

## CLIMATE CHANGE CASE STUDY: UK International Climate Finance in Action

### Tackling deforestation – working with local communities

The UK Government is committed to helping tackle deforestation and forest degradation by supporting developing countries to conserve their natural environments and tackle illegal logging and, in doing so, reduce emissions.

Improving forest governance is required to achieve these goals and to improve the livelihoods of millions of forest-dependent people. The Forest Governance, Markets and Climate (FGMC) programme supports strengthening of forest governance, thereby reducing illegal logging and the deforestation it causes.

#### UK International Climate Finance

The UK Government established the **International Climate Fund (ICF)** in 2011 as part of its commitment to reduce poverty by helping developing countries adapt to climate change, take up low carbon growth and tackle deforestation. The ICF will provide **£3.87 billion of climate finance** from within the existing UK aid budget from **2011 to 2016**.

The ICF contributed to the UK delivering its pledge of almost **£1.55 billion “Fast Start” finance between 2010 - 2012**.

#### Strengthening Forest Governance

The **Forest Governance, Markets and Climate (FGMC) Programme** aims to reduce the illegal trade in forest resources by addressing forest sector governance and market failures that permit illegal forest practices.

#### Building on past high impact work

Building on the success of the Forest Governance and Trade Programme (2006 – 2011), the UK has committed **£79 million** to the FGMC programme.

The FGMC programme will make use of lessons learnt from working with the timber trade to develop procedures to support legal trade in other commodities, such as palm oil and soy, the production of which often results in forest destruction and contributes to climate change.

The FGMC programme uses trade and market incentives to influence reforms in timber-producing countries where governance failures often result in illegal logging and neglect for poor peoples' rights to forest land and resources.

***“It’s nearly impossible to work legally in a region where the majority of the land has no clear owner. The guy who doesn’t have any title to the land just cuts it all down because the land doesn’t even belong to him, and so there’s nobody to fine”***

- Flavio Sufredi, Sawmill Owner, Tailandia, Pará, Brazil

## Trade Reforms

The FGMC programme supports the negotiation and implementation of bilateral trade agreements under the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. These agreements aim to eliminate the import of illegally-produced timber products from developing countries into the EU and other consumer markets.

Up to 10 developing countries, including Ghana, Indonesia and Liberia, are being supported to negotiate and implement FLEGT agreements. Priority is given to countries where illegal logging and related trade is recognised as a significant problem, where forest governance is weak and where alternative financial opportunities for poor people are lacking.



Monitoring the timber trade in Burma (EIA)

## Expected Results

By reducing illegal logging poor people will have a greater voice in what happens to their forest. This will not only reduce the likelihood of conflict over forest tenure, it could also

help avoid up to £13 billion in revenue and tax loss to developing countries, by clarifying forest-dependent peoples' tenure rights and supporting improved governance and stronger enforcement of forest laws.



Mapping community forest boundaries, West Kalimantan, Indonesia.

Over the next 25 years, the FGMC programme will help protect up to 39 million hectares of forest (13 million hectares more than the size of the UK). It will help avoid billions of tonnes of carbon (CO<sub>2</sub>e) emissions, protect the livelihoods of tens of millions of forest-dependent communities and increase the incomes of 50 million men, women and children reliant on farming.