving forest health and carbon sequestration). There is however no reason to be afraid that logging will stop. The issue however is how to do it in a sustainable way.
 9. Carbon trade needs an infrastructure: establish a board on environmental aspects of forest and prove to the world that Suriname can do a good job. Look also at the retail market, not only at the voluntary/mandatory market. For propaganda purposes many commercial companies undertake efforts to finance environmental projects. Access these markets because companies put money in these activities. There are possibilities for bilateral agreements to invest in carbon, e.g. in the USA through the *Wallmart*.
 10. Creativity is needed, all issues have just arrived and are new. Carbon is not a threat for traditional logging, it is possible to add a carbon stream to timber. It is in evolution now. The timber model shifts to a natural resources management model. Use of waste wood resulted in carbon credits. Work with a private sector that works with innovative models. This is not about closing the timber industry.
 11. Let us do mapping of the carbon value of the Suriname forest. What are the values you save for the world? FAO has done a global inventory. We can make crude approximations, which is still enough to raise international attention. "It is cutting edge work."
 12. There might be some misunderstandings, but timber concessions are for timber extraction. There is a danger that concessionaires will obtain the money for carbon or PES. Carbon should be linked to social dimension of better livelihood for forest dwellers. Those people have in Suriname a strong voting power, and there is a group of people getting better organized. We should not only look at it as money, but we should also consider the issue of distribution: who is going to get what.
 13. We talk a lot about of PES and community, but we need to have legislation to trickle down the payments. How do we ensure that trickle down effect?
 14. This discussion is excellent, as the Suriname reality, needs and concerns need to be transformed in policy and put forward in the international scene. Therefore Suriname has to find out what those needs, priorities and concerns are. During the CLI in September a strong participation of Suriname is needed and it has to be about what Suriname is doing now.

-
15. We have a timber industry in Suriname, but at present the industry is very weak, with a recovery rate of 60% (for export value timber 35%). We have to upgrade the industry. But there are some great potentials, it is fixable, but somebody has to initiate it. There are opportunities (and examples) to combine the timber industry with a carbon deal in which wastes are used in a bio-gas digester. Such projects have a potential for the carbon market, but one needs to be creative.

The facilitator, Mr. Jag Maini, summarized the issues discussed:

- There are a number of problems: limited capacity, inability to monitor, little knowledge, inefficient utilization of timber;
- There are lots of creative possibilities and opportunities to think about;
- We are not saying 'no timber' but we advocate for SFM and minimizing inefficient use;
- There are other countries with a similar situation. There has been a mutual learning process during last years and now an opportunity is to create alliances with other countries with convergent interests to advance Suriname's strategic interests.





4. Session 4 – Forest Finance in Suriname: Status Quo and Challenges

Session 4 concentrated on the development of a financing strategy for SFM and was moderated by **Mr. Arend Jan van Bodegom** (Wageningen International, The Netherlands) and **Mr. Herman Savenije** (Dutch Ministry of Agriculture, Nature and Food Quality). The session was held in the Dutch language. Information of the former sessions was used to come to the most important actions and strategies for Suriname. Insights and ideas of participants and the international presentations resulted in additional information for the SCS document that will be presented during the CLI. This session is divided in six different parts. First, a conceptual framework was presented, based on the ACTO and other financial mechanism opportunities. Next, the different elements of the framework were discussed separately: i) forest types, functions and stakeholders, ii) forest investments, iii) payments for forest services and goods, and iv) the enabling environment. The main value of this session is knowledge sharing and capacity building through group discussions.



4.1 Session 4a – Visioning a Financing strategy for SFM (Conceptual Model and Required elements)

In this introduction presentation by **Mr. Savenije** a conceptual framework was presented in which relevant elements of forest financing strategy are described.

The starting point of discussions on financial mechanism for SFM is the question how forests can be valued. Financial policy is part of a Forest Management Program. We need to make sustainable management more attractive than any other kind of possible use of the forests. Timber is not the only way of generating money from forests, since there are many other possibilities to gain money from it. The question then is: how can we combine these possibilities in such a way that the forest manager gets income from it? This contains more than the management of credits. There are other financial mechanisms that are in an experimental phase right now. This more integral approach of forests is called the Portfolio Approach. This approach implies a financial framework, which registers joint criteria and the payment of PES, in order to generate money of financial sources to the forests. Suriname has many national and international links to different sources and target groups. These actors should all be addressed differently.

The four strategic financing elements are:

1. Focus is on SFM;
2. Financing should come from investments;
3. The development of payment structures for forest products and services and the enabling environment;
4. The National Forest Program is the broader context of this strategy.

Box I: Some definitions

National Financing strategy

The measures and arrangements that are agreed upon by the relevant actors inside and outside the forestry sector, for the completion of the institutional, political, legal, socio-economical, and financial conditions for the financing of SFM. The strategy records the common criteria and orientations for the acquisition and channeling of (additional) financial means. It identifies, specifies, and makes operational the financial mechanisms that are needed both for the promotion of investments and the payment for goods and services from the ecosystem. The strategy includes all the sources, instruments, and operators from both the public and the private sector on local, national and international level, and it is focused on the situation, needs, and goals of the forest management from the distinguished target groups of forest managers and owners, including the National Forest Program.

Forest sector

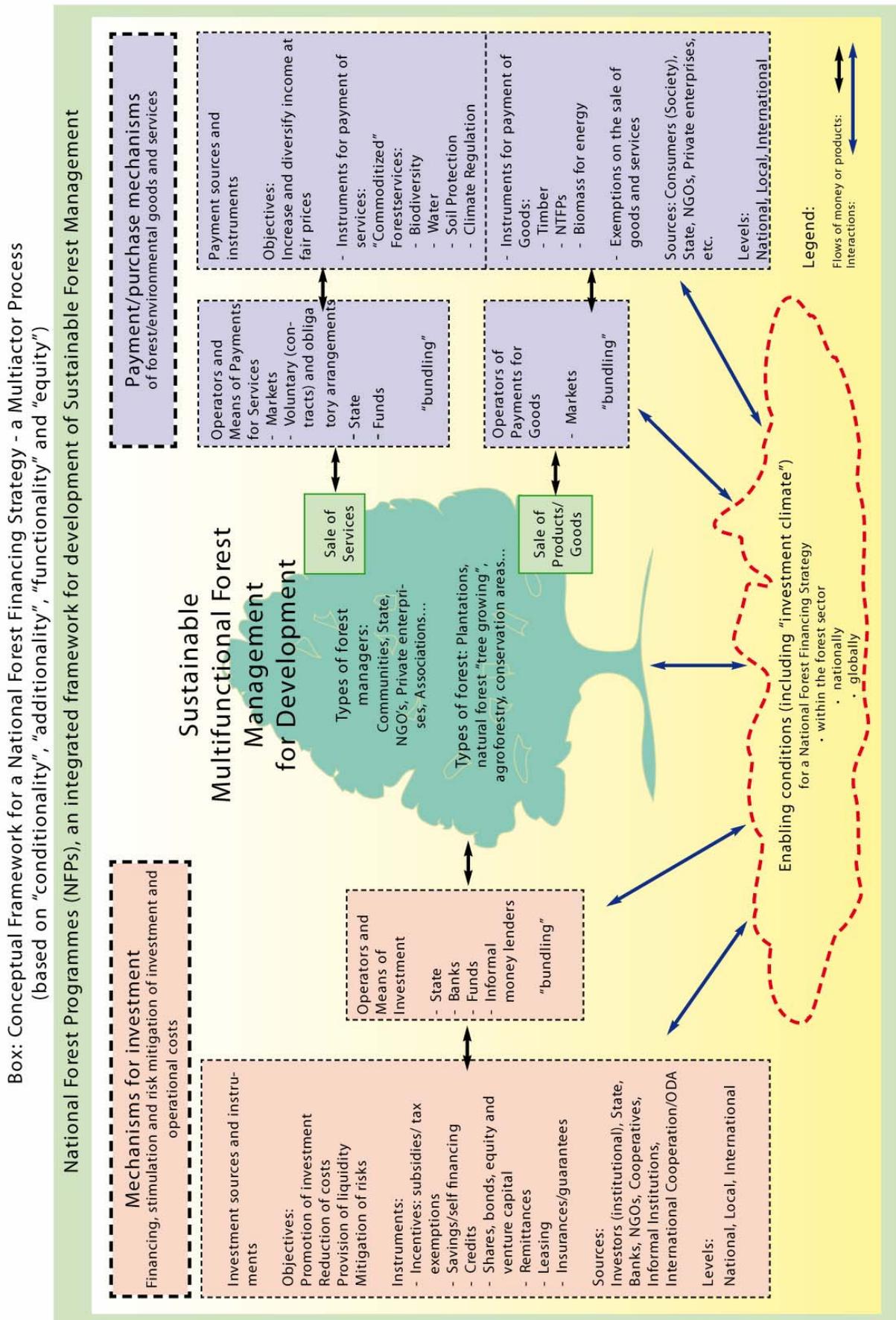
Starting from the multi-functionality of forest and the production of products and services we define the forest sector as: the whole of social, economical, and environmental activities which are executed by different actors – such as the local community, companies, NGO's, and the government – which are related to knowledge development, forest -policy, -protection, -management, and –exploitation, and digestion of forest products and services. This goes beyond the forestry sector, which is the whole of activities and actors in the formal sector that focus on the reproduction and exploitation of timber.

Sustainable forest management (ITTO); responsible forest management; good forest management

A consistent process of the management of forests to achieve one or more clearly specified goals related to the continuing production of the desirable forest goods and services, without assailing the inherent values and the future productivity of the forest, and without bringing any undesirable effects to the physical and social environment.

Sustainable management is responsible, good forest management. This is depending on the location: for example, how Suriname manages the forests in a sustainable way might differ from the management of Brazil.

Figure I: Conceptual Framework for a National Forest Financing Strategy



The conceptual framework on the previous page illustrates the provision of products and services of the forest, which may provide income and financing.

The tree stands for the types of forest and forest managers. The diversity of SFM creates many opportunities for financing. On the left, financing mechanisms for investment are shown. These possibilities for investments are traditional or new. Sustainability needs to be a precondition for these investments. On the right, one may see opportunities on the payment / purchase mechanisms. Timber and NTFPs are products that might be traded on the market. On the left, forest services are shown. The enabling environment mainly determines (see below) how much profit is made from the different functions of the forest. A stable situation is needed to create stable laws, institutions, and future plans. Payments for ecosystem services are a multi-stakeholder responsibility, with specific roles and tasks. Financing strategies are part of The National Forest Program.

Questions, answers and remarks

1. National Forest Management mentions a few starting points. Forests exist of living (fauna, flora and human beings) and lifeless nature (water, minerals). When it does not generate enough income for local people, forests will disappear because local people will use the land for activities such as gold mining. Therefore, the government, the international community and the private sector should be committed to finance forests so forests will be protected.
2. When talking about financing forest management, one should not only focus on investments but also on financing the ongoing operational costs of the government.
3. When talking about financing forest management, we need to take into consideration the (local) people, the element of human wellbeing and livelihood.
4. We need to work on a Suriname position on forests. The enabling factors should be investigated. The presentation of the SCS should be a Suriname presentation, with help of national and international experts. Input from a university level is needed, besides the fact that there are people needed to coordinate the SCS for the CLI.
5. The ministry of foreign affairs has already created a subgroup that has the task to help with the follow-up of this workshop and to coordinate the CLI.
6. Enabling environment requires good and structural deliberation between stakeholders. Since almost one year the Embassy of the Kingdom of The Netherlands provides funds for learning. These funds are still not used since the public and private sectors can not agree on certain issues. There is a need for structural consultation.
7. In The Netherlands there is a structured but informal forest consultation between NGO's, Private sector and Government actors involved in Tropical Forests, the so-called "Bossenoverleg". It is organized by The Netherlands Committee of IUCN and financed by the Government of The Netherlands and it meets every three months, in order to keep each other up to date on tropical forest issues. This model might be an idea for Suriname as well.

4.2 Session 4b – Forest Types, Forest Functions and Stakeholders

Introduction presentation by **Mr. van Bodegom**

Forest types and functions

Forests have different functions. Investments in forests are made to get products or services from the forests. The starting point of every financial mechanism is that when you pay, you get something.

There are four main categories of functions of forests:

1. Production function: food, fruits, timber, NTFP
2. Regulation function: ecological benefits such as climate, livelihood
3. Carrier function: providing an area for recreation, ecotourism
4. Information function: for cultural, spiritual and individual well-being, scientific information, esthetics.

Not all functions of forests have a direct economic or financial value, such as the spiritual function of forests. A whole array of valuation methodologies have been developed to assess and/ or “price” the values of the various tangible and intangible values of the forest, but this workshop is not the place to discuss these.

Stakeholders

Stakeholders are people who have an interest, a concern in the forest. These stakeholders might be global and international, national, regional and local. Suriname stakeholders include for example mining companies and individuals, traditional people living in the forest, government, forest concession holders etc.

By investigating the functions and its value for stakeholders, one may determine what the market value is of the forests.

Exercise

In an exercise, participants were asked to think about the following questions:

- What are the most important forest functions for which stakeholders in Suriname?
- Which forest types do stakeholders in Suriname mostly use?

Participants identified the following list of stakeholders in the forests (national/ international):

1. Farmers and cattle keepers (national/international) - ground
2. Mining (national/international) - ground
3. Communities (national) – products, food, drinking, livelihood - multifunctional
4. Government – general managers function, production (facilitating), protection of the forest, stock function is an option, making it available under conditional tenure
5. Eco-tour operators
6. Wildlife exporters – production
7. Cosmetic industry – production
8. Medical industry (bio-prospecting)
9. Donors / international community
10. Nature lovers
11. Concessionaires

12. Hunters
13. Souvenirs producers (wooden handicraft)
14. Water producers
15. Spirituality seeking people
16. Rally riders
17. Scientific research (university)
18. Electricity producers

Questions, answers and remarks

1. We need to create an index formula to be able to give value to the forests, not in money but in value for different stakeholders. By doing so, we are able to determine (and agree on) the total value of the forests.
2. One function of the forest is the stock function: forests contain hidden things, such as climate regulation etc.
3. Suriname does not have the capacity to investigate the bio-prospecting and traditional knowledge for all forests in Suriname.
4. Management of forests goes hand in hand with the management of landscape. Forests are a part of the entire nature and landscape of Suriname.
5. Competing claims need to be investigated: mining versus drinking water. Some competing claims may be solved, but mostly one needs to take a decision between different stakeholders.

4.3 Session 4c – Financing Investments in Forests

*Financing sources and instruments were introduced in this session by **Mr. van Bodegom**.*



Investments mechanisms are:

- Government credits. These credits do not play an important role in the forest sector, since the credits concentrate mainly on farmers and cattle sector, it does not have a legal system related to forests, it has limited access due to high risk factors, and institutional rigidity.
- Private credits. These credits function for bigger companies and for short term.
- Informal credit systems. These credit systems are hardly investigated and therefore unknown. Pilots of micro credits seem to work well.
- Subsidy. Subsidies are many focused on plantations and bigger companies. Subsidy requires long-term stability of policy and law. International cooperation is not always clear since this system lacks transparency and information.
- Capital market. This market provides many opportunities. For example, to create a group of experts which create and trade stock. However, access for smaller companies is limited. Risks are to be covered by a insurance instrument to create a safe atmosphere for banks to invest in this.

Exercise

In an exercise, participants were asked to think about the following questions:

- What are the most important existing investment mechanisms?

-
- How can investment mechanisms be established?
 - How do mechanism develop? Are there any trends?
 - What are new possibilities?

Questions, answers and remarks

1. Taxes are missing in the list of investment mechanisms. There is a lot at stake with taxes, direct and indirect. For example, taxes on fuel, import and income could contribute to finance investments. Also tax-deductions could play a role in this.
2. Especially informal credits are higher than the formal credits, due to gifts of family outside the country.
3. The income by means for the capital market is not very clear, since there is no registration of it.
4. Investments in the tourism sector are not always investments in the forest. The impact of tourism investments and its benefit for the forest sector is therefore difficult to measure.
5. Informal subsidies are part of investments of government. For example, when a road is paved or a bridge is built, it contributes indirect to a better investment climate.
6. The timber sector is influenced by joint venture investments between small local and bigger foreign companies. This means that timber is traded for equipment.
7. The financial sectors, e.g. Suriname banks are hesitant to invest in forests, due to high risk – low output. Due to the current CBVS law system, the input of banks is marginal. However, banks are interested, and would like to be included in further discussions about this issue.
8. SCF is one of the first national financial mechanisms of investment in this sector and developing fast. The fund now amounts to US\$15 million, with income from investments on and off shore. A paradigm shift is needed in the private, public and financial sector. The banking sector should be involved with certain activities on a structural base. NGO's, assurance and pension funds are getting more concerned with environment. National and international companies are investing in eco-tourism in Suriname.
9. We need to make a distinction between financial sources and financial mechanisms. The forest fund is a mechanism, which gets money from different sources. SCF is a source, and functions as a mechanism. Or maybe it should be integrated in other mechanisms, such as banks (allocations).

4.4 Wrap up Session 4a – 4c

- Conservation is needed, since the forest is vulnerable and sustainability is an essential element. Investment should concentrate on making profit, using the forest as an element of landscape. The ecological complexity is forest, nature and landscape. Sustainability as precondition should be part of policy, role of the government since the government owns the forests.
- We need to search for additional financial mechanisms, next to the ones already existing. We need to investigate why existing mechanisms did not work well enough. There is a lack of capacity to investigate, do research and register projects.
- Are banks hesitant to invest because there is a real risk? Or are the risks mostly perceived risks, but not based on actual facts? A dialogue is needed to explore the real risks and how to minimize risks by dividing it between different stakeholders. Also, banks should include

expertise from the agricultural sector in discussions. It might be an opportunity to appoint NGOs as managers of the forests.

- We need to get finance from the forests; therefore new sources of income of the forests through products and services have to be explored.

4.5 Session 4d – Payments for Forest Goods and Services

Session 4d started with a presentation by Mr. Savenije on different payments for the ecosystem of the forest.

Payments are needed for the forest owners and –managers. The goal of current deliberations is to come up with additional and bundled incomes, next to the existing financial mechanisms. The forests provide products and services. Examples of products are timber, and NTFP, which are mostly not produced in a sustainable way. Ecosystem services include biodiversity, recreation, landscape, livelihood and soil protection. Mostly these services are not paid for and not specifically managed. When talking about financing SFM, one should investigate the investments (input) and the payments (output). Payments for products versus services are different, since apart from the market, certain arrangements need to be made to sustain both. Currently, many deliberations are considering about bundling different payment sources, to be able to finance sustainable management. The principle at stake here is that the consumer and/or the polluter are responsible for payment.

Financial sources and instruments are the government, companies, NGOs and consumers in a local, regional, national and global level. The challenge is how to connect the different users to the different producers (forest owners) – what is needed for this, which mechanisms and preconditions are needed?

Questions that need to be discussed are: Which services have most potential? How can they generate extra income and to whom should this income go? Who is paying for the services and what does one pay for (commensation)? What kind of institutional arrangements are needed and/or possible?

A lot of pilot activities are taking place and many are projects are still developing. Examples include biodiversity, carbon market, ecotourism, and watershed. High expectations are not always met, since the organization and regulation is not yet available. Also, ecosystem services are not easily paid for since consumers do not know what they are paying for. Watershed, carbon and electricity are most visible ecosystem services.

There are several preconditions on a global and regional level one should know of in order to develop a good strategy for Suriname. First of all, a stable governance is needed to create stable laws, institutions, and future plans. PES is a multi-stakeholder responsibility, with specific roles and tasks. Different users have different goals: there is not one solution that fits all problems and challenges. Therefore the strategy needs to be flexible in order to involve all users. The tasks of the government are mainly in the area of awareness, fairness in costs and payments, reduction of risks, assurance of land rights and introduction of environment standards.

Questions, answers and remarks

1. Timber production is low in Suriname, and might be increased from 160.000 m³ (US\$ 3 million) to 500.000 m³ a year.

- There are no figures on NTFP, such as wildlife export, hunting licenses etc. Only the general figures on tourism are known: 1997: US\$43 million, 2003: US\$73 million, which means an increase of 60%. The market should take benefit of this.

Exercise

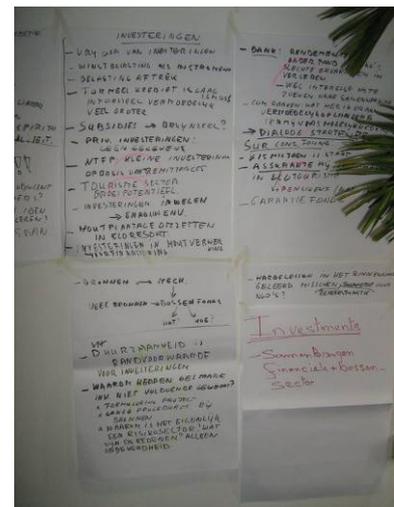
Opportunities need to be investigated. The following five forest goods and services were discussed in group sessions and the results were plenary presented:

a) Watershed services

Watershed protection and management has much potential. When other investments or companies, such as gold mining and bottling, are polluting this water, they should pay for it. However, this might lead to a negative consequence for local people, when prices rise due to an increase in costs. When smaller companies are required to pay more taxes, investments will decrease due to increasing costs. Especially illegal companies should have to pay for harming nature and polluting water. Watershed is also an international concern, therefore international payments should be made. Since using watershed as a financing mechanism is in a starting phase, more experts (economic or environment students for example) are needed to explore the opportunities of watershed. Export of water might also be a good opportunity to get finance for SFM. Taxes are also an option, but it also discourages (smaller) companies to invest in watershed.

b) Tourism sector

The tourism sector has much potential. Tourism creates jobs and income (especially for local people), it might contribute to sustainable management, it creates awareness on the importance of forests, it might contribute to sustaining traditional knowledge and medical/scientific research. The biodiversity of forests plays an important role in this sector, since from a tourist point of view forests are one of the main assets of Suriname. Therefore the forests need protection, also because many places in Suriname are on the world heritage site and have international recognition. Promotion of the forests to tourists is an opportunity to increase this sector, besides an increasing awareness among local people. Together with neighbor countries, or countries who have more experience in tourism, a promotion plan should be made. Suriname should learn from more experienced countries. It should especially promote eco-tourism. Many plans have been made already, but it needs a proactive attitude of Suriname to put the plans into action. It is a challenge to increase this sector in order to get more money for the forests. In order for this sector to grow, access to Suriname should become easier. Also, a mechanism needs to be developed to ensure that tourism money goes to SFM and the sustaining of forests. A negative side effect of tourism is the fact that traveling is increasing the pollution of CO₂. Also, scientific research is a reason for foreigners to come to Suriname. Suriname should take benefit from this.



c) Non-Timber Forest Products (NTFP)

No figures are available on the NTFP, but it has much potential to grow and provide income. There is a need for structural arrangement of the NTFP, including the needs of local people, particularly in the interior. All stakeholders should be included in the discussion about NTFP. The structure of the market already exists, and users are willing to pay when products are valued. Existing mechanisms are useful for this sector. Capacity building should be spread over

the entire chain of production, raw materials and selling. BOSNAS is important. (Stimulation of) decentralization of forest management (e.g. resort level) is important to be able to manage and control the forests in a proper way. This requires good political regulations. Decentralization may take place by the help of two groups: i) protected areas, managed by the government (e.g. STINASU), and ii) local people (communities, districts, devolution), who should be given rights. The NTFP market should be protected against illegal trade when product prices increase.

d) *Carbon Market*

The carbon market is an emerging market, with many ongoing developments. It is an emerging market, and only some very few pilots have started. More study and quantification is needed on this topic. Suriname does not get any financial compensation for its carbon stock. Conserving forests, and therefore decreasing climate change should be rewarded. Suriname has hardly any expertise and knowledge on how this mechanism works, who has access on this mechanism, and what are the available chances and opportunities. Suriname should be proactive in exploring this mechanism. The central government is responsible, also to hire “proven successful expertise”. The government of Suriname is responsible for forests and civilians and they should take care of both. Cooperation with forest-rich countries, similar to Suriname, is also important. E.g. Costa Rica developed an internal carbon market. Also the World Bank is exploring the opportunities of this market. Suriname should be alert, gaining knowledge and keen on jumping in when the mechanism starts. A reference year for measuring the amount of carbon storage, could be 1992 when the Earth Summit was held in Rio.

e) *Timber concessions / exploitation (certification)*

In 2006 an action plan was introduced to increase the production and export of timber. Much literature (rapports, figures etc) on this topic already exists, and a lot has already been analyzed, but hardly any actions have taken place. RIL training about timber and forest to cut trees in a sustainable way without harming the forests is not effective enough, when illegal logging takes place on a much larger level. Investment is needed to monitor the application of existing rules. Export taxes might reduce the competitive power of Suriname.

4.6 Session 4e – The Enabling Environment

This session, introduced by Mr. van Bodegom, included an exercise to determine the characteristics of the existing enabling environment.

The “Enabling environment” is an ideal situation, which is the precondition for creating financing opportunities. What context is needed for the function of financial mechanisms? Examples include the necessity of having a legal framework, international agreements, institutional and policy arrangements, function of market, stability of law, and political willingness. The Suriname government owns 99% of the forests, which implies that the government is responsible for: i) an encouraging, facilitating and stimulating policy on forests, ii) regulation of forests, and iii) implementation of regulations on the forest. Local people should be enabled to maintain their livelihood and to benefit from financing mechanisms on forests.

Exercise and discussion

Participants were invited to identify the key issues to be addressed to develop an enabling environment for forest financing in Suriname. During the discussions the following issues were raised:

-
- A broad definition of forest is important. Forests are part of (the form and nature) of the landscape of Suriname. All communities of local people, who are part of the forests, need to be involved in deliberations on managing it. Also the private sector should be able to benefit from forests.
 - Suriname lacks local, national and international political willingness in some areas. If Suriname decides which road to take, then international institutes, NGO's and the (carbon) market will be more willing to invest and to be involved. It is then moreover easier to access them. Policy is an important element of enabling environment. If policy has other priorities than forests, then forests will not get much attention. E.g. the agriculture sector has subsidies, while the forest sector has nothing. We need to work on prioritizing forests, mainstreaming forests on the political agenda. This requires awareness. Structured deliberations between different groups on a local, private, governmental level are needed to develop stable and structured policy on forests.
 - The SCS makes it possible to lobby collectively with other comparable countries. Together with these countries, Suriname might become much stronger in the international community. The SCS may provide Suriname with an indication which road to take.
 - Investing in infrastructure might help investments in forests.
 - A guaranty fund would help to decrease risks, and makes it more attractive for banks to invest in forests. However, this requires a change of law. Also, according to a research conducted by a newspaper this week, the investment climate in Suriname is not very good. The IDB is a willing partner to cooperate with. Current pilot activities are public hearings, creation of statutes, investigating national and international relations, participation of local funds (volunteer funds). Pension funds and assurance funds are possibly opportunities to expand the guarantee fund.
 - Joint ventures with Suriname companies are hardly impossible, because it takes too much time. We still use a law from 1947! Hopefully the development of the new law will be completed soon.
 - The government gets money from concessions, export rights, polluters of the forests and donors. This money is not enough to finance sustainable management of all forests. The forest fund, which should have been created in 2003, is still not established. This implies that forest policy is not properly implemented and that forests are not sustainably managed.
 - Creating an enabling environment requires, education, financing, awareness, management planning, infrastructure, marketing support, and forest inventories. The proposed Forest Fund should finance these allocations.

4.7 Session 4f – Key Elements for the Suriname Case: Main Conclusions

Session 4f summarized the most important issues for the SCS. Participants mentioned four key elements: stakeholders, promoting the whole of the forest, financial mechanisms and enabling environment in Suriname.

Many financing mechanisms are already inventoried. Some are already working well, while new innovative mechanisms have yet to be explored. How many of these new mechanisms can be used for SFM? Other, potential mechanisms (e.g. REDD, PES, Carbon storage) should be investigated on a more international level. Suriname should be involved in the creation of these mechanisms, to be able to benefit from them. It requires education, expertise, and it needs to be a priority.

Stakeholders

Participants expressed the need to:

1. Identify the different stakeholders, since there might be more than what was thought. Their roles should also be investigated;
2. Identify competing claims of stakeholders;
3. When identified, one should find out if there are any free riders, who use the forest but do not pay for it. These free riders should be addressed, so that they will pay;
4. When identified, the stakeholders should cooperate with each other;
5. Since the government is mentioned as one of the stakeholders, there should be an investigation on the function and role of the government and other stakeholders. Do they have competing claims, and what is their cohesion?

The government should have the lead for encouraging, investigating, stimulating and facilitating forest management and conservation and its financing. Private stakeholders seem to be mostly involved with production and investments. The role of the communities in the forests is mostly the procurement of their livelihoods and maintaining the forest.

Promoting the importance of Forests

Participants proposed the following ideas on promoting the forests to other sectors, in order to find financial sources from those sectors.

1. Create a broad definition of “forest”: also secondary agro-forest and degraded forest;
2. Investigate what the value is of the forest in all its facets, in order to get an insight into which parts of the forests should be protected, and which parts should be given out for investments etc. Also, value is assigned to the forests by putting a price tag on it;
3. Invest in exploring bio-prospecting;
4. Focus on the tourism sector, by investigating and making use of the potential growth of this sector;
5. Increase the use of NTFP's.

Financial mechanisms

Participants proposed the following ideas on financial mechanism or opportunities for SFM.

1. First of all, investigate why former mechanisms do or did not work. Mechanisms that work should be expanded, while a lesson should be learned from mechanisms that are not working;
2. Create guaranty funds. This might need a changing of law, but this opportunity should be investigated. Assurance and pension funds are instruments to encourage investments;
3. Minimize the limited access to existing mechanism by providing information and ask experts for help;
4. Develop preconditions for investments, in order to encourage SFM and to decrease forest damaging by investments;
5. Give out timber concessions. Concrete regulations are needed for this;
6. Cooperate with banks in Suriname. Suriname banks have interest in the forest financing mechanisms development, but are hesitant to invest in the forest sector, due to the past experiences. Banks might become more willing to invest in the forest, when the real and perceived risks are investigated;
7. Put the already existing forest fund into operation;

-
8. Taxes of mining should go to the management and sustaining of nature and forest;
 9. Increase the (sustainable) timber production.

Suriname context

In order for Suriname to take advantage of these opportunities, there is a need for willingness to change and to take on a broader point of view. For example, integrated (multifunctional) nature reserves should be promoted, which means that protection and production could go together. Social and economical goals do not have to exclude each other. Also, Suriname should benefit from experiences in the past while developing new financial mechanisms. Capacity of the private and public sector should increase, perhaps with the help of the Dutch Embassy fund. Suriname should stimulate structural and mandated dialogue and consultation. Also, Suriname should take on a proactive attitude in developing new financial mechanisms. The government of Suriname should invest in infrastructure to provide a positive investment climate for the private sector.





5. Session 5 – Principles, Elements and Steps towards a National Strategy on Forest Financing: Defining the Suriname Case

Session 5 concentrated on the appliance and relevance of the shared information and discussions for the SCS. The consultants of the SCS presented a summary of the most important issues and facts during the workshop. This presentation of the consultants was followed by the presentation of a draft summary report by facilitator Mr. Maini. Ambassador Ewald Limon closed this session with a briefing on the CLI and agenda for the September meeting.

5.1 Presentation Consultants – Forest Finance in Suriname

Ms. Bhairo-Marhé concentrated on the highlights of the discussion during this workshop on forest finance in Suriname.

SFM requires structured, mandated consultations in and between the Private and Public sector. Cooperating between all different stakeholders is needed, to be able to identify competing claims, allocate non-monetary value for all forest areas, define the function of the forests and estimate the monetary value of the forest. Opportunities include investments in the growing potential of the tourism sector, pension funds and assurance companies incorporating environmental issues, establishment of a guarantee fund, and tax to favor SFM.

Group discussion were summarized:

- Timber market: start to perform existing documents;
- Watershed: potential market, explore payments from mining and bottling companies;
- NTFP: need for structuring, income for communities;
- Tourism: needs further development, create mechanism on SFM to conservation forests;
- Carbon market: needs more information and studies, develop and attract expertise;
- An important additional topic is bio-prospecting, since it has great potential, but it needs a legal framework.

During this workshop different financial mechanism were introduced. There is a need to analyze strengths and weaknesses of the mechanisms, and make some recommendations on which financial mechanisms might be useful for the Financing SFM in Suriname.

The enabling environment requires a proactive attitude of Suriname, by education, communicating, willingness to change and political willingness. The role of the government was summarized as creating opportunities, facilitating, provide stable legal systems and perform a proactive role towards new mechanisms.

The consultants' document on the SCS will not be a document for shopping at the international market. It only contains an analysis of the different mechanisms, and recommendations for further action.

5.2 Presentation of “Aide Mémoire”



Mr. Maini presented an “Aide Mémoire” in which he summarized the main topics discussed and main issues raised during the workshop. Several remarks made by the participants (see below) greatly helped to refine the “Aide Mémoire”. The executive summary of this report presents the issues of his presentation, in which the remarks and questions of participants are added.

Questions, answers and remarks

1. Communities that do not have access to banks, could use their land rights as collateral.
2. The social and cultural impact of the forests through bio-prospecting should be investigated.
3. Not all stakeholders are participating in the workshop. We discussed a lot of things, but it is important that the political willingness is there. There are other developments than the traditional, old developments that are already known. We need to make politicians and stakeholders aware of these new developments. The financial flow we are talking about might not be enough to stop the planned investments in gold mining. We have already signed contracts, in the traditional way of developing the country. We have think about making use of the forest on a nontraditional way. If we state that tourism, watershed etc. are other opportunities, this will have an impact on international and national policies. We need to look different at the traditional way of doing business.
4. The non-traditional approach is indeed very interesting. Suriname’s greatest strengths are high diversity in nature and culture. If we take forests only as forests, as a traditional, commercial trading good, we will make the same mistake as other countries have done before. We have to look more holistic to the forest, instead of only commercial, since it also involves culture and people. Also, we need to consider the fact that there are not only stakeholders, but also right holders. Suriname has already experienced legal claims on land, which is creating a time bomb. Thirdly, who should get payment: the people on the ground, living in the forest, or the government, because she should manage the forests, or the logging companies who lose an opportunity?
5. Many stakeholders are not related to each other. Especially, we have to take into account the people in the interior (Indigenous and Maroon communities) which have no or difficult access to financial mechanisms. There is informal financing, such as trading, producing, relations with local population. This is mostly the only finance they get. Is there an idea how this functions, and what is the scope of this financing for these people? How can these people be reached and involved in these financial discussions? How can they profit from it?
6. We have a foundation for these people, which puts much money into the forests area, with a focus on NGO’s and local people. It also provides money for heath care and education. Other finance mechanisms are the National Development Banks, which help after flooding e.g. and informal funds from The Netherlands.
7. We should learn from different international experiences in the timber sector, and what they do about SFM. The Government of Suriname mostly facilitates international companies. Small companies have to pay extra training, personal, and extra taxes which makes it almost impossible for them to make profit. The government should also help to facilitate small companies, while they can also work in a sustainable way.

8. Mechanism for PES should be helped by international organizations and countries who have more experiences with these financing mechanisms. REDD is not the best mechanism for Suriname, the carbon market may be better. Therefore we need more information to get more out of the Carbon stock market, we need international experience such as provided during this workshop.
9. Since the Government of Suriname decides which funds they accept, there is no money attached to NLBI. They take into consideration the financial mechanisms, among which the Portfolio Approach.
10. Companies and associations involved in mining and bottling might have commitments in their statutes about sustaining the environment. It might be worth it to track these commitments to gain money from it. (Note from Editors: The International Council on Mining and Metals has a statement that includes a principle explicitly dealing with biodiversity. The Mining Association of Canada has a similar statement. See Chapter 7 for websites references.)

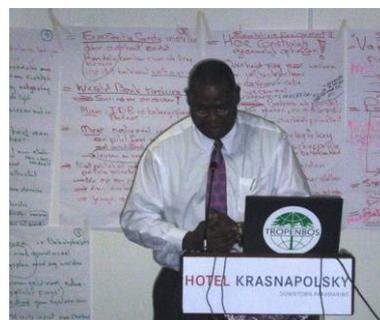
5.3 Synthesis of the Workshop

Based on the presentations and discussions in session 5, complemented with the mayor outcomes of the previous sessions a brief synthesis report of the workshop was prepared, which was distributed to the participants as an “Aide Mémoire” of the workshop. This synthesis is included in the Executive Summary of the present proceedings.

5.4 The CLI and the Agenda for the September Meeting

Ambassador Ewald Limon (Chair of CLI Presidential Task Force)

Many presentations during this CLI preparatory workshop have touched upon various aspects of the CLI on Financing Mechanisms for SFM. I will focus my presentation on: the context of the Suriname CLI; the objective of the CLI; some relevant aspects of the CLI Meeting, and the Draft Agenda of the CLI.



The Context of the Suriname CLI

The CLI should be seen as an initiative with the purpose to further discussions for the enhancement of financing for SFM.

The main impetus for the CLI on financing for SFM was the 7th Session of the UNFF. Among others, UNFF-7 (chaired by Hans Hoogeveen) not only brought about a landmark agreement, the so-called NLBI on all types of forests, but also resulted in an agreement on a new way of thinking on how to increase the financing for SFM in developing countries. The discussions during the CLI will be crucial in order to move forward with a pro-active agenda of dialogue, action and cooperation on financing for SFM and will provide a major input to the AHEG Meeting that will be held in Vienna in November 2008 and the 8th Session of the UNFF in 2009.

The CLI in Suriname – as mentioned earlier in other presentations – is an experts’ meeting that will be held from 8-12 September 2008 and as already known will be organized by the Governments of Suriname, The Netherlands and the United States of America.

Objective of the CLI

It is considered as “An International Dialogue” and the main goal is to identify opportunities to significantly increase the financing for SFM. The “Paramaribo Dialogue” will share experiences on:

- Mobilizing forest funding and generating revenues;
- Identifying existing and emerging public and private financing resources;
- Examining the relationship between forest financing and forest-related governance and enabling environments.

In addition, the Paramaribo Dialogue will also look into possible models, strategies and institutional arrangements for increased financing through, for example bilateral and multilateral public funding, payment for ecosystems, private sector commercial investment and private philanthropy. The CLI Agenda will thus be a reflection of these objectives.

Relevant aspects of the CLI Meeting

The organizers of the CLI are expecting over 100 invited forests and finance experts and policy-makers worldwide from governments, international and regional organizations, finance institutions, the international private sector, foundations, international NGOs and academic institutions.

The “CLI on Financing Mechanisms for SFM” has an Advisory Committee (AC), which composes various collaborating governments, international organizations and agencies. Apart from Suriname, Chair of the Advisory Committee, the AC is composed of the following countries The Netherlands and the USA (co-organizers), Australia, Germany, Norway, Cuba, Indonesia, Latvia, Marocco and South Africa. The World Bank, Conservation International, FAO, ITTO and the Secretariat of UNFF are also part of the Advisory Committee. Its main purpose is to facilitate the various aspects of the preparations for the “Paramaribo Dialogue”. The format of the CLI will consist of plenary sessions and break-out sessions. Apart from the numerous presentations during the plenary sessions and the panels, several case studies will be presented during the CLI. One of the most important inputs will be the outcome of the interactive discussions of the Break-Out groups. It is indeed my pleasure to indicate that the President of the Republic of Suriname, H.E. Runaldo Ronald Venetiaan, will deliver the opening address at the CLI.

The CLI Agenda

The CLI Agenda is still under discussion among the organizers. However, we can provide a broad overview of the draft agenda, as it stands till now.

The Plenary Sessions

The first two plenary sessions will deal with presentations on:

- The challenges for financing for SFM;
- New and emerging international initiatives on forest finance;
- Financing SFM in Suriname;
- UNFF-7 outcomes and the UNFF-8 process on financing for SFM;
- Case studies on forest finance of selected countries;
- Institutional and governance aspects within the context of broadening the base for forest finance.

Other Plenary Sessions and Panels will deal with 3-4 presentations on aspects related to:

- Financing SFM: markets and financial institutions;
- Financing SFM: producer perspectives;
- Financing from forest ecosystem service: understanding the markets;
- Financing from forest ecosystem services: case studies;
- Engaging local and indigenous communities;
- Increasing financing for SFM: institutional and governance strategies at the national level;
- Increasing financing for SFM: institutional and governance strategies at the international level.

Presenters will be from various institutions: multilateral organizations, international NGOs, international private sector, international banking sector, international philanthropy, international SFM and finance experts and academia.

Break-Out Groups

There will be a number of Break-Out Groups (BOG), at the moment the organizers have incorporated four in the draft agenda. These BOG will be dealing with various aspects of the topics of the Plenary Sessions. A number of questions (2-3) will serve as the basis for interactive discussions and we hope that major inputs can come from the participants that will eventually serve as the groundwork for the AHEG and UNFF-8.

I do hope that with this overview, a broad picture has been sketched on how to situate the CLI within the national and international context and more importantly, on what to expect from the CLI in terms of its expected outcome. I would like to end my presentation with the note that - from the overview of the various topics of the CLI - Suriname has ample opportunity to prepare itself for an active and meaningful participation and the CLI. The Presidential Task Force, which functions as the National Organizing Committee is looking forward to the CLI and is committed to guarantee a successful meeting in September 2008.

I thank you.

6.

Session 6 – Closure

This session was the closure of the workshop. **Mr. Rene Somopawiro** and **Mr. Hans Hoogeveen** were invited to give a speech, after which a closing special lunch was offered by the Royal Dutch Embassy and the Ministry of Agriculture, Nature and Food Quality of The Netherlands.

6.1 Mr. Rene Somopawiro (Acting Director of the Foundation for Forest Management and Production Control, UNFF Focal Point)

Dear Mr. Kasantaroeno, Director of the Ministry of Physical Planning, Land and Forest Management; Mr. Hans van Hoogeveen, Director General of the Ministry of Agriculture, Nature and Food Quality of The Netherlands; Dear Ambassador and Chairman of the Presidential Task Force, Mr. Limon; US delegation, distinguished guests, friends.

It is a great pleasure and honor for me to be part of the closure session of this very important preparatory workshop towards the CLI Conference on Financial Mechanisms for SFM that will be held in September 2008 in Paramaribo and further more towards the upcoming UNFF-8 meeting next year in New York, USA. This workshop has a lot of relevance for the forestry sector in Suriname because amongst others it provided us with a lot of relevant information that definitely can be used as a tool to assist our country in its efforts to achieve rational and SFM and in particular to be rewarded accordingly and financially by the international community for being a “good guy”, as indicated by the Director of Ministry of Physical Planning, Land and Forest Management during his opening speeches, as we are one of the few countries in the world that managed to conserve, protect and utilize our forests in a responsible way. This taking into account that still 91% of our land area is still covered by tropical rainforest. Although on the other hand we have to realize that the sustainable production potential of the forest resources has not been fully utilized yet. But it is even more important what we have achieved here for the forest sector since the Workshop is helping us in a series of decisions that we need to make regarding the development of a dynamic financing mechanism to ensure and to further promote SFM in Suriname and in the world. This workshop is a milestone in this process to eventually determine and adopt a financial mechanism that is suitable for Suriname. But we have to emphasize that this workshop is just the beginning and that a lot of work has still to be done together with all of you and I am confident that this process will be completed successfully.

It is clear that without the excellent presentations of the different speakers and experts, which provided us with a lot of information that enriched our fruitful discussions and without the valuable and terrific involvement of all participants, this workshop would not be successful. Again my sincere gratitude to all of you. Appreciation is due to the colleagues who made presentations and by doing so shared their experiences with us. They were: Barbara Tavora (UNFF secretariat), Henna Uiterloo, Kim van Seeters, Patrick Verkooijen, Carlos Aragon, Dominiek Plouvier, Michael Jenkins, Michael Richards, Winston Caldeira and Sheila Bhairo on behalf of the consultant group. And since there have already been expressed recognition to many people I want to join myself to the recognition of the work of Mr. Jag Maini for his excellent way in guiding us during the workshop as a facilitator and Mr. Herman Savenije and Mr. Arend Jan van Bodegom for doing their good job as skillful and very patience moderators. My sincere thanks also to Presidential Task Force for their excellent support.



I finally want to extend our special gratitude to the Ministry of Agriculture, Nature and Food Quality of The Netherlands and Tropenbos International Suriname for their significant support in organizing this workshop and in preparing the SCS. I feel that the support received from this organization has been tremendous and that it was one of the reasons for the successes of the workshop. This emphasizes also the strong cooperation and collaboration that exist between Tropenbos and the Forest sector in Suriname.

Thank you very much again all participants and I sincerely hope that our guests from abroad have enjoyed their stay in Suriname and will have a save return home and that we continue fighting for the forest sector. I am sure that many of you will be supporting the upcoming CLI Conference in Suriname and the UNFF meeting in New York.

Thank you.

6.2 Mr. Hans Hoogeveen (Director General of the Ministry of Agriculture, Nature and Food Quality of The Netherlands)



Introduction

It is an honor to conclude this week's preparatory workshop for the CLI in September. It shows commitment that over 70 representatives from Government, private sector and NGO's, were attending the official opening of the workshop. With the adoption of NLBI at UNFF and the Bali Action Plan under the framework of the Climate Change Convention this is a critical time for the future design of forest finance at all levels.

Suriname, with its high forest cover and low deforestation rate, could strongly influence the negotiations on the new international architecture on forest finance, as well be decided upon next year at UNFF and the Climate Change Convention.

The CLI on Financing for SFM is very well placed to generate new ideas and set the stage among policymakers, private sector representatives, NGOs and philanthropic organizations.

From past experiences I know that the success of the CLI is greatly dependent on the commitment of the host country. Since my in depth interaction with the Presidential Task Force a few months ago I am more than confident that the CLI here in Suriname will be a great success. In addition to this, the information I received about the in depth exchanges during this week's workshop is also very encouraging.

I am convinced that Suriname will be an important actor in the international political community to shape the agenda of the future of forest finance to serve the interests of Suriname and the international community at large.

Broadening the Political Agenda

It is widely recognized that new and additional financing for SFM is needed to achieve our common objectives of poverty alleviation, sustainable economic development and the provision of ecosystem services.

The introduction of the Portfolio Approach at UNFF-7 conveyed the notion that a broad range of products and services are needed to mobilize new and additional financial resources for

SFM. The government, private sector, NGO's and philanthropic organizations should join forces and work together to ensure adequate means of implementation to those countries who need it most.

As was widely discussed this week, the current political emphasis on REDD brings new opportunities, but also challenges, to provide new and additional financial resources for SFM. But, as you rightly indicated throughout the week, the relatively low deforestation rate here in Suriname may lead to the situation that Suriname will not necessarily benefit from the carbon credit market.

In response to this political challenge, I am pleased to learn that you indicated your engagement to broaden the agenda of Avoided Deforestation (REDD) to also include wider SFM issues and particularly the inclusion of the potential of carbon reservoirs.

During this week's deliberations you indicated that for this emerging new political agenda of the protection of carbon reservoirs, capacity building is needed, also here in Suriname. As you rightly said, adequate information provision is a crucial precondition to benefit from the wealth of natural resources in Suriname. I am pleased to inform you that The Netherlands continue to stand ready to assist you in this endeavor when needed.

The Way Forward

The CLI in September is an important event to set the stage for the future architecture of forest finance. As such, it is also important that the CLI will be beneficial for Suriname in the years to come. The workshop this week provided important suggestions on how the dialogue among the stakeholders in Suriname can be even further strengthened to secure new and sustainable investments.

Let me conclude by congratulating you with the tremendous substantive progress you made this week in preparation of the CLI.

I am looking forward to continue our collaboration in the coming period.

Thank you.





7. Websites of Relevant Organizations

More information on forests and forest financing can be found at the following reference websites (in alphabetical order):

- Amazon Cooperation Treaty Organization:
www.otca.org.br (Dutch pages not yet available, choose English pages)
- Collaborative Partnership on Forests:
<http://www.fao.org/forestry/site/cpf/en/>
- Country Led Initiative on Financing for SFM in Suriname:
<http://www.clisuriname.com/smartcms/default.asp>
- Ecosystem market place:
www.ecosystemmarketplace.com
- Embassy of the United States in Suriname:
suriname.usembassy.gov
- Equator principles:
www.equator-principles.com
- FAO:
www.fao.org
- Forest Stewardship Council:
www.fsc.org
- Forest Trends:
www.forest-trends.org
- International Council for forest products and paper association:
www.icfpa.org
- Intergovernmental Panel on Climate Change:
www.ipcc.ch
- International mining associations:
See e.g. www.mining.ca/www/Towards_Sustaining_Mining/Guiding_Principles/Guiding_Principles.php
or www.icmm.com/our-work/sustainable-development-framework
- ITTO:
www.itto.or.jp
- Ministry of Agriculture, Nature and Food Quality of The Netherlands:
www.minlnv.nl
- Ministry of Labour, Technological Development and Environment:
www.atm.sr.org
- Ministry of Physical Planning, Land and Forest Management:
Not yet available
- Regional FAO project on financing mechanisms:
www.fao.org/forestry/mecanismosfinancieros (in Spanish)
- Royal Dutch Embassy in Suriname:
suriname.nlambassade.org
- Tropenbos International:
www.tropenbos.org
- United Nations Forum on Forests:
www.un.org/esa/forests/index.html
- UNFCCC:
www.unfccc.int

-
- Worldbank:
www.worldbank.org
 - WWF Guianas:
www.wfguianas.org

Annex I: List of Participants

#	Organization	Participant	Phone	E-mail
Foreign Participants				
1	Embassy Kingdom of The Netherlands	S. Biharie	477211	sandra.bihariew@minbuza.nl
2	Embassy Kingdom of The Netherlands	H. Verweij	477211	hgj.verweij@minbuza.nl
3	Embassy Kingdom of The Netherlands	P.D. Hof	477211	pel.hof@minbuza.nl
4	Embassy Kingdom of The Netherlands	A. Valkenburg	477211	alexandra.valkenburg@minbuza.nl
5	Forest Trends	M. Jenkins		mjenkins@forest-trends.org
6	Forest Trends	M. Richards	441993779133	m.richards@frr.co.uk
7	GTZ OTCA	S. Gunter	556171579965	gunter.simon@gtz.de
8	Ministry of Agriculture, Nature and Food Quality of The Netherlands (LNV)	H. Hoogveen		j.p.hoogveen@minlnv.nl
9	Ministry of LNV	K. van Seeters	31622616254	k.seeters@minlnv.nl
10	Ministry of LNV	H. Savenije	31318822935	h.j.f.savenije@minlnv.nl
11	Ministry of LNV	S. Mohamed		s.mohamed@mininv.nl
12	OTCA	C. Aragon	-32483563	carlos.aragon@otca.org.br
13	UNFF Secretariat	B. Tavora-Jainchill	+917-3673265	tavora-jainchill@un.org
14	University of Toronto, facilitator	J. Maini		jmaini904@rogers.com
15	US AID	C. Barber	1-202-712-0797	cbarber@uasaid.gov
16	US Department of State	C. Karr-Colque	202-647-2255	karr-colquec@state.gov
17	US Embassy	L. Bobbie Schreiber Hughes		schreiberhugheslb@state.gov
18	Wageningen International	A.J. van Bodegom		arendjan.vanbodegom@wur.nl
19	World Bank	P. Verkooijen		pverkooijen@worldbank.org
Suriname Participants – Governmental and Semi-Governmental				
20	Anton de Kom University (Faculty of Technological Science)	R. Tijen Fooh	495005 / 8750977	r.tijenfoo@uvs.edu
21	Cabinet of the president	C. Blom	472841	carmenblom@gmail.com
22	CELOS	R. van Kantén	490128 / 490889	rudivk@sr.net
23	CELOS	M. Playfair	490128 / 490890	mplayfair@gmail.com / agroforestry@celos.sr.org
24	Chair CLI Presidential Task Force Suriname	E. Limon	477030	ewaldlimon@yahoo.com
25	Ministry of Finance	M. Palm	477065	mirgar04@yahoo.com
26	Ministry of Foreign Affairs (BuZa)	E. Leeftang	438734	buza@sr.net
27	Ministry of BuZa	T. Shameem	420063	terryshameem@yahoo.com
28	Ministry of BuZa	F. Nurmohamed	420063	buza@sr.net
29	Ministry of BuZa	E. Hofwijks - Koendjibharie	420397	buza@sr.net
30	Ministry of BuZa	N. Hew A Kee	420063	minbuzai0@yahoo.com
31	Ministry of BuZa	B. Doelahasori	477030 # 3112	minbuzai0@yahoo.com
32	Ministry of BuZa	C. Vinkwolk	8500440	chiraja@gmail.com

#	Organization	Participant	Phone	E-mail
33	Ministry of Labour, Technological Development and Environment (ATM)	N.Tjin Kong Foek	420960	ninotchkatjin@yahoo.com
34	Ministry of ATM	S. Soetosenojo	420960	srsoet@yahoo.com
35	Ministry of ATM	Sh. Defares	475241	rdefares@atm.sr.org
36	Ministry of ATM	H. Uiterloo	420960 / 475368	milieu_atm@yahoo.com
37	Ministry of Physical planning, Land and Forest Management (RGB)	F. Kasantaroeno	471178 / 473316	directeur_rgb@yahoo.com
38	Ministry of RGB	A. Karwofodi	8535985	
39	Ministry of RGB	G. Jong	8502170	gsfjong@parbo.net
40	Ministry of RGB	S. Kadirbaks	8798252	kadirbaks@hotmail.com
41	Ministry of RGB	J. Lenne	473316	johnlenne@gmail.com
42	Ministry of RGB	M. Mohamed Hoesein	8668482	mhoesein@yahoo.com
43	Ministry of RGB	M. Djosetro	473316	bosbeheer_rgb@yahoo.com
44	Ministry of RGB	N.J. Veira	473316	njveira@yahoo.com
45	Ministry of RGB	P. Kajoeramarie	8780386	patriciakaja@hotmail.com
46	Ministry of RGB	S. Ang	8811875	sylviaang@angchem.com
47	Ministry of Planning and Development Cooperation (PLOS)	I. Sandel	471108	iris@sr.net
48	Ministry of PLOS	S. Lakhisaran - Jaggan	471108 # 246	sagita_jaggan@yahoo.com
49	Ministry of Regional Development (RO)	B. Yflaar	471241 / 471269	berwiek_67@yahoo.com
50	Nature Conservation Division (LBB)	C. Sakimin	479431	csakimin@natuurbeheer.sr.org
51	Nature Conservation Division (LBB)	B. Drakenstein	479431	bdrakenstein@natuurbeheer.sr.org
52	NIMOS	E. Sleur	520043	esleur@nimos.org
53	NIMOS	J. Babb -Echteld	520043	ybabb@nimos.org / ybabb@yahoo.com
54	SBB	D. Lemen	483131	sbbsur@sr.net
55	SBB	P. Jules	483131	sbbsur@sr.net
56	SBB	R. Matai	483131	sbbsur@sr.net
57	SBB	S. Crabbe	483131	sarah_crabbe@yahoo.com
58	SBB/ UNFF Focal Point in Suriname	R. Somopawiro	483131	renesimo@hotmail.com / sbbsur@sr.net
59	STS	M. Panday	475165 / 477694	Martinpanday@suriname-tourism.org

Suriname participants – Non-Governmental Organizations and Private Sector

60	Amazone Conservation Team Suriname (ACT)	H. Mac Donald	401264	hmac-donald@sr.net
61	ACT	G. Emanuels	401264	info@actsuriname.org
62	ASHU	Bisambhar	8671956	ashu_suriname@live.com
63	ASHU	M. Chan	8595293	m82chan@yahoo.com
64	Conservation International (CI)	W. Udenhout	421305	wudenhout@conservation.org
65	Consultant (AP&G Suriname)	S. Bhairo-Marhe	443100 / 487185	sbhairo@apg.nu
66	Consultant (CANAWAPIBO Development)	W. Caldeira	402787	wincaldeira@yahoo.com
67	Consultant (Pallprojects Supply)	C. Pigot	476053	corpall@sr.net

#	Organization	Participant	Phone	E-mail
68	Consultant (Proplan Consultancy)	W. Ramautarsing	411141	proplan@sr.net
69	FOB	S. Alfaisi	425402	alfaisi71@yahoo.com
70	KKF	F. Vreden	474536	fvreden@hotmail.com
71	KKF	N. Bissembhar	474536	boss-nv@sr.net
72	OIS	R. Aloema	8532120	nardoaloema@hotmail.com
73	PAS	F. de Laat	424858	pas@cq-link.sr
74	PHS	A. Gesser	480158	travasie@lycos.com
75	Reporter (ESS)	M. Vermaas		marije@vincadvies.nl
76	Reporter (ESS)	R. de Wolf	400766	rutgerdewolf@ess-environment.com
77	SBV / Landbouwbank N.V.	D. Hindori	475945	lbbank@sr.net
78	SCF + VSB	S. Malone	470155	surcons@scf.sr.org
79	Tropenbos Suriname	V. Simson	532001	tropenbossuriname@yahoo.com
80	Tropenbos Suriname	S. van Dijk	532001	ptl_tropenbossuriname@yahoo.com
81	UNDP Sub-office	C. de Rooy	420030 / 421417	christine.de.rooij@undp.org
82	VIDS	M. Ooft	520130	infovids@vids.sr
83	WWF Guianas	G. Zondervan	422357	g.zondervan@wwf.sr
84	WWF Guianas	D. Plouvier	422357	dplouvier@wwf.sr

Suriname participants – Press

85	ATV	H. Panka	404427	atvnews@sr.net
86	Dagblad Suriname	Setrodikoro	426336	maryan8angel@yahoo.com
87	De Ware Tijd	W. Leeuwin	472823	wleeuwin@yahoo.com
88	PTF Media	L. Daan	497786	frosedaan@gmail.com
89	RBN TV/ DBS	P. Imanredjo	8570641	Pilly-Imanredjo@hotmail.com
90	SD Media	G. Kartopawiro	473472	rostio_91@hotmail.com
91	SD Media	H. Indiaan	473472	rostio_91@hotmail.com
92	SRS	Haakmat	490000	jeseha@hotmail.com
93	STVS	P. Sewgobien	473032	stvsjourn@parbo.net
94	STVS	R. Doekly	473032	stvsjourn@parbo.net
95	Times	R. Blomhof	8543575	rodneblomhof@yahoo.com
96	Times	T. Muskiet	551909	tatjanamuskiets5@hotmail.com



Annex 2: Preparatory Workshop Program

CLI PREPARATORY WORKSHOP

16 -19 June 2008, PARAMARIBO, SURINAME

Financing for Sustainable Forest Management

International developments and perspectives for Suriname

Facilitator: Mr. Jag Maini

Timing	Programme	Persons involved
Monday 16 June 2008		
Session 1: Opening [in English]		
08.00 - 08.30	Registration	
08.30 - 08.45	Welcome by the chair of the CLI Presidential Task Force, Mr. Ewald Limon, and opening	Mr. Frans Kasantaroeno, Ministry of Physical Planning, Land and Forest Management
08.45 - 09.15	The International Forest Policy Dialogue: Current status and the challenges ahead	Mr. Harry Verweij, Embassy of the Kingdom of The Netherlands Ms. Barbara Tavora-Jainchill UNFF Secretariat
09.15 - 10.00	Background, expected outcomes, programme, organization and procedures of the workshop	Facilitator of the meeting, Mr. Jag Maini
10.00 - 10.30	Short presentation of participants and their perspectives: expectations on the workshop	Facilitator
10.30 - 11.00	Coffee Break	
Session 2: Setting the International Stage [in English]		
11.00 - 11.45	International Forest Policy Deliberations: Evolving Perspectives and Progress	Mr. Jag Maini

Timing	Programme	Persons involved
11.45 - 12.30	An overview of other International and Regional Forest-related Processes and Initiatives <ul style="list-style-type: none"> ○ UNFCCC- REDD ○ CBD, CCD, ITTO ○ World Bank, FLEG, etc. 	<ul style="list-style-type: none"> ○ Ms. Henna Uiterloo, Min ATM ○ Ms. Kim van Seeters, Min LNV ○ Mr. Patrick Verkooijen, WB
12.30 - 13.30	Lunch Break	
13.30 - 14.00	An overview of other International Forest-related Processes and Initiatives (continued) <ul style="list-style-type: none"> ○ OTCA ○ Forest certification 	<ul style="list-style-type: none"> ○ Mr. Carlos Aragon, OTCA ○ Mr. Dominiek Plouvier, WWF Guianas
14.00 - 14.45	Towards an new International arrangement on Forest Finance: the Portfolio Approach; visions, concepts and principles for its implementation	Mr. Michael Jenkins, Forest Trends
14.45 - 15.00	Break	
15.00 - 15.25	Relevance of international developments for forest financing in Suriname. Group and Plenary discussion	Facilitator and participants
15.25 - 15.30	Closure day I	Facilitator

Tuesday 17 June 2008

Session 3: Sharing the National Experience [in English]

08.30 - 08.45	Wrap-up of main issues and observations of the previous day	Facilitator and participants
08.45 - 09.15	The Suriname Case Study (SCS): status, perspectives and main issues of forest management and its finance	SCS consultant(s)
09.15 - 09.45	National experiences: a comparative analysis	Mr. Michael Richards, Forest Trends
09.45 - 10.15	National experiences from Latin America	Mr. Carlos Aragon, OTCA
10.15 - 10.45	Coffee Break	
10.45 - 11.45	National experiences Group and Plenary discussion	Facilitator
11.45 - 12.00	Wrap-up and closure of the session	Facilitator
12.00 - 13.00	Lunch Break	

Timing	Programme	Persons involved
	Session 4: Forest Finance in Suriname: Status Quo & Challenges [in Dutch]	<u>Moderators of session 4:</u> <ul style="list-style-type: none"> ○ Arend Jan van Bodegom, WUR-WI ○ Herman Savenije, Min LNV
13.00 - 13.10	Introduction on the session	
13.10 - 13.40	Session 4a: Visioning a financing strategy for SFM	
13.40 - 14.10	Session 4b: Forest types, forest functions and stakeholders	
14.10 - 14.25	Break	
14.25 - 15.25	Session 4c: Financing Investments in forests	
15.25 - 15.30	Closure	
Wednesday 18 June 2008		
Session 4: (continued) [in Dutch]		
08.30 - 08.45	Wrap-up of main issues and observations of the previous day	Facilitator and participants
08.45 - 10.00	Session 4d: Payments for forest goods and services	
10.00 - 10.30	Coffee Break	
10.30 - 12.00	Session 4e: The Enabling Environment	
12.00 - 13.00	Lunch Break	
13.00 - 13.30	The Enabling Environment (continued)	
13.30 - 14.55	Session 4f: Key elements for the Suriname case: main conclusions	Moderators with SCS consultant(s)
14.55 - 15.00	Closure	
Thursday 19 June 2008		
Session 5: Principles, Elements and steps towards a National Strategy on forest financing: Defining the Suriname case [in Eng]		
08.30 - 08.35	Welcome	Facilitator
08.35 - 09.00	Presentation and discussion of the session 4 outcomes	SCS-consultant(s)
09.00 - 10.00	Discussion and identification of main national and international issues to address the development of the Suriname strategy on forest financing	Facilitator and participants

Timing	Programme	Persons involved
10.00 - 10.30	Coffee Break	
10.30 - 11.00	The CLI and the agenda for the September meeting: a briefing	Mr. Ewald Limon, Chair of the CLI Presidential Task Force
11.00 - 11.30	Conclusions	Yet to be identified
Session 6: Closure [in English]		
11.30 - 12.15	Closure	Mr. Rene Somopawiro, Foundation for Forest Management and Production Control, UNFF Focal Point
12.15 - 13.30	Special Lunch	Mr. Hans Hoogeveen, Ministry of Agriculture, Nature and Food Quality of The Netherlands Offered by the Embassy of the Kingdom of The Netherlands and the Ministry of Agriculture, Nature and Food Quality of The Netherlands

Annex 3: United Nations Forum On Forests

Fact Sheet Prepared by the Organizers of the Paramaribo Dialogue April 2008

Essential Facts

The United Nations Forum on Forests was established in 2000 as a subsidiary body of the Economic and Social Committee of the United Nations to promote the management, conservation and sustainable development of all types of forests. The Forum is headquartered in New York and has universal membership. As such, it is composed of all member states of the United Nations and its specialized agencies, with full and equal participation. The Forum meets biennially and undertakes intercessional work through ad hoc open-ended expert groups. The work of the Forum is supported informally by “Country Led Initiatives” sponsored by member governments with a view to helping inform the Forum’s deliberations.

Collaborative Partnership on Forests

The Collaborative Partnership on Forests (CPF) is an innovative partnership among 14 major forest-related international organizations, institutions and convention secretariats established to support the work of the Forum and enhance cooperation and coordination on forest issues. The executive heads of CPF member organizations meet on a regular basis to facilitate the work of the Forum. The CPF is chaired by the Food and Agriculture Organization of the United Nations (Assistant Director-General for Forestry) and includes the following organizations:

- CIFOR;
- FAO;
- ITTO;
- IUFRO (International Union of Forest Research Organizations);
- Secretariat of the UNCBD;
- GEF;
- Secretariat of the UNCCD;
- UNDP (United Nations Development Programme);
- UNEP (United Nations Environment Programme);
- Secretariat of the UNFF;
- Secretariat of the UNFCCC;
- ICRAF (World Agroforestry Centre);
- World Bank;
- IUCN.

Recent Accomplishments

After 15 years of negotiations concerning international cooperation on forests in a variety of forums, the UNFF-7 reached a landmark agreement in April 2007, adopting the NLBI on all types of forests and the Forum’s Multi-Year Program of Work through 2015. The United Nations General Assembly adopted the Forest Instrument in December 2007.

The NLBI on all types of forests is the first global agreement on forests since the 1992 Earth Summit (Rio de Janeiro). It provides a framework for national action and international cooperation to advance SFM and the following four Global Objectives on Forests:

1. Reverse the loss of forest cover worldwide through SFM, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation;
2. Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people;
3. Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests;
4. Reverse the decline in ODA for SFM and mobilize significantly increased new and additional financial resources from all sources for the implementation of SFM.

Financing for SFM

Agreement on a new way of thinking about how to increase financing for forests in developing countries was a critical component of the consensus reached at the 7th Session of the Forum. At that time, the Forum decided to:

“Develop and consider, with a view to adopting at the eighth session of the Forum, a voluntary global financial mechanism/Portfolio Approach/forest financing framework for all types of forests, aiming at mobilizing significantly increased, new and additional resources from all sources, based on existing and emerging innovative approaches, also taking into account assessments and reviews of current financial mechanisms, to support the implementation of SFM, the achievement of the global objectives on forests and the implementation of the non-legally instrument on all types of forests.”

Further progress in international cooperation on forests will depend, in large part, on all countries moving forward with a proactive agenda of dialogue and action on forest finance over the coming two years leading up to the 8th session of the Forum in 2009, which will take up financing for SFM as one of two major themes. In preparation, the Forum will convene an Ad-Hoc Experts Group (AHEG) meeting in late 2008.

Multi-Year Program of Work

The Forum has identified the following themes for its Multi-Year Program of Work through 2015:

- 2009:** Forests in a Changing Environment and Means of Implementation for SFM;
- 2011:** Forests for People, Livelihoods and Poverty Eradication;
- 2013:** Forests and Economic Development;
- 2015:** Forest: Progress, Challenges and the Way Forward for the International Arrangement on Forests.

Contacts

For further information, please visit the web sites of the United Nations Forum on Forests (<http://www.un.org/esa/forests/about.html>) and Collaborative Partnership on Forests (<http://www.fao.org/forestry/site/cpf/en/>).

Annex 4: Suriname Forest Resource

Allocation and Productivity

The forest area in Suriname covers approximately 14.8 million ha, which is 91% of the total land area. The forests thus represent one of the most important natural resources available for the socio-economic development of the country. Although forest is Suriname's most abundant natural resource, it contributes less than 2% to the GDP. Timber production stagnated at approximately 160,000 m³ per annum over the last years

Logging in Suriname is restricted to an area within reach of road and river transport systems, known as the Forest Belt. Most forest concessions and communal cutting licenses are located within the Forest Belt. In 2008, a total area of 1,868,000 ha had been issued as one of the five types of licenses with 107 concessions accounting for 60% and 123 "communal wood cutting licenses" and "community forests" accounting for 30% of the allocated area. The average concession size is 11,537 ha and the average HKV 4,468 ha, but most of the concessions and cutting licenses extend over less than 5,000 ha (67% of all licenses), covering only 21% of the allocated total area.

Production from the forests peaked in 1979 but by the early 1980s, it began to decline. The production from concessions is 45% of the annual national timber production and from HKVs which were granted based on the Forest Act 1947 (Houtwet 1947) and Communal Forests 33%, granted based on the Forest Management Act 1992 (Wet Bosbeheer 1992). Annual production per hectare is way below of what is assumed to be sustainable (0.5 m³ha⁻¹yr⁻¹); i.e. annual production from concessions is only 0.05 m³ha⁻¹ and from HKVs and communal forests 0.13 m³ha⁻¹ respectively. Production figures indicate that many concessionaires underutilize the forest resource allocated to them; 29% of the concessionaires are idle and 47% produce at a level which is too low. Production figures also show that 75% of HKVs and 68% of Communal Forests are used for commercial timber production.

Developments in Forest Management

In 1947, the Suriname Forest Service (Dienst 's Lands Bosbeheer, LBB) was set up to administer and to manage the nation's forests. Timber production was managed under a system with timber concessions in state forests to timber companies, individuals or groups. Special arrangements were made to grant timber cutting rights in the form of a Houtkapvergunning (HKV)] to tribal communities. The HKVs allowed the harvesting of wood and non-wood forest products in forest near to the communities' villages, as well as shifting cultivation. These were initially valid for five years but later the legislation was revised to permit these agreements to remain valid until further notice.

In the early years, LBB carried out forest inventories and established the necessary infrastructure (roads and bridges). The Forestry Belt was made accessible by 2,500 km of all-weather forest roads. Concessionaires had to pay a number of fees including retribution on the produced timber, measuring fees, export duty, road fees, etc. Logs were marked and retribution had to be paid before the timber could be transported out of the forest. A series of permanent forest guard stations was established at key locations to ensure that all timber being transported had the necessary documentation and that the requisite fees had been paid. At the time LBB was regarded as one of the best forest services in tropical America, but it is often ignored that it was heavily subsidized.

Amongst others due to the political course taken by the military rulers who had seized power in 1980, the country became internationally isolated in 1982, vastly reducing the amount of foreign investment and assistance. In 1986, an internal armed conflict that lasted for four years caused a temporary halt in logging, destruction of property, and subsequent migration of Maroon peoples and in smaller scale Indigenous people to the coastal areas. The internal conflict was formally ended in 1992 by the signing of peace treaty. As a result of these events, the system of forest management collapsed towards the end of the 1980s. By 1986, the issuing and renewing of concessions was stopped pending the enactment of the 1992 Forest Management Act which replaced the Forest Act of 1947.

By 1993, Suriname was on the brink of economic collapse, lacking foreign currency reserves and suffering tremendous annual inflation. The government of Suriname decided to invite foreign and in particular Asian investors to explore the possibility for establishing logging concessions in Suriname's interior. The proposed large foreign concessions drew heated local and international criticism. By 1995, continuing economic difficulties led to a situation where LBB was facing acute shortages of skilled staff, few facilities and low morale. At that time, LBB assumed that much of the domestic log production went unrecorded with a very low capture of the fees due. In 1996 it was therefore proposed to establish SBB to monitor and control concessions, which institution would be gradually extended to oversee all forest management. The SBB was established in 1998 with the financial assistance of the Dutch Government and the technical assistance of the FAO as a project Forest Production Control Unit as a vehicle towards a full Fledged Forest and Nature Management Authority. However, financing of SBB after the expiration of the FCPU project over the years has been inadequate amongst others to maintain or replace SBB's vehicles, equipment and for the necessary expansion of SBB's staff which became necessary when forest management duties were transferred from LBB.

FAO consultants drew up management procedures that implied that the responsibility for the preparation of forest management plans would be shifted from LBB, as stipulated in the 1992 Act, to the concessionaire. This would require a substantial increase in capacity in the private sector. For several reasons, neither the capacity building within the private sector nor fiscal incentives to persuade the concessionaires to implement the new procedures materialized. At present there are plans to merge SBB and the Nature Conservation Division into an authority: BOSNAS.

Forest Operations

Current harvesting practices in Suriname are quite inefficient and productivity is generally low. In terms of their impact on production costs, the two most important aspects of current practices are the lack of operational planning and field supervision, skidding techniques and the transport equipment used to transport round wood from the forest to the market. Labor productivity in forest operations is very low compared to neighboring countries. The logging companies are generally working with outdated fragile equipment, causing frequent breakdowns, and costly downtime. Even though most of the skidders are old, many of them are used below their present capacity, as most of the logging operations are small and spot wise.

Timber Processing

The forest industry exists mainly of sawmills. There were 72 stationary sawmills operating in 2003. There are several small mobile sawmills, on site, a tendency that is gaining ground in the last few years. Technology is mostly obsolete and poorly maintained, and their management is in most cases quite deficient. Yields in sawmilling are estimated at one third of round log

volumes, which is 50% of the standard of 60% that is accepted for this type of industry. Currently a company is in process to set up a fineer and plywood factory.

Community Forestry

Both HKVs, which have been granted since in the early 1950's and Communal Forests were initially allocated with the primary purpose to provide village communities with forest products for their subsistence needs. The reality is that on an estimated 375,000 ha of communal forests, commercial timber exploitation takes place. Around 37% of the national timber production originates from HKVs and Communal Forests.

Shifting cultivation has been a traditional practice by the communities in the interior for centuries. It is estimated that around 250,000 ha are presently being used for shifting cultivation. Another increasingly important activity is the collection of NTFPs, either for subsistence needs, but increasingly also for sale, such as plant, animal and fish products. The forests have also been traditionally used for the supply of wood for subsistence purposes; such as building houses, building boats, wood carving, etc. A relatively new, but steadily developing phenomenon is eco- and cultural tourism, which also has drawbacks; part of communal forests had to be surrendered for the establishment of nature reserves.

The Government of Suriname is urged by tribal communities and international decisions to develop legislation recognizing and securing indigenous and maroon collective rights to their traditional lands, territories and resources, to delimit, demarcate and title the same, and to adopt legislative procedures and other mechanisms regarding meaningful participation in decision-making on a range of issues, especially resource exploitation. However, due to the delicate balance between the different ethnic groups this may prove difficult as other ethnic groups may feel discriminated against if indigenous peoples and maroons receive – in their eyes – large tracts of land or are given any form of “special treatment”, such as recognizing collective lands that would apply only to indigenous and tribal peoples.

Constraints and Opportunities

Several reports have been written over the past 30 years with the key question why Suriname's forest resources are vast and yet contribute less than 2% of GDP. The issues addressed in these reports are largely the same: lack of land-use planning, the 1992 Forest Management Act not sufficiently agreeing with modern principles of sustained forest management, the Act often being counterproductive as regards forest industry development, poor access and infrastructure of the forest resource, outdated concession policy, lack of skilled personnel at all levels, outdated and poorly maintained equipment in logging operations and in sawmills, poor management of logging operations and sawmills, lack of investment in forestry sector, poor access to finance, problems related to land use and land rights of forest communities, depletion of communal forests and communal forest license areas and poor governance of forest communities.

Few of these recommendations have been actually implemented. A number of historical events have played a crucial role in this respect: the interior armed conflict and the resulting state of anarchy in the interior and a non-functional, deprived LBB; the enactment of an outdated forest management act; the concerns about the influx of Asian logging firms attempting to acquire vast forest concessions and their successive demise; and the institution of SBB in an attempt to curb the threats the arrival of the Asian companies would bring along.

In the light of the situation in 1998, SBB first focused on basic controls mainly to ensure that retributions were being paid and to curtail the state of anarchy in the forestry sector. From the inception, it has been made clear that the new procedures could simply not be implemented amongst others without a substantial increase in capacity in the private sector and the public sector. The amount of government and external funding (Dutch Government) available was however mainly just for establishment of SBB as an agency for production control, but not sufficient to establish a fully-fledged forest authority, and certainly not to support the strengthening of the capacity of the private sector.

Source: This information has been supplied by SBB, based on the “Interim Strategic Action Plan for the Forest Sector in Suriname 2008 – 2012”, 4th and final draft for discussion, Peter van der Hout, 12 November 2007

Annex 5: Suriname Forest Sector Characteristics

This information is delivered by the SCS consultants at the workshop.

1. Land surface area: 16.4 million hectares
Natural tropical forests: 14.8 million hectares (91%)
2. Total population: 510,000 persons
Living in and around the forest lands: 50,000 persons (less than 10%), mostly Indigenous and Maroon people.
3. The government of Suriname owns more than 99% of all forest lands.
4. Deforestation has been limited to 3% of original forest lands (since 1650), due to hydropower facility, shifting cultivation and agriculture.
5. 15% of total forest lands is earmarked for commercial forest exploitation, i.e. for sustainable forest logging 13% (2 million ha) and only 2% (300,000 ha) is earmarked for exploitation resulting in deforestation, like hydropower development, mining, and agriculture.
6. 14% of forest lands is reserved for the eventual issuance of timber logging concessions.
7. Around 16% of forest lands is declared and managed as protected areas, including Multiple Use Management Areas, nature reserves, nature parks, and special protected forests (mangroves, river banks).
8. 55% of forest lands is reserve forest without any special allocation, mostly in the southern high hill hinterlands, uninhabited and inaccessible by roads.
9. Most forest concessions, communal cutting licenses (HKVs) and communal forests are located within the Forest Belt. The Forest Belt, which is designated for sustainable forest production, measures 4.5 million ha, with an estimated productive area of 2.5 million ha.
10. The financial contribution of the forest sector to the economy is less than 3% of GDP, employment is less than 4%, export earnings from forest related goods and services are less than 1% of total.
Forest contribution to GDP is roughly:
 - sustainable forest logging (US\$ 29 millions),
 - non-sustainable shifting cultivation in agriculture (US\$ 18 millions) and
 - sustainable nature tourism (US\$ 14 millions).The financial contribution of collection and trade of NTFP is not quantified. Neither the financial contribution of forest services.
11. Visible public revenues from forest lands are less than public expenditures for SFM, including maintenance of infrastructure, forest control, research, management of protected areas and other public services.
12. Annual timber production is around 160.000 m³ round wood.
Potential sustainable production is at least 500.000 m³ per year.
Comprehensive data on production of NTFP is absent.
13. Export of timber products shows a rather steady line at around 20.000 m³ round wood equivalent per year.
Comprehensive data on export of NTFP is absent.



Annex 6: Stakeholders

This information is delivered by the SCS consultants at workshop.

Institutions in Charge of Forests

The Ministry of Physical Planning, Forest and Land Management is responsible for the management of the forest. SBB, as a working arm of this ministry, is in charge of forests and derives its mandate from the previous Forest Service (LBB). LBB is still in charge of nature conservation and the management of nature reserves in collaboration with STINASU. Preparations are now being made to establish one Forest Management Authority, which will also be responsible for nature conservation.

Associations Active in the Private Sector

The Loggers Association (ABE), the General Timber Union of Suriname (ASHU), the Society of Surinamese Trade and Industry (VSB), the Suriname Manufacturers Association (ASFA), the Chamber of Commerce and Industry (KKF), the Platform Houtsector Suriname (PHS), The Association of Industrials of the Interior (ABI).

Research Institutions

The Anton de Kom University of Suriname, the Centre for Agricultural Research in Suriname (CELOS) and the Tropenbos Suriname Programme.

Environmental NGO's

WWF, Conservation International, SCF

Other Stakeholders

Concession holders (mining, timber),
Manufacturers of timber and NTFP
Indigenous and Maroon communities
Smaller NGO's (mostly operating locally)

