



Report

National Forest Finance Assessment

Suriname

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FORESTS FOR THE
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F4F is working in collaboration with CIFOR-ICRAF on the EU Action “Financing for Forests”.

Disclaimer

This assessment has been developed based on consultations with stakeholders and inputs from subject matter experts. It is important to note that the findings and recommendations presented herein do not necessarily reflect the official forest finance priorities or positions of Brazil. Additionally, this document does not represent the official views of the European Union. The content is intended to provide insights and support discussions in the context of forest finance but should not be interpreted as an endorsement of any specific policy or strategy.

Assessment context

This assessment of existing forest financing instruments at country level operates as the foundation for a proposed EU-funded Action ‘Financing for Forest’ FFF.

The Action intends to boost financing for forests at global level, by generating and sharing knowledge widely. In selected partner countries, technical assistance (TA) for the implementation of specific forest finance solutions/instruments will be provided. Prior the Action, an assessment is carried out in up to 15 countries to 1) help define which forest finance solutions will be tested and piloted and in selected countries (up to 7 countries will be selected for the Action “Financing for Forest”), 2) help EU Delegations (EUDs) and partners in other countries get a better understanding of existing financing mechanisms, and 3) generate knowledge about selected financial solutions/instruments.

As part of this assessment ahead of the Action, and to develop and implement a suitable methodology, the Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF) has been tasked to conduct the current assessment on forest finance mechanisms in several countries including Brazil over the period July-October 2024; CIFOR-ICRAF support is formally delivered under a contract with the Forests for Future Facility (F4F), a technical assistance facility to the EC INTPA F2 on matters regarding sustainable forest management.

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Table of Contents

Acronyms	v
1 Introduction	1
1.1 Purpose and Scope of the Assessment	1
1.2 Assessment Approach and Methodology	1
1.3 Key Findings	2
2 Overview of the forest sector and performance gaps	4
2.1 Key characteristics of the forest sector	4
2.2 National targets for sustainable forest management, sustainable wood production, forest restoration, the wood industry, and protected area management	7
3 Assessment of current levels of finance and investment	13
3.1 Overall, the finance and investment gap	13
3.2 Finance and Investment in Sustainable Forest Management (SFM)	13
3.3 Finance and Investment in Forest-Based Industries	16
3.4 Finance and Investment in Forest Protection	17
3.5 Finance and Investment into the Management of Protected Areas	18
4 Assessment of Forest Finance solutions and instruments	19
4.1 Assessment of finance/investment solution and instruments applied in Suriname	19
4.2 Banks- related instruments for the Agroforestry Sector	19
4.1 Assessment of finance/investment solution and instruments applied in Suriname	19
4.3 Carbon Market Instruments	24
4.4 Blended Finance Instruments	25
4.5 Assessment of finance/investment solutions and instruments not applied in Suriname	28
4.6 Availability and gaps of baseline data (climate, biodiversity, social) and MRV systems	31
5 Recommendations for Forest Finance solutions and instruments	32
References	35
Annexes	37
Annex 1. Terms of Reference (TOR)	37
Annex 2. List of Technical Workshop participants	41
Annex 3. Listing of stakeholders interviewed	42

List of Tables

1. Main forest finance solutions recommended	3
2. Wood product exports volume and value (2022)	5
3. NDC Forest Project Portfolio	7
4. Main forest sector target status, gaps and challenges	9
5. Revenue structure in the forestry sector of Suriname	12
6. Overall finance and investment gap of the forestry sector 2020-2030	14
7. Financial description of the Local Development Bank-related instruments for the Forestry sector in Suriname	20
8. Financing details from commercial bank loans in Suriname	22
9. Financial details for GEF SGP and IDB financing schemes	23
10. Mechanism details of REDD+ ITMO and KLIMATX.	25
11. Forest Finance Instruments used in Suriname	26
12. Finance/investment solutions and instruments not applied in Suriname	30
13. Proposed Forest Finance solutions and instruments	33
List of forest finance solutions and instruments: short definitions (non-exhaustive)	40

Acronyms

AFD	Agence Française de Développement (French Development Agency)
ADEKUS	Anton de Kom University of Suriname
BUR	Biennial Update Report
CBD	Convention on Biological Diversity
CIFOR-ICRAF	Centre for International Forestry Research and World Agroforestry
CI	Conservation International
DFI	Development Finance Institution
EFSD+	European Fund for Sustainable Development Plus
ESG	Environmental, Social and Governance
ESMF	Environmental and Social Management Framework
EU	European Union
EUD	European Union Delegation
FAO	Food and Agriculture Organization of the United Nations
F4F	Forests for the Future Facility
FCM	Forest-Cover Monitoring
FCPF	Forest Carbon Partnership Facility
FFF	Financing for Forests (proposed EU action)
FMO	Netherlands Development Finance Company
FPIC	Free, Prior and Informed Consent
FREL / FRL	Forest Reference Emission Level / Forest Reference Level
FSC	Forest Stewardship Council
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
HFLD	High Forest Cover / Low Deforestation
IADB / IDB	Inter-American Development Bank
IDB Lab	IDB Innovation Laboratory
IFC	International Finance Corporation
INTPA	Directorate-General for International Partnerships (European Commission)
IPLC	Indigenous Peoples and Local Communities
ITP	Indigenous and Tribal Peoples
ITMO	Internationally Transferred Mitigation Outcome
LBB	Suriname Forest Service ('s Lands Bosbeheer)

MIP	Multi-annual Indicative Programme
MOF	Ministry of Finance
MRV	Measurement, Reporting and Verification
MSME	Micro, Small and Medium Enterprise
NBSAP	National Biodiversity Strategy and Action Plan
NDC	Nationally Determined Contribution
NFMS	National Forest Monitoring System
NIMOS	National Institute for Environment and Development in Suriname
NOB Bank	National Development Bank of Suriname
NRTM	Near-Real-Time Monitoring
NWFP	Non-Wood Forest Product
PFP	Project Finance for Permanence
PES	Payment for Ecosystem Services
PROPARCO	Promotion et Participation pour la Coopération Économique
REIT	Real-Estate Investment Trust
REDD+	Reducing Emissions from Deforestation and Forest Degradation (plus conservation, sustainable management of forests, and carbon-stock enhancement)
SDG	Sustainable Development Goal
SFISS	Sustainable Forestry Information System Suriname
SFM	Sustainable Forest Management
SITA	Suriname Investment and Trade Agency
SLMS	Satellite Land Monitoring System
SME	Small and Medium Enterprise
SBB	Foundation for Forest Management and Supervision (Stichting voor Bosbeheer en Bostoezicht)
SRD	Surinamese Dollar
STINASU	Suriname Nature Conservation Foundation
TA	Technical Assistance
TIMO	Timberland Investment Management Organization
TNC	The Nature Conservancy
WWF	World Wide Fund for Nature

Introduction

1.1 Purpose and Scope of the Assessment

This assessment of forest financing mechanisms and instruments at the country level serves as the foundation for the proposed EU-funded Action "Financing for Forest" - FFF. The assessment is commissioned by the EC INTPA F2 and was jointly implemented by the Centre for International Forestry Research and World Agroforestry (CIFOR-ICRAF), an applied research organization with key expertise in conservation, restoration and management of tropical forests and the Forests for Future Facility (F4F), a technical assistance facility to the EC INTPA F2 on matters regarding sustainable forest management.

This initiative is designed to support the EU's commitments to climate action, biodiversity conservation, and the Sustainable Development Goals on a global scale by promoting the use of forest finance solutions and instruments and innovative financing mechanisms for forests.

Central to this is the recognition of forests' crucial role in mitigating climate change, protecting biodiversity, and providing essential ecosystem services. By fostering innovative financing solutions, the initiative aims to bridge funding gaps and catalyse investments in forests. This includes developing mechanisms that can attract both public and private sector funding and aligning forest finance solutions with national environmental strategies (such as NDCs and NBSAPs) to support the achievement of international commitments and promoting cross-sectoral collaboration.

This aligns with broader EU environmental policies, such as the European Green Deal, and international commitments under the Paris Agreement and the Convention on Biological Diversity (e.g. the Global Biodiversity Framework). By doing so, the initiative not only seeks to contribute to the global efforts to combat environmental degradation but also to demonstrate the EU's leadership in leveraging finance for sustainable development and environmental stewardship. In summary, this EU-funded action represents a strategic and multifaceted approach to enhancing the role of forests through financial innovation.

1.2 Assessment Approach and Methodology

The assessment followed a structured 3-step approach. Initially, a facilitated technical roundtable was convened on 19 March 2025 with the European Delegation and key stakeholders. This session aimed to explore forest financing gaps, analyse key financial instruments and mechanisms specific to the country, and identify the most pertinent forest finance mechanisms and instruments for pre-assessment focus. At the March workshop, stakeholders mentioned that the country will structure their 10-year forest financing around a REDD+ strategy, advance the design of a PES scheme via FSC certification despite outstanding questions on revenue-sharing between the government and concessionaires, and remove carbon credits from the short-term agenda; they also identified critical investments in downstream wood-processing facilities, rural road upgrades to improve timber transport and vocational training for forestry operators, and agreed

to publish the national forest baseline on the UNFCCC portal immediately, convene a targeted sustainable finance workshop (with the Ministries of Finance and Spatial Planning) before month's end, strengthen interministerial coordination for green-budget planning, synchronize deliverables with the concurrent Biofin initiative, and launch an awareness campaign on "Target 19" to integrate sustainable-finance principles into national planning.

Subsequently, the second phase involved the meticulous mapping of forest finance mechanisms and instruments. This mapping was informed by insights gleaned from targeted key informant interviews conducted during March-April 2025 with a diverse range of private sector entities, including national banks, concession holders, local forest stakeholders, timber and non-timber forest product entrepreneurs, as well as pertinent public sector actors. These interviews were complemented by an extensive desktop review of relevant data sources and reports concerning forestry finance. The results of the forest finance mapping were then validated and fine-tuned after a consultation roundtable with the same stakeholders on June 20, 2025.

1.3 Key Findings

Suriname possesses globally significant forest resources, with over 93% of its land area under forest cover and a strong track record as a high-forest, low-deforestation (HFLD) country. However, the assessment found that forest financing remains fragmented, limited in scale, and overly reliant on short-term public and donor funding. Existing financial instruments such as NOB Bank loans, project-based grants, EU financial schemes such as (a) EU-Suriname Forest Partnership, (b) Global Climate Change Alliance+ (GCCA+), an EU global initiative which aims to support those partner countries that are most vulnerable to climate change to address climate change challenges

and supports countries in implementing their national commitments, such as their NDCs and NAPs, and (c) The Amazon Basin Team Europe Initiative (TEI) is a coordinated, multi-country effort by the EU, its Member States, and institutions to support Amazon Basin countries in tackling deforestation, biodiversity loss, and climate change; and REDD+ pilot initiatives have been important but insufficient to meet the financing needs of the sector, particularly for community forestry, protected area management, sustainable logging, and forest-based enterprise development.

Legal, institutional, and market barriers are constraining the scale-up of promising finance mechanisms. In particular, the absence of a legal framework for carbon rights and benefit-sharing limits Suriname's ability to participate fully in international carbon markets and equitable REDD+ finance. At the same time, private-sector participation remains minimal due to perceived investment risks, lack of de-risking mechanisms, and weak ESG (environmental, social, governance) infrastructure. Small and medium forest enterprises face high barriers to accessing credit, while national policies and fiscal incentives for conservation remain underdeveloped.

Despite these challenges, the assessment identified a range of opportunities to scale and diversify forest finance in Suriname. These include developing sustainability-linked financial instruments, issuing green or forest bonds, creating public guarantee facilities, and establishing a National Forest and Climate Trust Fund. Expanding payment for ecosystem services (PES), supporting carbon aggregation platforms, and piloting long-term landscape finance mechanisms such as Project Finance for Permanence (PFP) were also recognised as high-potential pathways. Most of these instruments are underdeveloped or absent, but could be scaled with targeted legal, policy, and institutional support.

Table 1. Main forest finance solutions recommended

Proposed Action	Expected Impact	Support needed	Potential Sources of Funding
Legalization and Operationalization of REDD+ Benefit-Sharing Mechanisms	Addresses the critical absence of mechanisms to share carbon finance revenues with Indigenous and Tribal Peoples (ITPs), strengthening local ownership and REDD+ legitimacy.	Requires legal recognition of carbon rights, inclusive governance models for benefit-sharing, and stakeholder engagement to develop equitable distribution mechanisms.	Public budget (Ministry of Environment), international donors (GCF, UN-REDD), and REDD+ buyers through sovereign carbon markets.
Sustainability-Linked Loans and Green Credit Lines	Encourages sustainable behavior in forestry enterprises by linking loan terms to sustainability indicators like FSC certification, emission reductions, or reforestation targets.	Requires regulatory changes to integrate sustainability metrics into banking practices, capacity building for financial institutions, and awareness campaigns for borrowers.	Commercial banks (with concessional co-financing), sustainability-focused funds, and impact investors willing to reward ESG performance.
Improve forest value chains finance (SME, NWFP)	Builds SME readiness for forest finance through technical assistance, ESG training, and aggregation mechanisms to help them access larger investment opportunities.	Requires technical support for SME formalization, pipeline development, capacity building for ESG compliance, and establishment of cooperative or aggregator entities.	Blended finance (IDB, EU), technical assistance from donors (FAO, Tropenbos), and private co-financing from forest value chain actors.
Carbon credits and benefit sharing	Turning avoided emissions into ITMOs creates dedicated funding for forest conservation. A clear benefit-sharing model ensures communities and concession holders receive timely payments, and KlimatX's digital MRV plus automated wallets have proven to deliver fast, low-cost payouts.	Builds on Suriname's REDD+ MRV system; requires carbon-rights legislation and basic training for forestry agencies and communities. KlimatX's tech stack can plug into existing workflows with minimal adaptation.	Corporations (such as airlines or consumer brands) can provide upfront capital by pre-purchasing ITMOs, de-risking the scheme and ensuring cash flow. Multilateral climate funds—like the Green Climate Fund or the LEAF Coalition—can co-finance MRV infrastructure and stakeholder training.
Dept for Nature Swap	Frees up external debt repayments to fund forest protection, community-based forestry and restoration initiatives, cutting deforestation rates and enhancing carbon storage	Suriname's existing REDD+ reporting system provides monitoring basis, though success depends on creditor agreement, a clear legal swap framework and strong oversight by finance, environment and forestry agencies.	Bilateral partners (EU), multilateral banks (World Bank's IDA, IDB), climate facilities (Green Climate Fund, GEF), plus NGOs or impact investors buying discounted debt to underwrite conservation projects.
Conservation-Linked Fiscal Incentives and Transfers	Uses fiscal tools (tax incentives, transfers) to reward subnational governments or private actors who maintain forest cover or invest in ecosystem restoration.	Requires fiscal reform and integration of biodiversity and forest conservation objectives into national and municipal tax codes and budgetary transfers.	Public finance via tax reforms, donor technical assistance (EU, UNDP, World Bank), and subnational partnerships with municipalities.

Source: Own elaboration.

Overview of the forest sector and performance gaps

2.1 Key characteristics of the forest sector

Suriname is globally recognised as a **High Forest Cover and Low Deforestation (HFLD)** country, with approximately 93–94% of its total land area—around 15.3 million hectares—covered by forests (FAO, 2022; Government of Suriname, 2024). These forests form part of the **Guiana Shield** and represent about 0.83% of the world's tropical forest area (Government of Suriname, 2024). Terrestrial ecosystems account for roughly 82% of the national land area (dominated by rainforests, rainforest creeks, clear water rivers, river rapids, and upland ecosystems), while coastal plains (13%), savanna belts (5%) and estuarine zones (1%) add further ecological diversity. These ecosystems hold exceptionally high species richness: approximately 7,906 plant species (including over 5,100 vascular species and ~2020 animal species, including 196 mammals), more than 700 resident and migratory birds, over 200 amphibians and reptiles, and about 500 freshwater and brackish-water fish species. Its landmass is complemented by a maritime Exclusive Economic Zone extending up to 345 nautical miles offshore. Marine faunae include at least five sea-turtle species (e.g., leatherback), multiple cetaceans and elasmobranchs, plus a diversity of coral-reef and pelagic organisms. Overall, the forest ecosystems deliver critical ecological services such as carbon storage (11 Gt CO₂-eq), biodiversity preservation, and watershed protection (FAO, 2022).

Forest ownership is overwhelmingly public (99%), managed 10% by the Foundation for Forest Management and Production Control (SBB), 13% managed by companies, 5% managed by local

communities, and about 75% remaining unallocated (FAO, 2022). Approximately 2 million hectares are under logging concessions, and 0.8 million hectares are designated as community forests (FAO, 2022), while protected forest areas account for 2.1 million hectares or around 14% of national territory, divided into 11 Nature reserves (11.5% of total surface area), 2 Nature parks (public, private resp.) (0.09% of total surface area), and 4 Multiple Use Management Areas in the brackish-freshwater Coastal Zone (1.5% of total surface area) (Ministry of Spatial Planning and Environment, 2024). The threat of **forest degradation** is increasing due to unsustainable logging and a rise in roundwood exports. (Government of Suriname, 2024; Global Forest Watch, 2023). Felling operations in Suriname carry risks of deforestation and habitat loss. Still, concessionaires must adhere to strict harvest limits (trees per hectare and minimum spacing) and use the SFISS system to monitor compliance. More severe threats come from gold mining and road construction, which compact soils and damage undergrowth when skid trails are cut for log extraction. At the mill level, resource inefficiency compounds environmental impacts: only about half of each harvested tree is removed from the forest, and of the logs brought to sawmills (roughly 50% of the tree's volume), just 45% is processed for domestic use—or only 25–30 % when destined for export—because lower-grade "Type B" material seldom finds markets. Outdated equipment and crude sawing methods further depress recovery rates, while diesel- and electricity-powered machinery operate without energy-reduction strategies. Finally, both domestic transport (road construction and heavy-vehicle use) and international shipping generate significant greenhouse-gas emissions (Ham and Soerodimedjo, 2023).

Indigenous communities and Maroons.

Indigenous Surinamese—making up roughly 4% of the population—trace their roots back millennia and encompass numerous tribal groups, the largest of which are the Kaliña (Carib), Lokono (Arawak), Trio (Tiriyó), and Wayana. These communities are primarily found in the southern interior of Suriname and coordinate through the Association of Indigenous Village Leaders in Suriname (VIDS), which advocates for their collective interests. Their ancestral lands span vast forested areas rich in biodiversity, yet recognition of their customary land rights remains uncertain, making them particularly vulnerable to external concessions and resource-extraction projects. Maroons—about 22 per cent of the population—are descended from enslaved Africans who fled colonial plantations centuries ago and established self-governing villages deep in the rainforest. The six principal Maroon tribes (Kwinti, Aluku, Matawai, Paamaka, Okanisi and Saamaka) are represented by the Collaboration of Tribal Peoples in Suriname (KAMPOS). Socio-economically, both Indigenous and Maroon groups face chronic underinvestment: they often lack reliable schools and clinics, have limited access to banking or formal credit, and see few opportunities for stable, wage-based employment. At the same time, preserving traditional knowledge (whether in language, spiritual practices, or sustainable hunting and farming techniques) remains a community priority, even as they press the government to officially recognise and protect their ancestral territories (Ham and Soerodimedjo, 2023).

Despite this vast natural capital, the **economic contribution of the forest** sector remains modest. Between 2011 and 2021, forestry's contribution to national GDP hovered between 1.5% (in 2016) and 2.6% (in 2018), reaching 1.65% in 2021. (Word Bank, Trading Economics, 2025).

Analysing wood production and trading statistics, in 2022, roundwood production reached 517,010m³ and sawn wood production 90,000m³—both having grown significantly from 2010 to 2019 before plummeting in 2020 due to the COVID-19 economic downturn. Roundwood output peaked at 1,083,758m³ in 2018, then fell by 52 % to 523,862m³ in 2020, while sawn wood peaked at 319,000m³ in 2019 and dropped 76 % to 75,000m³ in 2020. The principal species harvested are Gronfolo, Basralocus, Kopi,

and Wana. Finished-wood exports in 2022 totalled 355m³ (FOB value: USD 250,317), comprising doors, windows, frames, stair parts, furniture, sawdust, charcoal, brooms, and shingles. Domestically, 29% of roundwood and 72% of sawnwood produced in 2022 were sold on the local market (the remainder was exported), with locally sold sawn timber used primarily in construction. Seventy companies exported wood products in 2022, generating USD 81,266,231 FOB. Of this volume/value, 93.1% / 89.4% came from roundwood, 6.4% / 9.8 % from sawn wood, and just 0.1% / 0.3 % from finished products. 36 companies exported sawn wood and six shipped finished goods; the remaining 28 exported only roundwood (Ham and Soerodimedjo, 2023).

Table 2. Wood product exports volume and value (2022)

Product	Volume (m3)	FOB Value (USD)
Roundwood	363,065	72,613,713
Sawn wood	24,863	7,984,030
Finished products	355.2	250,317

Source: (Ham and Soerodimedjo, 2023)

Average FOB prices were roughly USD 200/m³ for roundwood, USD 321/m³ for sawn wood (60% higher than roundwood), and USD 705/m³ for finished products (over 250% higher), highlighting the sector's value-addition potential. Finished-product prices vary considerably: planed and dried lumber sells at USD 600–700/m³, wallaba decking at USD 1,863/m³, and furniture components at USD 2,910–3,500/m³. In 2022, 99% of roundwood exports went to Asia (mainly India, China, and Vietnam), while sawn wood was more widely distributed, with 49% going to Asia, 37% to Europe, 9% to North/Central America, and 3% to the Caribbean. The top five roundwood exporters were Palmera Hout (64,529 m³), Wintrip International (59,654 m³), Green Wood World (37,272 m³), Matlantic Global (37,122 m³), and Bakhuis Forest (33,000 m³); only Palmera Hout and Bakhuis Forest also exported sawn wood (2,615 m³ and 1,984 m³, respectively). The SBB estimates that roughly 10% of lumber is illegally harvested via informal chains, where mobile sawmills process logs on site before local sale, primarily for construction. As for **employment** in the Forestry sector, in 2020 it accounted for only 6,650 formal jobs, down from 9,000 in 2015.

In terms of **non-timber and ecological values**, Suriname's non-wood forest product (NWFP) value chains gross value was around USD 25 million in 2019 (animal-based products making only around USD 1 million of this value) as well as ecotourism (approx. USD 10 million) and ecosystem services markets, though the latter remain underdeveloped (FAO, 2022).

The **Government of Suriname** covers core infrastructure, training, resource assessments and information systems, but continues to rely heavily on donor support for technical assistance and blended-finance instruments to de-risk private investment (FAO, 2022). For example:

i. The Inter-American Development Bank (IDB)

has provided USD 20 million for bioeconomy initiatives, and the IDB Lab is financing "green company" projects in climate resilience. However, neither includes dedicated lines for forest plantations.

ii. United Nations Development Programme (UNDP)

(UNDP) is a significant source of funding and support in Suriname through joint initiatives with other UN agencies, leading on environmental and socio-economic development projects and activities, under Outcome 3 of the Country Programme Document for Suriname 2022-2026, including I.3.1 Percentage of protected areas in relation to terrestrial areas, and I.3.2 Number of sustainable financing frameworks and partnerships for natural resources management, USD 141,000 (regular) and USD, 23,7 million (other) have been allocated (UNDP, 2021).

a. Aligned with the UNDP country programme is the GEF Project "Strengthening Management of Protected and Productive Landscapes in the Surinamese Amazon" with a total budget of USD 5,165,138 (implemented from 2022 to 2027).

iii. Under the first and second phase of the Global Climate Change Alliance (GCCA+) in order improve Resilience building against climate Change impacts through integrated water resource management, sustainable use and management of coastal ecosystems, funded by the European Union/ UNDP/ Swedish International Development Cooperation and the German Government, the country has received around USD 10 million (3,4 million first phase from 2015- 2019) and (USD 6 million from 2020 to 2025).

iv. The EU-Suriname Forest Partnership is a seven-year initiative (2021–2027) aimed at protecting, restoring and sustainably managing Suriname's rainforests and mangroves. In its first phase, from 2021 through a mid-term review in 2024, the programme has an indicative budget of €13 million to strengthen forest governance, enhance community livelihoods, develop payment for ecosystem services, and restore critical mangrove habitats.

v. Sustainable Livelihood Facility (EU-WWF-AFD).

Rural communities, Indigenous groups, and local cooperatives in Suriname benefit from donor-funded, nature-based initiatives that support activities such as beekeeping, agroforestry, ecosystem restoration, and the sustainable use of non-timber forest products. These programs, backed by approximately USD 10 million (approx. USD 5 million for Suriname and USD 5 million for Guyana) in community grants and non-reimbursable financing, are designed to have an inclusive impact at the local level.

vi. Conservation International Suriname has

implemented various projects for Indigenous forest communities and Non-Forest Timber Products from 2019 to 2023, with a total budget of approximately USD 700,000 (donors, European Union, Dutch Government and German Government). Under a regional umbrella programme, "Our Future Forests - Amazonia Verde," implemented by Conservation International, a total budget of USD 17.4 million from the French Government has been allocated to implement activities supporting Indigenous forest communities in the restoration and sustainable management of the rainforest.

REDD+ entered Suriname's national agenda in 2008–09, when the government first sought support from the Forest Carbon Partnership Facility to begin "readiness" activities—meaning it's been under formal discussion for roughly 16 years. Although REDD+ is gaining traction as potential revenue streams (the country has registered reductions (e.g. 4.8 MtCO₂e for 2021) and is preparing to convert these into ITMOs under Article 6 of the Paris), aligning with Suriname's National REDD+ Strategy and zero-emissions Forest Reference Level (Government of Suriname, 2024), no results-based payments for verified emission reductions have been received by the Surinamese government to date.

Local banks regard forestry as a “high-risk” sector. They demand liquid collateral, effectively excluding concession holders and most small operators in the interior. The Surinamese financial sector is relatively small, comprising 11 commercial banks, 28 pension funds, four insurance companies, and five development banks that are currently active in the country (FAO, 2022).

2.2 National targets for sustainable forest management, sustainable wood production, forest restoration, the wood industry, and protected area management

2.2.1 Key objectives and targets from forest policy and action plans

Suriname's national forest vision is grounded in its **2006 National Forest Policy**, which remains the most comprehensive policy document guiding the sector. The overarching objective is to harness the country's vast forest resources for socioeconomic development, while maintaining ecological integrity and respecting indigenous rights. Key targets include expanding sustainable forest production up to 1.5 million m³/year, strengthening the wood processing industry, and increasing forest cover under effective management, particularly in community and production forests. The national policy estimates suggested that 2.5 million hectares of production forest could sustainably yield this volume on an annual basis (Ministry of Natural Resources, 2006).

The policy calls for diversification of forest-based economic activities, including promoting **non-timber forest products (NTFPs)** and **eco-tourism**, while supporting local livelihoods in forested regions. Institutional capacity building is also central, including the strengthening of **SBB, LBB, and STINASU**, alongside education institutions like **NATIN** and **ADEKUS**. After almost 20 years (since the publication of the policy), most of the targets outlined remain pertinent, considering that extraction reached 1.07 M m³ in 2019 (≈71 % of the 1.5 M m³/year target) and 93% forest cover has been retained with net removals underpinning a “zero FRL” emissions reference. However, sawmill modernisation is minimal, effective community management is residual, and NTFP and ecotourism revenues remain at a pilot scale. While implementation challenges persist, the policy remains aligned with Suriname's sustainable development goals, particularly as reaffirmed in its **2020 Nationally Determined Contribution (NDC)**, which conditions forest preservation and sustainable use on adequate international climate finance (WWF, 2020; Government of Suriname, 2024).

According to Suriname's updated NDC, the country commits to maintaining 93% forest cover (considering its HFLD status) with a forest cover of more than 15.2 million ha. and historical annual rates of deforestation below 0.1%. Suriname is maintaining a carbon sink of 13.1 Gt CO₂e. It also seeks to establish and/or expand protected areas to at least 17% of terrestrial land, and implement a **major REDD+ strategy** as a conditional

Table 3. NDC Forest Project Portfolio

Project	Objective
Support alternative livelihoods and diversification of the economy in the interior	Increase the contribution of forests to the economy and welfare by providing alternative livelihoods that contribute to diversification, using the opportunities provided by nature, while at the same time protecting the environment, and Increasing the well-being of Suriname citizens.
Enforcement, control and monitoring forests	Ensure sufficient capacities exist to implement the necessary forest monitoring, control and enforcement activities and strengthening forest regulatory and supervisory institutions
Promotion of Sustainable Forest Management	To maintain forest resources, while increasing the contribution of those resources to economic development in a sustainable manner.
Promotion of sustainable practices in other land use sectors	Improve institutional arrangements through laws and regulations for the purpose of promoting sustainable practices in other land use sectors.
Protected areas	Increase the coverage of protected areas and provide for their protection

Source: Cabinet of the President of the Republic of Suriname, 2019

contribution (Cabinet of the President of the Republic of Suriname, 2019). The NDC project portfolio includes five specific projects in this context:

The overall portfolio of projects is valued at USD 696 million, the forest sector priorities comprising around 30% of this budget (USD 209 million) over 10 years.

The **National REDD+ Strategy (2019)** serves as the country's central instrument for climate-compatible forest governance. It sets out four strategic pillars: (1) continuing as an HFLD country with international compensation; (2) strengthening forest governance and legal frameworks; (3) improving land use planning and tenure security, particularly for Indigenous and Tribal Peoples (ITPs); and (4) enhancing conservation, reforestation, and forest-based education and research (Government of Suriname, 2019a). Concrete measures to be implemented include scaling up REDD+ financing mechanisms, expanding reduced-impact logging, promoting agroforestry, and ensuring Free, Prior and Informed Consent (FPIC) in forest development decisions—despite advances made, these have not fully been implemented to date. The strategy anticipates the establishment of an Environmental Fund, anchored in the new Environmental Framework Act, to channel REDD+ benefits to national institutions and forest-dependent communities. Parallel efforts are underway to modernise Suriname's 1954 Nature Conservation Act to meet international standards, particularly REDD+ safeguards, benefit-sharing, and stakeholder participation. To date, Suriname's engagement with REDD+ has been limited to “readiness” support—i.e. the up-front technical and institutional setup. The main channel of financing has been the World Bank's Forest Carbon Partnership Facility (FCPF), delivered through UNDP: (i) Initial grant: USD 3.8 million approved in 2013–14, (ii) additional grant: USD 2.65 million approved in 2018 to extend readiness activities through mid-2020; totalling USD 6.45 million. Despite completing the readiness phase and submitting forest reference emission levels (FRELs) covering 2016–2021, Suriname has not yet received any “results-based payments” under REDD+.

Suriname's updated **Biodiversity Strategy and Action Plan (2024)** complements these goals with an emphasis on **biodiversity offsetting**, ecosystem service payments, and a **National Nature Fund**, which will be partly financed through revenues from the extractive industry (Green Earth, 2024). The strategy also calls for expanding **biodiversity data systems** and public-private partnerships for conservation. This reinforces a shift towards integrated natural resource governance, with biodiversity and climate targets embedded in forest sector planning (Ministry of Spatial Planning and Environment, 2024).

Furthermore, the updated NBSAP establishes a formal commitment to restore and rehabilitate Suriname's degraded terrestrial, marine and freshwater ecosystems. Although forestry agencies have begun modernising their sustainability systems, the backbone Code of Practice, drafted in 2011, remains unratified—dating back to a 1992 law—and has not been revised to include best-practice, low-impact logging methods that would curb CO₂ emissions, biodiversity loss, and soil compaction. Critically, there are no locally developed policies or empirical studies guiding active restoration of forest landscapes, nor have pilot projects been launched to test restoration techniques in priority areas. The prevailing community forest concession framework still allows unsustainable harvesting practices and directly conflicts with forthcoming legislation on collective rights for Indigenous and Tribal Peoples. Moreover, private-sector actors exhibit limited awareness of the economic and ecological advantages of biodiversity-friendly value chains and lack the capacity to integrate restoration into their operations. In the absence of binding restoration mandates, dedicated funding streams, public-led demonstration programs and robust institutional and monitoring mechanisms, these strategic restoration goals risk remaining purely aspirational rather than translating into measurable, on-the-ground recovery of Suriname's forests and watersheds (Ministry of Spatial Planning and Environment, 2024).

2.2.2 Progress and gaps in the forestry sector

The table below assesses the gap for national targets for several forest sector indicators, including forest cover, protected areas coverage, and sustainable timber production, among others.

Table 4. Main forest sector target status, gaps and challenges

Target Area	National Target	Current Status	Gap / Challenge
Forest Cover	As a High Forest Cover, Low Deforestation (HFLD) country, Suriname remains committed to maintaining its 93% forest cover of more than 15.2 million ha. Suriname is maintaining a carbon sink of 13.1 Gt CO2e. (NDC conditional)	Still at ~93% forest cover	No measurable decline; target well maintained; requires vigilance as pressures from mining rise.
Protected Areas Coverage	Suriname has established 14% of its total land area under a national protection system and will continue to pursue expansion of this system by increasing the percentage of forests and wetlands under protection to at least 17% of the terrestrial area by 2030, in line with the UN CBD Aichi target. (NDC unconditional)	Approx. 14% of the land is under protection	Gap of ~4% protection needed; the revised NBSAP its national budget for biodiversity-related policy areas and has improved knowledge of and access to international finance, including innovative schemes such as payment for ecosystem services and biodiversity offsetting, and synergies with climate financing.
REDD+ Financing and Implementation	Suriname is implementing a major REDD+ strategy with a 10-year timeframe. The strategy covers 5 main programs with the aim of attracting and guiding the allocation of international and national funding. (NDC conditional)	REDD+ Strategy adopted, partial implementation, limited funding	Progress on REDD+ is uneven; it depends on donor funding and institutional capacity. The Environmental Fund and SIS are under development.
Sustainable Timber Production	Increase efforts at sustainable forest and ecosystem management and stabilizing and minimizing deforestation and forest degradation (NDC unconditional) Up to 1.5 million m ³ /year sustainably	Production around ~0.52M m ³ in 2022 FSC certified area dropped to 21,000 ha only in 2021	Current output is well below potential; investments in machinery, planning, and capacity needed. Unequal concession framework. Infrastructure and investment gaps cited by FAO (2022)

Table 4. Continued

Target Area	National Target	Current Status	Gap / Challenge
Roundwood Export Reduction	Phased reduction of roundwood exports	Roundwood exports are still dominant (~95%)	The export model is still based on raw logs; value chain transformation has not progressed, due to lack of skills and capacity, accessible finance, machinery as main causes. Export taxes and incentives pending reform
Non-timber forest products (NTFP)	Increase in non-timber forest products (NTFP) to create additional decent jobs and revenue.	NGO-backed pilots have tested non-timber forest products like açaí, Brazil nuts, and various oils, but collection remains informal, small-scale, and lacks market access. New investments aim to formalize and scale commercial production, with sustainable growth depending on adapting successful methods from other regions.	Studies in domestication and trade of NWFPs; Capacity building of community organizations that are involved in collection of the NWFPs; Standardization to comply with international markets/clients are needed
Forest governance	Improve governance in forest sector, improve control of wood flows and application of SFM practices and logging code of practice, certification. Opportunities for emission reductions through Sustainable Forest. Management practices up to 40% exist.	Weak environmental law enforcement, especially in the hinterlands. Governmental organizations lack the required capacities to fulfil their duties. The due diligence process of the concession holders is weak and not targeted at the ultimate shareholder of the company or the person who is granted the concession	Weak political will and law enforcement, lack of de-risking support for sustainable investments, unclear land rights, non-transparent and misaligned concession processes, poor enforcement of environmental and governance standards, limited institutional capacity, and superficial due diligence on concession holders.
Community Forests and ITP Participation	Expand permits and secure land tenure for ITPs	0.8M hectares in community forests, but land tenure is unresolved	Tenure for ITPs remains mostly informal; legislation reform and FPIC mechanisms are incomplete. Land rights and FPIC need full integration into the legal framework

Source: Own elaboration.

Suriname has made important strides in **maintaining its 93% forest cover**, demonstrating strong political will and effective baseline monitoring. However, this commitment is increasingly tested by growing pressures from mining and infrastructure development, particularly in the Greenstone Belt. The **most significant implementation gap** lies in the expansion of protected areas, where only around 14% of the national territory is under protection, compared to the 17% target set in national and biodiversity strategies.

On the **economic front**, timber production and value addition remain well below potential. Sustainable harvesting could reach 1.5 million m³/year, but output fell sharply during the COVID-19 pandemic and has yet to recover. Export dependence on raw roundwood—currently over 95% of wood exports—continues, with minimal progress on processing infrastructure or export reform. Suriname's roundwood sector is retained at the supply level by an **unequal concession framework** that favours large, well-financed operators. Concession awards require demonstration of significant upfront capital and reliable government access, criteria that many local micro, small and medium enterprises (MSMEs) cannot meet, forcing smaller processors to rely on spot-market purchases of logs. This unpredictable sourcing exposes them to wild price swings and intermittent timber availability, making it impossible to establish consistent production schedules. Likewise, employment in the forest sector has dropped from over 9,000 in 2015 to around 6,650 in 2020, with no strong rebound in sight.

In relation to value chains, infrastructure restrictions and limited financing possibilities pose difficult potential efficiency gains. Interior roads, built for lighter vehicles, deteriorate quickly under heavy logging traffic and frequently flood during the wet season, causing lengthy delivery delays to sawmills. Meanwhile, commercial loan rates of 18–19% and the exclusion of concession rights as acceptable collateral effectively bar MSMEs from securing funds to acquire modern milling or finishing equipment. Together, these logistical and financial constraints lock Suriname's wood processors into low-margin, raw-log export markets and prevent meaningful expansion of domestic value addition.

In terms of policy, **REDD+ implementation and forest governance reform** have advanced, but remain contingent on external finance and broader institutional strengthening. Suriname has submitted and continuously updated its Forest Reference Emission Levels (FRELs/FRLs). Since 2018, the country has submitted three reference levels (2018, 2021, and 2023), each reflecting methodological improvements and more comprehensive data. The **Second FREL**, submitted in 2021, was technically assessed by the UNFCCC and covers historical emissions from deforestation and forest degradation during the period 2001–2019. This FREL served as the baseline for mitigation activities starting in 2021, under the REDD+ cooperative approach. In 2023, Suriname made further progress with the submission of its Third FRL, which is applicable from 2022 to 2030. This level marks a methodological leap by including not only emissions but also carbon removals across all forest areas in the country. It adopts a net-zero reference level approach, designed for countries with negative greenhouse gas (GHG) balances. According to Suriname's latest GHG inventory (2017), the country reported a **national net balance of -14,268.7 Gg CO₂eq**, largely driven by removals from the LULUCF sector (-17,860.2 Gg CO₂eq). This zero FRL approach aims to fully recognise Suriname's contribution as a net carbon remover, in line with Article 4.1 of the Paris Agreement. The Third FRL is currently undergoing technical assessment, with final verification expected in 2025.

The **concession holders** manage 2 million ha of the granted production forests. Production forests in Suriname are public lands that are leased out to individuals and private entities for one to 20 years, with the option to extend the lease once (Forest Management Act, 1992). The area ranges between 1000 and 150,000 hectares per concession. The short-term concession has a maximum duration of 5 years for a production area of not more than 5,000 ha. Mid-term concessions are granted for a maximum of 10 years for an area of not more than 50,000 ha. The long-term concessions are granted for a maximum of 20 years for an area of not more than 150,000 ha. All concessions are admitted based on the advice of the forest authority (SBB). The short- and mid-term concessions are governed by the ministerial decree, while the long-term concessions are allocated by the General Assembly of Suriname (FAO, 2022). In 2019, the forestry administration registered timber

production from 226 concessions and community forests (SBB, 2019). This equals a 73% utilisation rate when compared to the 307 active wood harvesting licenses. Thus, 27 licenses did not produce wood in 2019 and were considered inactive. The same year, the registered wood production came from 1,258 harvesting compartments with a total harvesting area of 143,932 hectares. Seventeen per cent of the production came from community forests (outlined below), private areas, and forest reserves. Notably, around 10% (109,000 m³) of the wood came from unknown sources (FAO, 2022).

The basis of wood levies is a unit price of US\$3.95 per cubic meter of round wood leaving the forest. In addition, concession holders must pay an area fee which is SRD 5 ha/year of the concession. The export fee of round wood is defined at 20% of the FOB value, which is at the same level as other tropical countries that are still exporting logs. The revenue structure is explained in Table 5.

Table 5. Revenue structure in the forestry sector of Suriname

Tax, levies and inspection fees	Value
Concession fee	SRD 5 (ha/year)
Exploration fee	SRD 5 (ha/year)
Retribution on roundwood	US\$ 3.95 m ³
Export fee on roundwood	20% of the FOB value
Export fee on value added wood products	5-18% of the FOB value
Wood export products grading fee in Paramaribo by SBB	SRD 11 m ³
Wood export products grading fee outside Paramaribo by SBB	SRD 16.5 m ³
Natural persons income tax	0-38% of the income
Bodies income / profits tax	0-38% of the profits
Sales tax	12%

Source: FAO, 2022

Alongside the forest concessions, there is significant roundwood production from the community forest as well. The forest authority states that the community forest area is 0.823 million ha and production of industrial roundwood was 160,000 m³ or 15% of the total in 2019. In 2021 there were 162 communal timber cutting licenses covering the community forests with undetermined duration. The communal cutting licenses are granted to the tribal and indigenous communities of Suriname. An estimated 444,000 ha belonging to 51 villages had community forest licenses while an estimated 382,000 ha belonging to 74 villages were granted by the previous forest management act. Most of the communal licenses date back from the previous act, however the forest area of the terrains by the current act is larger. The **legal and operational recognition of Indigenous and Tribal Peoples' (ITP)** land rights also remain an unfinished agenda, despite 0.8 million hectares designated as community forests. These gaps highlight the need for integrated investment, legal reform, and institutional capacity-building to meet Suriname's forest goals in a balanced and inclusive way.

Assessment of current levels of finance and investment

3.1 Overall, the finance and investment gap

This outlines a cost-effective approach to decarbonising sustainable economic development, preserving natural forests as carbon sinks, and enhancing resilience to support adaptation and mitigation efforts. The NDC aligns with Suriname's national development priorities. Although Suriname is currently unable to establish an economy-wide target, a package of policies and measures with sector-specific sub-targets has been developed.

The Means of Implementation chapter in the NDC includes a portfolio of projects designed to contribute to the objectives of the NDC. Selected projects from the forest sector and other priority sectors have been identified for inclusion in Suriname's NDC, with a total project value estimated at USD 696 million, of which the forest sector accounts for approximately 30 per cent (USD 209 million). The projects generally have timelines of 5 or 10 years (see Table 6 for project details). Within sections 3.2–3.5, a breakdown of required funding based on the NDC pipeline, as well as the Forest Finance Strategy, is analysed to identify overall funding requirements.

Despite the total forest sector financing needs estimated in the NDC at USD 209 million, due to limited updated data on costed national targets and programme-level investment needs, it is currently not possible to provide a reliable estimate of the total annual financing gap. This issue could be addressed in the upcoming appraisal phase.

3.2 Finance and Investment in Sustainable Forest Management (SFM)

Overall, the required finance for SFM (based on the NDC project pipeline) is the combined amount of USD 70 million for *Promotion of sustainable practices in other land use sectors* and USD 35 million for *Support alternative livelihoods and diversification of the economy in the interior, comprising a total amount of around USD 105 million.*

3.2.1 Wood Production.

Suriname's wood production sector remains structurally underfunded. In 2020, forestry-related fiscal revenue totaled SRD 72.7 million (compared to SRD 84 million) through Retribution, concession, and exploration rights (levies): SRD 41 million (2019: SRD 47.6 million) and export fees SRD 31.7 million (2019: SRD 36.4 million). The underinvestment has contributed to a production drop, with industrial roundwood volumes falling from 1.1 million m³ in 2019 to 0.5 million m³ in 2020 following the COVID-19 pandemic.

In addition, investments in sustainable long-term concession depend on the area and anticipated sustainable logging volume of the concession. Feasible operations require at least 25,000 ha or a production volume of 25,000 m³ per year. The capital expenditure requirements range from US\$1 to 3 million depending on equipment and machinery needed and operational expenses for the first range from 0.3 to 1 million (FAO, 2022).

Table 6. Overall finance and investment gap of the forestry sector 2020-2030

Project	Finance (USD million)	Revenue generation / Non-Revenue generating	Types of finance
Support alternative livelihoods and diversification of the economy in the interior	35	Revenue generating through results-based payments	Grant: yes; Loan: yes; Guarantee: no; Concessional loans; Carbon market instruments, including taxes on carbon and emissions trading Access to resources under Art. 6 mechanisms UN-REDD+ support
Enforcement, control and monitoring forests	71	Non-revenue generating investment project in its capacity building components. Essential part of the structure needed in place to generate revenues through results-based payments initiatives	Grant: yes; Loan: yes; Guarantee: no; Concessional loans; Technical assistance and capacity building support UN-REDD+ support Budgetary allocations
Promotion of Sustainable Forest Management	70	Revenue generating through diverse financial instruments and mechanisms	Grant: yes; Loan: yes; Guarantee: no; Concessional loans; Investment project financing (non-concessional financing under flexible loan terms); Carbon market instruments Access to resources under Art. 6 mechanisms UN-REDD+ support Budgetary transfers
Promotion of sustainable practices in other land use sectors	16	Revenue Generating	Grant: yes; Loan: yes; Guarantee: no; Concessional loans; Investment project financing (non-concessional financing under flexible loan terms); Carbon market instruments Access to resources under Art. 6 mechanisms UN-REDD+ support Budgetary transfers
Protected areas	17	Revenue generating and non-revenue generating components	Grant: yes; Loan: yes; Guarantee: no; Grant funding for technical assistance and capacity building activities from international donors, institutional and sovereign funds; Governmental budgetary resources (usually about 60% of the total amount in the LAC region) for operational expenditures and infrastructure; Revenue funds, including entry charges, permits, user fees collection, concessions and licenses (usually about 10% of the total amount in the LAC region); International cooperation (fluctuates across countries but on average about 15% of the total amount in the LAC region); Dedicated taxes; Project specific financing
TOTAL	209		

Source: Cabinet of the President of the Republic of Suriname, 2019

3.2.2 Forest Restoration and Plantations.

Restoration and plantation efforts in Suriname remain restrained by limited and discontinuous financing. Domestically, the National Biodiversity Action Plan 2024–2030 allocates a total of USD 2,570,022 (≈ USD 367,146 per year) to Target 1.2 for ecosystem assessment, protocol development, policy adjustments, and pilot projects (Government of Suriname, 2024). Externally, the EU approved €11.7 million for the “EU–Suriname Forest Partnership” for 2021–2024 to support protection, restoration, and sustainable use of rainforest and mangrove ecosystems (European Commission, 2021), but no detailed disbursement figures have been published. Key barriers persist as there are no long-term domestic investment incentives, silvicultural capacity remains underdeveloped, and private-sector engagement is minimal, risking a sharp drop in on-the-ground restoration investment post-2024 despite its prioritization under the REDD+ Strategy and SDG 15 (Government of Suriname, 2019a).

3.2.3 Non-Wood Forest Products (NWFPs).

NWFPs—such as bush fruits, medicinal plants, and palm products—generate an estimated USD 25 million in 2019 for rural and Indigenous communities (FAO, 2022). However, the sector suffers from underinvestment, with no dedicated public finance instruments or commercial product certification initiatives. Typically, the investments needed in establishing collection systems and processing/oil extraction facilities and delivery networks range from USD 50,000 to USD 200,000 (FAO, 2022). In addition, the Multi-Annual Development Plan 2022–2026 identifies as a strategic action for the improvement of NWFPs the establishment PPPs for the realization of NTFP production in the interior with a required budget of USD 5 million, indicating potential support from FAO. The absence of this funding limits livelihood diversification and constrains contributions to both SDG 15 and SDG 8 (decent work and economic growth).

3.2.4 Environmental Services.

In Suriname, financing for ecosystem-service markets is almost entirely sourced from externally funded pilots and programme allocations rather than stable domestic budgets. The Second NDC estimates USD 71 million over 2020–2030 (≈ USD 7.1 million/year) for enforcement, control and monitoring

in the forestry sector (Cabinet of the President of the Republic of Suriname, 2019). The National Biodiversity Action Plan 2024–2035 earmarks USD 2,497.740 to develop legal and institutional ABS frameworks (Target 3.3) and USD 1,257.654 to establish PES schemes (Target 4.2) (Government of Suriname, 2024). The EU’s Multi-annual Indicative Programme for Suriname allocates € 11.7 million for 2021–2024 to the “EU–Suriname Forest Partnership” for protection, restoration and sustainable forest and mangrove management (European Commission, 2021). FAO (2022) notes additional pilot-scale support from bilateral and multilateral donors, but these remain project-based and uncoordinated. Without recurring domestic financing lines, these markets risk remaining confined to the pilot stage (FAO, 2022). The 2024 FRL report notes the high carbon value of Suriname’s forests but highlights the need for institutional and technical capacity to monetize ecosystem services at scale.

In general, the investment in sustainable forest management in Suriname still comes from operators’ own capital, as commercial banks view forestry as high risk and require liquid collateral, often limiting loans to well-established companies in Paramaribo and nearby areas (Tropenbos Suriname, 2023). Microfinance schemes exist, but their short repayment terms and tight schedules make them unsuitable for long-term forestry operations (Tropenbos Suriname, 2023). The state-owned NOB Bank offers longer-term debt instruments that could match SFM needs, but uptake remains low due to stringent reporting requirements and limited awareness of these products (Tropenbos Suriname, 2023).

International development finance institutions (DFIs) such as IFC, FMO, and PROPARCO can provide loans or equity in the USD 5–50 million range under case-by-case terms, demanding strong equity contributions and ESG compliance, but no major DFI deal has yet closed for SFM in Suriname (FAO, 2022). Blended-finance facilities under the EU’s EFSD+ framework are under design and could de-risk DFI lending and stimulate private-sector engagement via guarantees, grants, and technical assistance tied to sustainable sourcing criteria (e.g., FSC), but these instruments are not yet operational locally (FAO, 2022).

3.2.5 Community Forest.

Suriname's community forest model operates on state-owned land, whereby Indigenous and Maroon communities are granted renewable permits to manage forests rather than being accorded full ownership rights. In accordance with the Forest Management Act, these permits—initially valid for 10 years with the possibility of indefinite extensions—authorize small-scale agriculture, harvesting of non-timber forest products, and commercial logging within designated areas. As of 2020, approximately 140 community forests spanned some 800,000 hectares, constituting Suriname's largest formal framework for local resource management. While such permits prohibit the allocation of conventional logging concessions to third parties within their boundaries, operational realities often involve outsourcing to commercial entities: due to limited financial and technical resources, communities frequently engage logging companies that supply equipment in exchange for royalties based on extracted volumes, which are subsequently managed by community committees for shared development initiatives (Kusters, K., 2020).

Despite the intention to provide protection through community forest permits, overlapping state concessions and insufficient legal recognition of collective land rights continue to compromise tenure security. For instance, the Saamaka people—whose customary territory totals approximately 1.4 million hectares—have observed government ministries granting 447,000 hectares (32% of their claimed land) to commercial enterprises since a 2007 Inter-American Court ruling meant to safeguard their lands. The absence of codified collective land demarcations in law allows logging and mining operators to obtain permits within community boundaries without prior free, informed consent; notably, nearly 77% of adverse impacts on Saamaka lands have occurred after the 2007 decision. This fragile tenure context leaves community forests susceptible to external pressures and highlights the critical need for legally recognized territorial rights to ensure sustainable, community-driven forest governance (Radwin, M., 2024).

Beyond tenure frameworks, the **Sustainable Forest Livelihoods Facility** provides direct support to Indigenous and Maroon communities in Suriname allocating €5 million. Launched in February 2023 and

running through February 2027, this program aims to strengthen institutional forest governance in Suriname (through SBB), enhance local capacity for resource management (in collaboration with WWF Guianas), and encourage sustainable, forest-based economic activities—thus improving community resilience and diversifying livelihood options under the Forest Livelihoods for Communities of Guyana and Suriname initiative (Agence Française de Développement, 2025). In addition, the **Green Heritage Fund Suriname (GHFS)**, established in October 2005 as a national environmental NGO, delivers technical coordination, capacity building, and participatory governance support for community-led conservation projects. GHFS has led marine spatial planning efforts funded by the EU and, since 2021, has managed the Community Conservation of Mangroves project with support from IDB Lab. These programs offer grants, training, and equipment to coastal and riparian communities, empowering them to manage mangrove ecosystems, monitor biodiversity, and integrate traditional ecological knowledge into sustainable resource management practices.

3.3 Finance and Investment in Forest-Based Industries

Overall, the required finance for forest-based industries (based on the NDC project pipeline) is estimated at USD 52 million (USD 17 million for the Promotion of sustainable practices in other land use sectors and USD 35 million for the Support alternative livelihoods and diversification of the economy in the interior).

The forest-based industrial sector in Suriname demonstrated a total gross value of approximately USD 140 million in 2019—comprising USD 55 million from log exports, USD 37 million from domestic processed wood and USD 8 million from processed-wood exports—yet over 95 % of export volume remains in the form of unprocessed logs (FAO, 2022). Addressing this imbalance (log exports vs. processed wood) requires capital investment in primary processing: a single sawn-timber facility targeting an annual output of 10,000–30,000 m³ of kiln-dried lumber must typically deploy USD 1–5 million in advanced sawing and drying machinery, end-product R&D and specialised labour training (FAO, 2022).

Valorisation of residual streams into engineered panels (particle board, OSB, MDF) represents an additional high-value pathway, but it demands rigorous pre-feasibility and full-scale feasibility analyses to validate feedstock supply, process technology, and market outlets. Estimated capital expenditure for a mid-capacity panel plant exceeds USD 30–50 million, driven by raw-material handling systems, pressing lines and quality control infrastructure (FAO, 2022). Parallel to these production investments, establishing a wood-product trading entity—responsible for product specification, warehouse logistics and participation in international trade fairs—requires USD 0.5–1 million in combined capex and working capital to develop export channels and branding (FAO, 2022).

At the cluster level, the VSB wood group's proposal for a Paranam industrial park (on the former Billiton bauxite site) is predicated on co-locating multiple processing units to realize economies of scale, centralized utilities and shared R&D facilities. A recent VSB study estimates the park's initial development cost at roughly USD 30 million; financing constraints and the absence of comprehensive project data, however, remain significant implementation barriers (Ham and Soerodimedjo, 2023). High commercial interest rates (15–20 %), lack of green-finance instruments, outdated machinery, elevated import duties (up to 20 %) and inadequate institutional support for business planning further impede modernisation across the value chain (Ham and Soerodimedjo, 2023).

While own-capital financing by local sawmill owners helps cover minor upgrades, the absence of tailored green-finance products and the perception of the sector as high-risk severely limit access to credit, especially for MSMEs (Ham and Soerodimedjo, 2023; Tropenbos Suriname, 2023). Poor infrastructure, limited worker skills, and a lack of business development services further hinder value-chain investment (Ham and Soerodimedjo, 2023). Some timberland investment management organisations (TIMOs), REITs, and impact investors are beginning to explore forest value chains in Latin America, but no major investment vehicle has yet landed in Suriname (FAO, 2022). Pilot blended-finance initiatives under EFSD+ could offer co-investment grants and guarantees for small and medium enterprises (SMEs) in wood processing, but capacity for bankable business plans and ESG reporting must first be strengthened (FAO, 2022).

Therefore, to realise its full industrial potential, Suriname needs to develop and implement policies that support value chain transformation, including tiered export taxes, green finance instruments, and targeted incentives for small-scale processors. This will also advance the country's progress toward SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure), while reducing reliance on raw material exports and maximising returns from its forest resources.

3.4 Finance and Investment in Forest Protection

Illegal logging remains a primary threat to Suriname's forests, yet fragmented mandates and insufficient funding hamper enforcement. The National Recovery Plan 2020–2022 includes a one-time USD 1 million provision for the forest authority to counter illicit harvesting and unregistered timber trade; however, this has not been institutionalised as a recurring budget line (FAO, 2022).

Suriname's Second NDC estimate a finance need of USD 71 million over 2020–2030 (\approx USD 7.1 million/year) to strengthen forest monitoring, control and enforcement—through expanded recruitment and training of forest guards, tree spotters and game wardens, and deployment of near-real-time and community-based monitoring systems (Cabinet of the President of the Republic of Suriname, 2019). In addition, the Second NDC also identified USD 16 million over the same period for promotion of sustainable forest-management practices and alternative livelihoods, which directly support protection objectives by reducing pressure on natural forests (Cabinet of the President of the Republic of Suriname, 2019). Without dedicated annual funding, on-the-ground capacity to deter illegal incursions and to foster community stewardship remains constrained.

The updated NBSAP identifies in its financial overview and funding opportunities the following goal: *Suriname effectively protects endangered animal and plant species through coordinated management and monitoring systems and has the required technical and financial capacity for the enforcement of wildlife trade regulations.* Allocating for its implementation USD 1.8 million.

Forest certification has contracted sharply: FSC-certified area declined from 430,000 ha (\approx 20 % of concessions) in 2015 to 360,000 ha by 2017 and just 21 000 ha by 2021, driven by stringent Intact Forest Landscape requirements (limiting harvest to 30 % of certified area), high management and monitoring costs, insufficient price premiums in EU/US markets, and lack of fiscal incentives for certified operators (FAO, 2022). Preferred by Nature's legal-source scheme provides legality assurances, but its coverage is unquantified (FAO, 2022). FSC certification costs average USD 50,000–100,000 per 100,000 ha over five years, further discouraging uptake (FAO, 2022).

Externally, the EU's Multi-annual Indicative Programme for Suriname (2021–2024) allocates € 11.7 million to the "EU–Suriname Forest Partnership," explicitly covering forest protection, restoration and sustainable management activities (European Commission, 2021). In August 2024, Suriname launched a sovereign carbon-credit scheme under Article 6 of the Paris Agreement—issuing up to 4.8 million ITMOs for 2021–2023 emissions reductions, with 95 % of proceeds earmarked for forest protection and benefit-sharing with Indigenous and Tribal Peoples (Harris, 2024). Detailed disbursement reports for both instruments are not publicly available, and EU funding concludes in 2024.

3.5 Finance and Investment into the Management of Protected Areas

Suriname's protected area network covers approximately 2.29 million hectares, comprising 11 nature reserves, four multiple-use management areas, and two national parks. These areas are managed under the authority of the Forest Service (LBB) and supported in part by the Foundation for Nature Preservation in Suriname (STINASU), which focuses on public education, ecotourism, and site-specific research (Ministry of Natural Resources, 2006).

However, current investment in the management of protected areas is severely inadequate. The National Forest Policy acknowledges that financing levels are

not aligned with the scale of responsibilities, resulting in weak on-the-ground management capacity and incomplete monitoring and enforcement systems. While donor support from organizations like WWF, UNDP-GEF, and Conservation International has helped fill some gaps, these are neither consistent nor sustainable in the long term (Ministry of Natural Resources, 2006).

Institutional fragmentation is also a major barrier. While LBB holds the formal responsibility for managing nature reserves, actual oversight often lacks continuity, coordination, and field capacity. The Nature Conservation Committee, which was intended to advise on protected area management, has not been active for years. STINASU, though engaged in outreach and ecotourism, is underfunded and lacks legal authority to manage funds or enforce conservation protocols (Ministry of Natural Resources, 2006).

The FAO estimates that managing a protected area system of this size with sufficient rangers, monitoring equipment, community outreach, and ecosystem restoration would require USD 17 million during 2020- 2030 (FAO, 2022). Currently, annual budget allocations fall well below USD 1 million, and there is no biodiversity-specific budget tagging system in place, which limits the country's ability to meet its commitments under SDG 15, the Aichi Biodiversity Targets, and its own National Biodiversity Strategy and Action Plan (NBSAP).

To strengthen this system, Suriname will need to modernize the 1954 Nature Conservation Act to clarify institutional mandates and support participatory governance structures. The country will also need to establish a dedicated Protected Area Fund or integrate this function into the proposed National Environmental Fund. Furthermore, co-management models with Indigenous and Tribal Peoples (ITPs) must be enabled, backed by clear benefit-sharing mechanisms and land tenure frameworks. Lastly, Suriname must expand income-generating opportunities through ecotourism, biodiversity credits, and research partnerships to ensure long-term sustainability of its protected area network (Government of Suriname, 2019).

Assessment of Forest Finance solutions and instruments

4.1 Assessment of finance/investment solution and instruments applied in Suriname

Suriname's forest finance architecture is fragmented and underdeveloped, with only a few operational instruments targeting forest-based enterprises, producers, and community groups. Access to finance remains particularly constrained for Indigenous and Tribal Peoples, informal producers, and rural cooperatives. A recent study by Tropenbos Suriname (2023) found that in the Upper Suriname River area, none of the surveyed forest producers had accessed bank financing, largely due to collateral requirements, complex documentation processes, and a lack of tailored loan products. Instead, producers rely on personal savings or informal lending, with limited awareness of long-term credit or green financing options.

These challenges are echoed in downstream wood-processing value chains. According to Ham and Soerodimedjo (2023), small and medium-sized processors operate with outdated equipment, limited reinvestment capacity, and no access to investment finance for modernisation.

Commercial loans are rare, and when available, interest rates of up to 22% and the lack of financial records act as major barriers. The absence of dedicated value chain finance or de-risking instruments prevents broader private-sector engagement in forest product development, particularly among SMEs.

Despite these constraints, several instruments have recently been piloted or launched. These include Suriname's sovereign carbon credit trading platform under Article 6 of the Paris Agreement, designed to monetize REDD+ mitigation outcomes (Dasai, 2024; Loop News, 2022); the EU Multi-Annual Indicative Programme for forest monitoring and NTFP development related to blended finance schemes, IDB LAB grants and loans for sustainable development options (among others).

However, as the FAO (2022) and Parris and Paulus (2025) highlight, Suriname still lacks a robust legal framework for carbon rights and benefit-sharing, limiting the effectiveness of carbon finance mechanisms. Blended finance pilots (e.g., under SITA/IDB) remain early-stage and face challenges around SME bankability and ESG compliance (FAO, 2022).

4.2 Banks- related instruments for the Agroforestry Sector

4.2.1 Local Development Banks- related instruments for the Agroforestry Sector

General overview. In the context of promoting sustainable development and improving economic conditions in Upper Suriname river area (USRA), access to adequate financial services plays a critical role in fostering agroforestry activities and strengthening the resilience of small-scale producers. To address this need, the Government of Suriname has established several financing mechanisms aimed at facilitating access to capital for entrepreneurs in the agricultural, agro-industrial, and forestry sectors. Among these, four key public funds stand out for their distinct mandates, structures, and target groups.

Table 7. Financial description of the Local Development Bank-related instruments for the Forestry sector in Suriname

Fund characteristics	Private Sector Technical Assistance Fund (FTBP)	National Development Fund for Agribusiness (NOFA)	Fund for Small and Medium Enterprises	The Agricultural Credit Fund (AKF)
Administered by	Nationale Ontwikkelingsbank (NOB)	Trustbank Amanah	Surinaamse Post Spaar Bank (SPSB).	Nationale Ontwikkelingsbank (NOB)
Purpose	Pre-investment support for covering pilot studies, subsector analyses, marketing plans, training, and certification.	Incentivize entrepreneurs in the agricultural sector to increase production and expand capacities	Financing for projects to stimulate SMEs.	Credit facility for the agricultural sector to financially support farmers.
Target Group	SMEs across agriculture, livestock, fisheries, forestry, mining, industry, construction, transport and tourism	Small and medium-sized agricultural enterprises	Support SMEs	Small and medium-sized entrepreneurs in the fields of agriculture, livestock and fisheries.
Amount	Maximum financing (per project): <ul style="list-style-type: none"> Feasibility or marketing study: up to USD 25,000 Sector/(sub)sector study: up to USD 15,000 Pilot project or specialist assistance: up to USD 36,000 	SRD 1,000,000 (USD 25,700)	SRD 150,000 (USD 3,800)	SRD 2,000,000 (USD 51,000)
Personal Contribution	10%	10%	10%	15%
Interest rates (per year)	Security: minimum collateral of 20%; higher for specific studies (40–50% depending on type)	5.5%	between 4% and 7%	5%
Payback time	up to 3 years	up to 10 years	1- 2 years	Grace periods depending on the project
Status	Established in November 1992, no board since 2008, relaunched in 2022, no new loans disbursed.	SRD 90 million (USD 2.42 million) investment from Gov. Suriname	Relaunched March 2022, more than SRD 140 million (USD 3.8 million) will be available (2 years' time) for projects to stimulate SMEs. SRD 10 million (USD 270,000) has already been put in the fund.	Interest rates increased, in the past many farmers were unable to pay back loans. Farmers who proved unable to repay their loans from AKF have been forgiven for paying penalty interest.

These mechanisms: (a) the Private Sector Technical Assistance Fund (FTBP), (b) the National Development Fund for Agribusiness (NOFA), (c) the Production Credit Fund (PKF), and (d) the Agricultural Credit Fund (AKF), are designed to provide tailored financial solutions to small and medium-sized enterprises in USRA. Through concessional loans, grace periods, flexible eligibility criteria, and complementary technical assistance, these instruments aim to bridge the gap between institutional financial offerings, and the real financing needs of rural producers.

While each fund has its own specific scope, loan conditions, and target activities, they all share a common purpose: to catalyse economic development by strengthening local value chains, reducing barriers to credit, and promoting productive, inclusive, and sustainable investment in areas traditionally underserved by the formal banking sector. The table below outlines the borrowing limits for each fund as well as the primary eligibility requirements (Tropenbos, 2023).

Impact and Effectiveness. Banks have observed that small producers residing in remote areas often lack adequate information regarding the availability and application procedures for special funds. There is a notable apprehension among these producers to apply for loans, stemming from perceived barriers such as unfamiliarity with required documentation and challenges posed by the Dutch language when accessing financial institutions. Banks report that when representatives proactively visit these communities to explain loan conditions and assist with applications, producer apprehension diminishes significantly, resulting in increased engagement.

The NOB intends to collaborate with the district commissioner and non-governmental organisations (NGOs) to disseminate information to prospective

producers. It has been proposed that partnering with an NGO could effectively bridge the existing information gap, serving as both facilitator and guide for clients. Additionally, the NGO could conduct an assessment to identify producers in need and provide this data to banks. Banks administering government funds may also consider cooperating with GODO Bank, given its established presence in Atjoni and familiarity among local producers.

Banks have further reported instances where loans are not utilised as intended, with insufficient financial administration and record-keeping by recipients. There is a clear need for ongoing support and guidance following disbursement to enhance the likelihood of successful outcomes. The ability to maintain basic income and expenditure records will be a prerequisite for loan approval; failure to do so may result in funding being withheld.

4.2.2 Commercial Bank Loans

General Overview. Commercial banks in Suriname, including Republic Bank, DSB, and Hakrinbank, offer general credit lines to a limited number of formalised forestry companies. These banks lack financial products specifically designed for the forestry sector. Only a small segment of concession holders, mostly medium and large companies with audited financial statements, can meet the eligibility requirements. Informal operators, community groups, and microenterprises are typically excluded due to the absence of financial records, legal registration, and acceptable collateral.

Financial Mechanism. Commercial banks in Suriname offer four primary financial products relevant to businesses in the forestry sector:

- a. investment loans,
- b. current accounts for working capital finance,
- c. mortgage loans, and
- d. personal loans.

Table 8. Financing details from commercial bank loans in Suriname

Category	Details
Regulation and limits	Access to credit products is strictly regulated. The Central Bank of Suriname sets a maximum limit of USD 10 million per individual loan granted by commercial banks. However, this cap can be exceeded through loan syndication, where several financial institutions jointly finance a single borrower, thus allowing amounts above the individual limit.
Conditions for foreign currency loans	Loans denominated in USD or EUR can only be granted to companies that generate income from export activities, in accordance with Central Bank regulations. To access these loans, companies must present sufficient collateral as security.
Accepted collateral	The preferred collateral is urban real estate, especially in Paramaribo, considered liquid and easy to realize. Rural properties are often undervalued and may be rejected as security. Forest concessions could, in theory, be used as collateral if the borrower has clear rights over the economic benefits; however, the current forestry law prohibits their formal leasing, limiting their legal use as collateral, although in practice informal agreements exist due to weak enforcement or lack of knowledge.
Interest rates	There is no regulatory standardization of interest rates; these depend on the risk profile of each client and market competition. Loans in USD/EUR typically have rates between 6% and 10%, while loans in SRD range from 8.5% to 22%, depending on the borrower's financial strength and the quality of the offered collateral.
Terms and grace period	The duration of loans is adjusted to the cash flow generation cycle of financed investment. For equipment purchase and working capital, terms are usually 3 to 5 years; for real estate, they can reach up to 20 years, although in practice, due to recent economic volatility, most loans do not exceed 15 years. A grace period of up to 12 months is generally granted before starting principal repayment; during this period, interest is paid, which is often capitalized and added to the total loan amount, especially when calculating working capital needs.

Source: FAO, 2022 (Forest Finance Strategy)

Impact and Effectiveness. The impact of commercial bank loans on sustainable forestry in Suriname remains limited. Financial institutions still perceive the forestry sector as high risk and lack specialised knowledge to assess forest-based business models. Consequently, very few operators successfully access this type of finance. There is no evidence that commercial loans have supported inclusive business models or contributed meaningfully to sector transformation. Instead, the financing has concentrated on better-capitalised firms that are already bankable.

4.2.3 International Funds for bankable projects

The international funding mechanisms available in Suriname primarily include the Inter-American Development Bank (IDB) and the Global Environment Facility Small Grants Programme (GEF SGP), aimed at supporting sustainable and inclusive development initiatives. These mechanisms provide financial and technical support to innovative projects in sectors such

as nature-based tourism, agroforestry, and non-timber forest products (NTFPs), with IDB offering loans, equity, and technical assistance, and GEF SGP focusing on direct grants to grassroots organizations.

The operation under the Amazonia is part of the IDB's Financing Program for Productive and Sustainable Development in Suriname which will help strengthen the institutional capacity of the National Development Bank of Suriname (NOB) to extend credit to MSMEs for working capital and investment in productive projects.

All mechanisms demand formal documentation and organizational capacity but differ in their financial instruments—IDB (under Amazonia Forever) includes repayable loans, Loans and grants (under IDB LAB), while GEF SGP operates through non-reimbursable donations. Together, they represent a complementary mix of capital and capacity-building tools to enable transformative, community-based environmental and economic initiatives in Suriname.

Table 9. Financial details for GEF SGP and IDB financing schemes

Detail	GEF Small Grants Programme (GEF SGP)	IDB Lab	IDB Amazonia Forever program for bio-business
Type of financing	Non-reimbursable grant	Grant or Loan	Loan
Maximum amount	Up to USD 50,000	Prototype: up to USD 150,000 Spark: USD 250,000 - 700,000 Ecosystem: from USD 1 million	US\$8 million loan from the IDB's ordinary capital and US\$4 million from the Green Climate Fund's (GCF) Bioeconomy Fund for the Amazon. (GCF funds include US\$2 million loan and US\$2 million of non-reimbursable investment financing for a guarantee fund and technical cooperation
Required counterpart	50% of the project (at least 50% of that amount in cash)	Only for grants, a 50% counterpart is required, of which 50% must be in cash	Not specified
Interest rate	Not applicable	Not applicable for grants Loans: market rate	Ordinary capital funds: 25-year repayment term, 5.5-year grace period, interest rate based on SOFR. GCF: 20-year repayment term, a 5.5-year grace period, and an interest rate also based on SOFR
Implementation period	Up to 24 months, extendable upon formal request	Variable depending on amount and project type	Variable depending on amount and project type
Disbursement	50% upon signing the contract, 40% after approval of the interim report, 10% after approval of the final report	In phases, subject to technical and financial evaluation according to milestones	Not specified
Main requirements	NGO or CBO with legal status – Registration in KKF Technical and financial reports	Innovative and scalable proposal – Legal documents, financial statements, and operational capacity	Enhance access to credit for MSMEs, focusing on bio-businesses
Guarantees / Collateral	Not required	Only for loans: may require guarantees according to risk assessment	Not specified
Priority sectors	Environment, biodiversity, climate change, local communities	Climate-smart agriculture, tourism, health, financial inclusion, technological innovation	The Program includes four components: boosting NOB's MSME financing and support; funding bio-businesses in agriculture and ecotourism; creating a Bioeconomy Guarantee Fund to lower business risk; and strengthening NOB with a focus on the bioeconomy.

Impact and Effectiveness. In terms of impact and effectiveness, the Inter-American Development Bank's IDB Lab has committed a total of USD 20 million to support the development of the bioeconomy sector in Suriname. This initiative includes funding for 15 company-led projects targeting green enterprise growth, investment trust funds, and forest regeneration. Notably, a local project is currently in the design phase in collaboration with a domestic bank to facilitate access to finance for green businesses focused on climate resilience. The IDB will also provide technical expertise to ensure robust project implementation and long-term sustainability. While final results are not yet available, the scope and design of this initiative position it as a high-impact intervention with systemic potential for forest-linked sectors.

Under the Amazon Forever program, funding from the IDB and GCF is anticipated to improve productivity among MSMEs by increasing access to finance for productive investments, particularly in bio-businesses. According to Suriname's Ministry of Finance and Planning, this initiative represents progress in supporting entrepreneurs and economic development.

Regarding the Global Environment Facility's Small Grants Programme (GEF SGP), Suriname has been an active participant since 1997, with a cumulative implementation of 155 GEF-funded projects totaling USD 4,385,041 in grants. Additionally, the programme has mobilised USD 2,624,824 in co-financing (cash), USD 2,451,755 in co-financing (in kind), and USD 320,904 in non-GEF grants, amounting to a total portfolio of 164 projects. Although the SGP does not categorise projects specifically under "Sustainable Forest Management," forestry-related interventions are primarily implemented under the thematic areas of Biodiversity and Land Degradation.

Key examples of such forestry-related projects during Operational Phases 6 and 7 (OP6 and OP7) include:

- ***"Agroforestry for Empowerment and Improved Land Management"*** (Project No. SUR/SGP/OP7/Y2/CORE/LD/22/05), which promotes climate-smart agriculture and improved land use among Saamaka farmers in Brownsweg - **USD 30,259**.

- ***"Duurzaam gebruik van- en waardetoevoeging aan bosproducten"*** (Project No. SUR/SGP/OP6/Y7/CORE/LD/22/16), aimed at strengthening Indigenous capacities for sustainable harvesting and value addition to non-timber forest products (NTFPs) - **USD 32,751**.
- ***"Pandi Fu Gwa Fesi"*** (Project No. SUR/SGP/OP7/Y1/CORE/LD/21/02), which provides training for acai (podosiri) farmers in nursery techniques, biological fertilization, and disease control, with a focus on improved processing and storage - **USD 49,573**.

4.3 Carbon Market Instruments

General Overview. Suriname's carbon trading initiative under Article 6.2 of the Paris Agreement involves a sovereign-level financial mechanism focused on the issuance of **Internationally Transferred Mitigation Outcomes (ITMOs)**

from REDD+ activities. These credits are developed according to UNFCCC guidelines and undergo verification and transparency processes. ITMOs are emission reductions and carbon removals, measured in metric tons of carbon dioxide. They must be real emission reductions and/or removals, verified by the UN, and result from additional efforts by the government (Bhatia, M. 2024). **The Klimat X** mechanism carries on the business of developing validated and verified carbon credits from afforestation and reforestation of degraded land areas and marine ecosystems, including mangroves, for sale into international voluntary carbon markets. In Suriname the project will develop mangrove carbon credit and agroforestry projects focused on restoring degraded mangrove ecosystems along the country's vulnerable coastline. By implementing ecological interventions such as hydrological rehabilitation, reforestation, and landscape restoration, the project aims to enhance carbon sequestration, strengthen coastal resilience, and revitalize biodiversity. Designed to be validated under international certification standards like VCS and CCB, the initiative integrates climate mitigation with ecosystem restoration and community engagement. (Klimat X, 2023).

Table 10. Mechanism details of REDD+ ITMO and KLIMATX.

REDD+ ITMOs	KLIMAT X
<ul style="list-style-type: none"> Monetize 1.5 million hectares of rainforest through carbon markets. Initial offering: 1.5 million ITMOs priced at around USD 30 each Potential revenue for first batch: USD 45 million Potential annual volume: up to 20 million tons of credits. The strategy aims to generate climate finance and support Suriname's NDCs and sustainable development. Carbon assets are issued with sovereign approval. Over 65 global entities have expressed interest in these nature-based carbon offsets. 	<ul style="list-style-type: none"> Operational scale: 5,000+ Ha Timeframe: 30 Years Cumulative Carbon Credits Estimation Up to 3.6 million tCO₂e Cumulative Revenue Estimation: USD 118 million Estimated Credits per year: 120,000 tCO₂e Estimated IRR: 18%

Source: Own elaboration.

Implementation details. Suriname will implement its market-based financing approach in two phases (Coalition for Rainforest Nation, 2024):

- **Phase 1 (2024-2026):** Suriname intends to collaborate with an international organization to support the monetization of ITMOs generated between 2021 and 2025. Activities during this phase will include enhancing technical expertise, improving reporting and documentation processes, establishing institutional arrangements, gaining market access, and building capacity. Additionally, a legislative framework will be developed to address benefit-sharing mechanisms, internal financial procedures, awareness initiatives, dispute-resolution processes, audits, and governance structures. **Requirements of finance: USD 5 million**
- **Phase 2 (2027 onwards):** Suriname plans to manage market-based climate finance independently by forming a Market-based Climate Financing Authority, conducting a broad capacity-building program, enacting relevant legislation, and setting up a national carbon credit trading system.

Impact & Effectiveness. No impact has been monitored yet, as both instruments are just starting to be implemented.

4.4 Blended Finance Instruments

In the **Caribbean region, the Caribbean Corporate Investment for Resilience (CCIR)** is a blended-finance mechanism launched by USAID to mobilize capital for disaster-resilience investments. It combined grants, technical assistance and concessional capital to

unlock commercial debt and equity, thereby lowering financing costs and aggregating domestic and foreign resources. To build a pipeline of investable projects, CCIR ran the "Eastern Caribbean Business Resilience Challenge," offering SMEs—Suriname included—flexible loans up to USD 100,000, workshops and seminars, and hands-on support to develop bankable proposals. Additionally, by structuring advisory services alongside concessional funds, CCIR helps strengthen local business value chains and resilience capacities. The timeline for implementation was 2021-2023, but no information on results that have been achieved could be found.

Under the **EU's Multi-annual Indicative Programme (MIP) 2021-2027** for Suriname's Forest Partnership, €13 million was allocated (from 2021- 2024), of which up to 28 % may be channeled into EFSD+ blending instruments and guarantees ("Possible use of blending and guarantees for investment under EFSD+"). These blended-finance facilities could leverage sovereign loans, DFI funding and private investments targeting the forestry sector, MSMEs, sustainable cities, water and renewable energy, while a technical-assistance component supports training programmes in sustainable forest management and eco-tourism. By reducing perceived risks and providing tailored guarantee schemes, this approach aims to attract private capital into projects that deliver both environmental and social returns over the long term.

Up to now no specific blended finance schemes for the forest sector have been implemented in Suriname.

Table 11. Forest Finance Instruments used in Suriname

Instrument / Criteria	Development Banks	Commercial Banks	International funds (bankable projects)	Sovereign Carbon Credits (REDD+ ITMOs, Mangrove Carbon Projects (KlimatX))	Blended Finance Instruments
Challenges & Opportunities	Challenges include low awareness, fear of formal procedures, weak financial literacy, and past defaults. Opportunities lie in strong government backing, low interest rates, and potential for rural development.	Commercial banks have limited experience financing the forest sector. They are hesitant to accept wood concessions as collateral because concession agreements are not easily sold and lack liquidity. Collateral must be an asset that can offset potential loan losses if the borrower defaults.	International credit ratings are low, raising market interest rates and reducing foreign investment in Suriname's forestry sector, which remains under-valued with limited sustainable growth. <ul style="list-style-type: none"> The forest sector's reputation as green and sustainable is still questionable. Local banks are hesitant to provide financing. 	Legal clarity on carbon rights, benefit sharing, and credibility are still unresolved. <ul style="list-style-type: none"> Regulatory gaps, MRV challenges, and unclear community involvement. The forest sector's reputation as green and sustainable is still questionable. Local banks are hesitant to provide financing. 	Bankability of SMEs, ESG compliance, and investment readiness are weak. Slow implementation; integration with community/SME finance unclear.
Scalability Potential	Moderate to high, depending on improved outreach, technical assistance, and infrastructure support.	Low to Moderate. Small size of the commercial banks compared to the banks in the Caribbean limits the finance capacity and possibility to finance upscaling of forest-based operations.	Moderate. Depending on attractive finance schemes to enhance access to credit, including first loss guarantees.	High if institutional and legal issues are resolved and market confidence builds. <ul style="list-style-type: none"> Unclear; depends on carbon buyer interest and technical capacity. 	Moderate to high; requires an investment pipeline and a stronger SME ecosystem.
Alignment with Frameworks	Strong alignment with Suriname Forest Finance Strategy	Alignment with Suriname Forest Finance Strategy	Strong alignment with Suriname Forest Finance Strategy	Strong alignment with REDD+, Article 6, and HFLD positioning.	Aligned with NDCs, climate finance principles, Suriname Forest Finance Strategy and EU biodiversity goals and industrial transformation goals

continued on next page

Table 11. Continued

Instrument / Criteria	Development Banks	Commercial Banks	International funds (bankable projects)	Sovereign Carbon Credits (REDD+ ITMOs, Mangrove Carbon Projects (Klimat X))	Blended Finance Instruments
Inclusiveness					
Market Development Potential					
Recommendations					

4.5 Assessment of finance/investment solutions and instruments not applied in Suriname

Suriname's forest finance landscape offers considerable room for innovation through the introduction of tested but currently unused financial instruments.

Debt-for-nature swaps, as outlined in Suriname's National Adaptation Plan (, allocate funds specifically to national conservation efforts within Suriname. Modelled after debt-for-equity swaps—where discounted debt is exchanged for investments in a country's assets—these mechanisms direct resources toward conservation activities aligned with Suriname's adaptation strategies. Typically, a conservation organization acquires a portion of Suriname's debt from a lender on the secondary market at a discount, then exchanges part or all of the debt's face value with the government for 'conservation payments-in-kind' under the guidance of the National Adaptation Plan. Such transactions help reduce national debt while providing additional funding for conservation, especially important for countries like Suriname whose extensive forest resources serve as vital carbon sinks. However, implementing debt-for-nature swaps may entail significant transaction costs, including financial and legal fees, particularly when new financial instruments are required for loan refinancing or buy-back (Government of Suriname, 2019b).

During **REDD+ Phase 1** (Readiness), Suriname achieved several foundational milestones, including: government approval of the National REDD+ Strategy in 2019, submission of Forest Reference Emission Levels (FREL) for 2015–2020 and an update for 2020–2024, and the establishment of a National Forest Monitoring System that features satellite land monitoring, near-real-time alerts, and an online data portal. The country also designed its Safeguards Information System (SIS) and submitted its first Summary of Information on the Cancun safeguards in April 2021, in addition to completing both the Environmental & Social Management Framework (ESMF) and the Strategic Environmental & Social Assessment (SESA). The Grievance Redress Mechanism was finalized in January 2019. However, for Phase 2 (Implementation), Suriname still requires legal backing, including a dedicated REDD+ law and registry, as well as operational finance and benefit-sharing mechanisms. It must also initiate pilot projects and business-model testing,

establish MRV protocols tied to payments, and fully implement Free, Prior and Informed Consent (FPIC) and community engagement. Only after these steps are accomplished in **Phase 2** can Suriname advance to **Phase 3** (Results-based), which depends on having operational systems and confirmed verified emissions reductions. An urgent gap in the implementation of the REDD+ mechanism is the absence of a **benefit-sharing mechanism** to accompany Suriname's REDD+ carbon credit trading system, a critical point that has been acknowledged under the latest NBSAPs. Though Suriname has issued carbon credits and entered international markets under Article 6 of the Paris Agreement, it has not established legal structures or operational models to ensure equitable revenue distribution to Indigenous Peoples and Local Communities (Coalition for Rainforest Nations, 2023; Climate Tracker, 2023; Government of Suriname, 2019). Globally, IPLC funds offer a powerful example of decentralized finance vehicles that directly empower local governance and enhance social legitimacy, yet no such instruments exist in Suriname (Tropenbos Suriname, 2023; Forest Declaration Assessment Partners, 2024).

Green and forest bonds present one of the most promising opportunities. While widely deployed in countries like Indonesia and Brazil to mobilise capital for climate and biodiversity projects, Suriname lacks both the regulatory framework and institutional leadership (e.g., by the Ministry of Finance or Central Bank) to support such instruments (FAO, 2022; Forest Declaration Assessment Partners, 2024). Based on the Green Bond Handbook: A Step-by-Step Guide to Issuing a Green Bond, a country should first secure approval from its highest executive authority and establish a dedicated Green Bond Project Team—drawing on Treasury, Sustainability, Legal and IT expertise—to design a Green Bond Framework aligned with the ICMA Principles, covering use of proceeds, project selection, income management and impact reporting. It must then engage a structuring agent or underwriter, obtain an external second-party opinion, prepare the legal documentation with a dedicated "use of proceeds" annex, and define and execute an investor-placement and marketing strategy, followed by rigorous post-issuance allocation and annual impact reporting (World Bank, 2020). These bonds could channel long-term investment into reforestation, mangrove restoration, and sustainable value chains, particularly if paired with international ESG funding.

Beyond REDD+, Project Finance for Permanence

(PFP) is a sustainable finance mechanism designed to bring together various stakeholders in order to establish agreements for long-term funding focused on achieving specific social and environmental objectives. The implementation of a PFP mechanism involves collaboration among governments, Indigenous Peoples, local communities, and funders to create and sign an agreement incorporating nine core elements. These include a collaboratively developed conservation and community development plan with a theory of change and monitoring and evaluation framework, a comprehensive 10-year financial model, government policy commitments, the creation of an independent Conservation Trust Fund with specified disbursement conditions, ongoing performance reporting, and environmental and social safeguards (Enduring Earth, 2025). This model, proven in Costa Rica and the Brazilian Amazon, has not yet been applied locally, though Suriname's high forest cover makes it an ideal candidate (Forest Declaration

Assessment Partners, 2024). Likewise, sustainability-linked loans — where financial terms are tied to performance indicators like FSC certification or forest conservation — are common across Latin America but have no precedent in Suriname's forest or SME sectors (FAO, 2022; Ham & Soerodimedjo, 2023).

Finally, the country could benefit from **fiscal instruments** such as VAT deductions and exemptions (e.g., for value chain machinery or tax credits for investments in restoration, reforestation, or monitoring infrastructure), special taxes on roundwood (export levies and corporate taxes), performance bonds for concessions based on reforestation and sustainable activities, subsidies for NFWP and sustainable inputs (e.g. seeds, low-impact harvest tools). Although these tools are recommended in international guidance (World Bank, 2021), Suriname's tax code and budget planning currently make no provision for forest-based fiscal mechanisms (FAO, 2022).

Table 12. Finance/investment solutions and instruments not applied in Suriname

Instrument	Regulatory Constraints	Market Readiness	Institutional Capacity	Past Attempts & Lessons Learned	Priority
Debt-for-Nature Swap Mechanism	Requires sovereign debt renegotiation; no enabling agreements	High interest globally; Suriname has not engaged formal partners	Limited fiscal space and negotiation experience	No formal attempt; mentioned in external forums	High
REDD+ Mechanism	No legal basis for carbon rights or equitable distribution rules	Carbon credit issuance has begun; benefit-sharing is a known gap	Fragmented; coordination among ministries is weak		High
Green/Forest Bonds	No sovereign green bond framework; financial regulations not adapted	Moderate to high with donor support and climate-linked goals	Limited; needs Ministry of Finance and Central Bank leadership	No prior attempt; discussed conceptually in the FAO finance strategy	Low
IPLC Funds	No framework for community-managed or Indigenous-controlled funds.	Under the "Carbon-Credit Revenue-Sharing Fund" (2024) 10% is earmarked for Indigenous & Tribal peoples. The mechanism for dividing and disbursing the 10% is undefined—no clear governance or transparent grievance process.	Low; no experience managing decentralized climate funds	The model exists globally, not piloted in Suriname.	
	The 2000 Buskondre Dey Protocol (Presidential Decree) stipulates that "a fund shall be created in which certain funds derived from resource exploitation will be lodged to finance development activities in the interior			Experiences like "Leaving No One Behind, Building Resilience, and Improving Livelihoods of Indigenous and Tribal Peoples (ITPs) in Suriname".	
				Maroon and Indigenous leaders largely rejected the Protocol, and no further government committed resources to operationalize the fund.	
Project Finance for Permanence (PFP)	Complex structuring requires long-term conservation guarantees	Low; donors not yet engaged in long-term bundling	Limited; would require a coalition of agencies and donors	Successful elsewhere (e.g., Brazil); no local initiative yet	Low
Environmental Tax Incentives / Fiscal Transfers	No tax law linking conservation to incentives or intergovernmental transfers	Moderate; municipalities could align with incentives	Weak; requires fiscal reform and biodiversity accounting	Suggested in World Bank and fiscal tools guidance; not applied locally	Medium

4.6 Availability and gaps of baseline data (climate, biodiversity, social) and MRV systems

Effective implementation of forest finance instruments in Suriname relies heavily on robust baseline data and monitoring systems. While Suriname has developed essential infrastructure for forest and climate data collection, **major gaps persist across four critical areas:** a) climate/carbon MRV, b) biodiversity baselines, c) social and livelihood data, and d) systemic MRV capacity and coordination.

Climate and Forest Carbon Data (MRV / REDD+ Readiness): Suriname's National Forest Monitoring System (NFMS) includes the Satellite Land Monitoring System (SLMS), a Near Real-Time Monitoring (NRTM) platform, and the Sustainable Forestry Information System Suriname (SFISS). These systems allow for periodic assessments of deforestation and carbon stock change. However, critical functions like continuous forest cover monitoring, real-time alerts, and MRV for carbon trading remain underdeveloped. The 2024 Forest Reference Emission Level (FREL) report notes delays in integrating updated emissions factors and limited use of community-based forest inventories (Government of Suriname, 2024; FAO, 2022). Furthermore, there is no centralized or operational national registry for carbon credits or ITMOs under Article 6 (Government of Suriname, 2022; World Bank, 2021).

Biodiversity Data and Indicators: While basic mapping of Suriname's protected areas exists, comprehensive biodiversity baselines are missing. The Environmental and Social Management Framework (ESMF) developed under the REDD+ readiness phase identifies significant gaps in species monitoring, habitat quality data, and standardized ecosystem health indicators. Most monitoring activities are

project-based and not harmonized with national goals or commitments under the Convention on Biological Diversity (Government of Suriname, 2021; Government of Suriname, 2022). This lack of reliable biodiversity data hinders the design of nature-positive finance instruments or results-based payment systems tied to ecosystem outcomes (Government of Suriname, 2022).

Social and Livelihood Data (E&S Indicators): There is a pronounced lack of disaggregated socio-economic data concerning Indigenous and Tribal Peoples (ITPs), forest-dependent communities, and rural SMEs. The ESMF and REDD+ Stakeholder Engagement Strategy stresses that gender, age, ethnicity, and livelihood-specific baselines are absent or incomplete (Government of Suriname, 2021; Tropenbos Suriname, 2023). Without this information, it is challenging to design inclusive financing structures or to ensure compliance with environmental and social safeguards required by international finance institutions. This data gap also limits the design of benefit-sharing mechanisms and meaningful impact evaluation for REDD+, carbon markets, and donor-backed programs.

Systemic MRV Capacity and Data Coordination: While Suriname has taken steps to operationalize MRV systems, national reports emphasize constraints in technical capacity, inter-agency coordination, and sustainable finance. The Biennial Update Report (BUR) highlights weaknesses in emissions MRV, human resources, and long-term data management (Government of Suriname, 2022). There is also limited use of digital data exchange protocols among ministries, and no institutionalized process for integrating community-based monitoring into national reporting. Platforms like the Gonini Geoportal offer potential for public access and transparency, but their usage remains limited, particularly at the local level due to digital access and capacity barriers (FAO, 2022; Government of Suriname, 2022).

Recommendations for Forest Finance solutions and instruments

The assessment revealed that Suriname's forest sector is characterized by high reliance on public and donor support, limited private-sector engagement, and significant financial and institutional constraints. Despite its status as a high-forest, low-deforestation (HFLD) country with over 93% forest cover, key areas such as protected area management, sustainable timber production, and community forestry remain critically underfinanced (FAO, 2022; Government of Suriname, 2024). Existing instruments—including NOB Bank loans, REDD+ initiatives, and EU- or donor-funded programs—have produced only moderate and localized impacts due to systemic issues such as high collateral requirements, lack of credit history, and weak benefit-sharing mechanisms for Indigenous and Tribal Peoples (Tropenbos Suriname, 2023; Radwin, 2024).

The assessment also highlighted Suriname's untapped potential to mobilize significant forest and climate finance through mechanisms such as carbon markets, green bonds, biodiversity credits, and sustainability-linked loans. However, legal uncertainty around carbon rights and the absence of national frameworks for environmental finance continue to deter investor confidence and stall implementation (Coalition for Rainforest Nations, 2023; Climate Tracker, 2023; FAO, 2022). Forest-based SMEs, particularly in rural areas, are severely constrained by limited access to finance, outdated equipment, and weak business development support, making it difficult to invest in value-added processing or sustainable forest management practices (Ham & Soerodimedjo, 2023; Tropenbos Suriname, 2023).

In response to these findings, the assessment proposes a dual-track financing strategy: scaling and reforming underperforming mechanisms while introducing new, context-specific instruments. These include legalizing REDD+ benefit-sharing frameworks, launching green or forest bonds with sovereign backing, and debt for nature swap schemes. Simultaneously, reforms are required to support Sustainability-Linked Loans and Green Credit Lines, and value chain financial schemes for forest products. Capacity-building for SMEs and institutional modernization is critical for the successful adoption of these tools.

The table below summarizes ten priority finance solutions emerging from the analysis. Each proposed action is linked to a specific financial gap and evaluated in terms of its expected impact, feasibility, sources of funding, and time horizon: short term (1-3 years), medium term (3-5 years). Together, these recommendations present an integrated roadmap to improve the effectiveness, inclusiveness, and scale of forest finance in Suriname. By implementing them, the country can strengthen its contribution to global climate and biodiversity goals while enabling more equitable and sustainable rural development (Cabinet of the President of the Republic of Suriname, 2019; WWF, 2020).

Table 13. Proposed Forest Finance solutions and instruments

Proposed Action	Expected Impact	Feasibility	Potential Sources of Funding	Possible EU Support (EFSD+ / NDICI-GE)
Improve existing mechanism (Table 11)	Legalization and Operationalization of REDD+ Benefit-Sharing Mechanisms	Addresses the critical absence of mechanisms to share carbon finance revenues with Indigenous and Tribal Peoples (ITPs), strengthening local ownership and REDD+ legitimacy.	Requires legal recognition of carbon rights, inclusive governance models for benefit-sharing, and stakeholder engagement to develop equitable distribution mechanisms.	Public budget (Ministry of Environment), international donors (GCF, UN-REDD), and REDD+ buyers through sovereign carbon markets.
Improve existing mechanism (Table 11)	Sustainability-Linked Loans and Green Credit Lines	Encourages sustainable behavior in forestry enterprises by linking loan terms to sustainability indicators like FSC certification, emission reductions, or reforestation targets.	Requires regulatory changes to integrate sustainability metrics into banking practices, capacity building for financial institutions, and awareness campaigns for borrowers.	Commercial banks (with concessional co-financing), sustainability-focused funds, and impact investors willing to reward ESG performance.
Improve existing mechanism (Table 11)	Improve forest value chains finance (SME, NWFP)	Builds SME readiness for forest finance through technical assistance, ESG training, and aggregation mechanisms to help them access larger investment opportunities.	Requires technical support for SME formalization, pipeline development, capacity building for ESG compliance, and establishment of cooperative or aggregator entities.	Blended finance (IDB, EU), technical assistance from donors (FAO, Tropenbos), and private co-financing from forest value chain actors.
Improve existing mechanism (Table 11)	Carbon credits and benefit sharing	Turning avoided emissions into ITMOs creates dedicated funding for forest conservation. A clear benefit-sharing model ensures communities and concession holders receive timely payments, and Klimat X's digital MRV plus automated wallets have proven to deliver fast, low-cost payouts.	Builds on Suriname's REDD+ MRV system; requires carbon-rights legislation and basic training for forestry agencies and communities. Klimat X's tech stack can plug into existing workflows with minimal adaptation.	Corporations (such as airlines or consumer brands) can provide upfront capital by pre-purchasing ITMOs, de-risking the scheme and ensuring cash flow. Multilateral climate funds—like the Green Climate Fund or the LEAF Coalition—can co-finance MRV infrastructure and stakeholder training.

continued on next page

Table 13. Continued

Proposed Action	Expected Impact	Feasibility	Potential Sources of Funding	Possible EU Support (EFSD+ / NDICI-GE)
Develop unapplied finance/investment solutions and instruments (Table 12)	Dept for Nature Swap Frees up external debt repayments to fund forest protection, community-based forestry and restoration initiatives, cutting deforestation rates and enhancing carbon storage (Table 12)	Suriname's existing REDD+ reporting system provides monitoring basis, though success depends on creditor agreement, a clear legal swap framework and strong oversight by finance, environment and forestry agencies.	Bilateral partners (EU), multilateral banks (World Banks IDA, IDB), climate facilities (Green Climate Fund, GEF), plus NGOs or impact investors buying discounted debt to underwrite conservation projects.	EDFI Carbon Sinks (EFSD+ Guarantees) Short to medium-term
Develop unapplied finance/investment solutions and instruments (Table 12)	Conservation-Linked Fiscal Incentives and Transfers Uses fiscal tools (tax incentives, transfers) to reward subnational governments or private actors who maintain forest cover or invest in ecosystem restoration.	Requires fiscal reform and integration of biodiversity and forest conservation objectives into national and municipal tax codes and budgetary transfers.	Public finance via tax reforms, donor technical assistance (EU, UNDP, World Bank), and subnational partnerships with municipalities. Aya Scalable Solutions (EFSD+ Guarantees)	NDICI – Global Europe, through Caribbean programme / Global Challenges thematic programme Medium term

Note: No specific project proposals have emerged to date. The identification of a concrete pipeline will form part of the appraisal phase, in collaboration with the EU Delegation and national stakeholders.

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Annexes

Annex 1. Terms of Reference (TOR)

Study into forest financing options – second and third phase

Terms of Reference
EC Forest Financing Programme
Date: 9th January 2025

1. Introduction

As a precursor to a proposed EU-funded Action, “Financing for Forests” (FFF), a preliminary assessment across 15 countries will be carried out to provide an overview of existing forest financing tools and mechanisms.

Forests offer a wide range of opportunities both in terms of socio-economic development and environment preservation. However, generally the forest sector is lacking the funds to allow countries to seize these opportunities, despite some promising but still untapped financing mechanisms.

The current assessment/study aims at providing an overview across 15 countries of existing and innovative financing instruments/mechanisms that can help preserve and use forest resources.

The assessment will produce a short appraisal of the forest finance situation for each country that can help leverage finance for forests geared towards the enhancement of the productivity and sustainability of the forest sector in partner countries. This assessment could inform potential EU future investments as well as partner countries or donors. This is to support progress towards meeting the goals of the Paris Agreement, the Global Biodiversity Framework, SDGs, and overall EU policies.

The pre-Action assessment is divided into the following phases:

1. First phase: June – December 2024: 3 countries (Mongolia, Brazil, Uganda).
2. Second phase: December- end of September 2025, with
 - a. Six countries (Congo, DRC, Gabon, Guyana, Laos and Morocco)
 - b. Six countries (Suriname....to be determined)

The **outcomes** of the assessment are:

- A short appraisal (20 pages) of the forest finance landscape for each target country, to support national targets and goals. This will encompass a brief overview of the forest sector, national ambitions, existing and available finance mechanisms, and expert insights into their effectiveness, bottlenecks, pre-requisites, risks and opportunities for scaling existing solutions or introducing new ones.
- A comprehensive compilation of forest finance instruments from all assessed countries, highlighting their alignment with international climate and biodiversity commitments. This resource will be made available to EU Delegations (EUDs) and partners. This global report will be prepared at the end of the assessments of the different countries, enabling each country to possibly identify other financing mechanisms which do not exist yet in the country.

The assignment will be carried out by a joint CIFOR-ICRAF and Forests for the Future Facility (F4F) team of experts. Under contract with F4F, CIFOR will oversee the overall coordination and direction of the assignment. F4F will check the quality of the outputs and ensure that EU priorities are considered throughout the studies.

2. Key activities and outputs

Step/Phase	Methodology phase	Activities	Experts in charge	Output	Provisional timeline
Preparation	Mobilization and work plan preparation	<ul style="list-style-type: none"> Mobilization (logistical arrangements) Introductory message to the delegation involved Collation of relevant national reports and programs <ul style="list-style-type: none"> Work plan preparation and presentation of inception report to INTPA F2 and delegations involved Template design for inception report 	National consultant	Inception report with methodology, criteria and work plan (one single inception report for phases 2 and 3, adapted depending of the start in the different countries)	January 2025
Step 1 National level hybrid (online and in person) stakeholder workshop to identify key financial instruments	Workshop Preparation	<ul style="list-style-type: none"> Desk review of available reports and documentation shared by EUD and global team Identification of key stakeholders, with short description of roles in the forest finance landscapes Input to workshop agenda <ul style="list-style-type: none"> Invitation list (15 to 20 participants); assuring a diverse representation of forest actors (production, restoration, protected area management) and donors and partners Development of workshop agenda including a) opening, concepts for 3-4 presentations from key stakeholders and guiding questions for facilitated plenary discussion to reach agreement on key instruments to be included in the appraisal Template design for workshop report 	National consultant	N/A	February - March 2025
	Conducting hybrid Workshop (invitation and hosting done by EU delegation)	<ul style="list-style-type: none"> Support EUD in workshop logistics Facilitation of workshop Writing of workshop report <ul style="list-style-type: none"> Introduction to scope and content of the mission/consultancy Facilitation of plenary discussion 	National consultant	Workshop Report, including a list of key instruments and list of actors/ key informants to be interviewed	continued on next page

Step/Phase	Methodology phase	Activities	Experts in charge	Output	Provisional timeline
Step 2 Mapping of finance mechanisms and instruments	Interviews of key stakeholders and preparation of draft country reports	<ul style="list-style-type: none"> Designing interview instrument to understand existing finance mechanisms, ambitions, effectiveness, bottlenecks, risks and opportunities, and scalable financial solutions to achieve national goals Backtracking and input to the national country report <ul style="list-style-type: none"> Meetings with the EUD and partners Interviews with key informants/stakeholders Review of secondary data and reports Writing of draft national country reports 	Global team National consultant	Draft country reports	March - May 2025
Step 3 Consultation	Consultation with EUD and INTPA F2	<ul style="list-style-type: none"> Dissemination of draft country report to EUD and INTPA F2 for comments Integration of comments 	Global team Global team and national consultant	Global team National consultant	May - June 2025
Step 4 Final Report	Final report	<ul style="list-style-type: none"> Final report preparation Final layout 	Global team Global team	Final report	June - September 2025

3. Proposed list of forest finance solutions and instruments

Forest finance refers to the management and allocation of financial resources aimed at supporting sustainable forest management, conservation, and restoration activities. It involves the funding of projects and activities that maintain forest ecosystems, reduce deforestation, and enhance the provision of forest

ecosystem services. Forest finance plays a crucial role in addressing climate change, biodiversity loss, and promoting the economic viability of forests.

A diversity of forest finance solutions/instruments will be assessed in each country benefitting from the assessment. Below table highlights some of the critical funding instruments that will be considered.

List of forest finance solutions and instruments: short definitions (non-exhaustive)

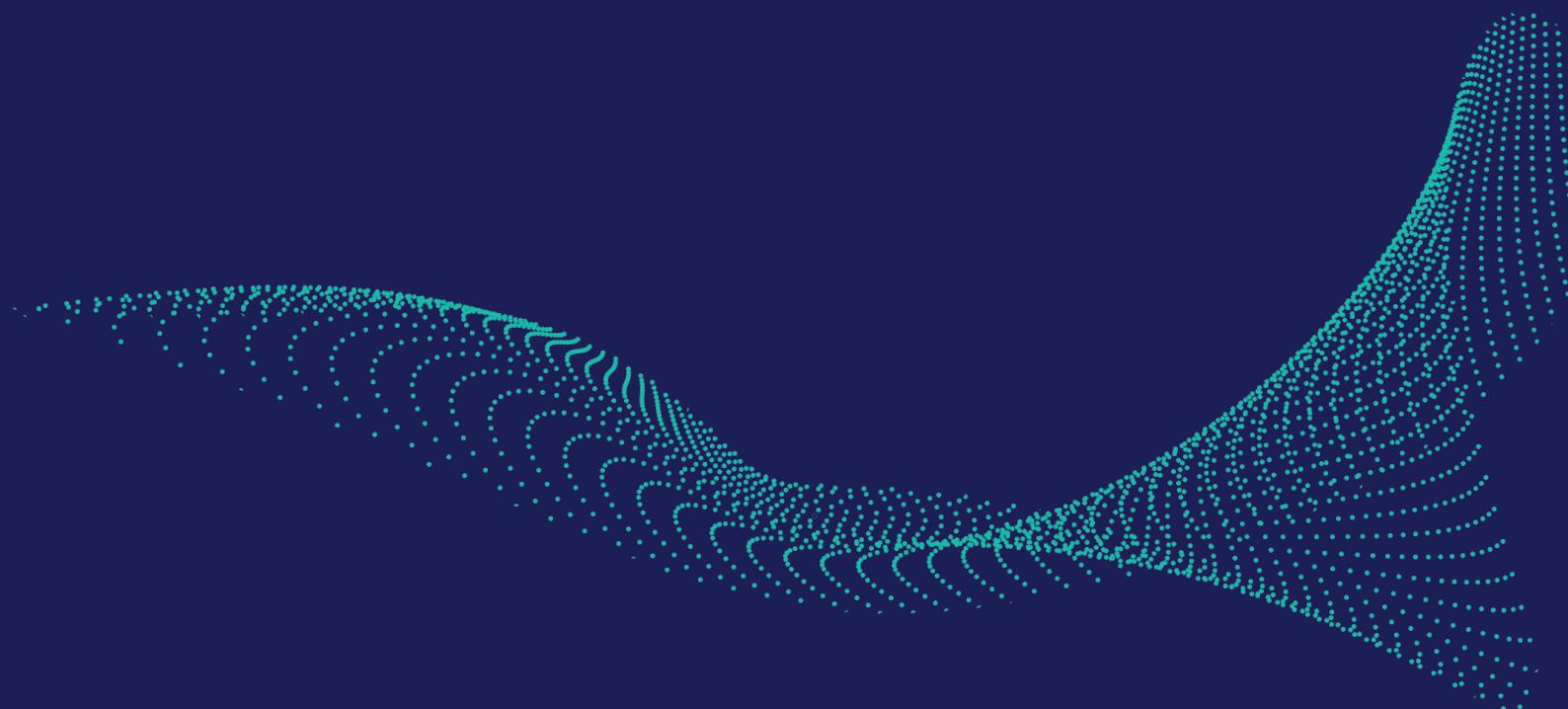
Forest Finance (FF) solutions, tools, instruments	Short definition
Public finance (including Fiscal Reforms, Green Budgeting, etc)	<p>The adjustment of fiscal policies and budgeting processes to reflect environmental sustainability goals, often incorporating the valuation of natural resources and ecosystems into financial planning.</p> <p>Can include diverse solutions and instruments such as:</p> <ul style="list-style-type: none"> • Tax breaks/waivers • Subsidies • Grant schemes • Dedicated funds established by national or local governments to support forest conservation or sustainable management • Any other state-funded schemes
Payments for (Forest) Ecosystem Services / Incentives Schemes	Financial and/or non-financial incentives provided to landowners or communities for managing their land in ways that preserve or enhance ecosystem services, such as water filtration, landscape beauty, climate benefits, and biodiversity.
National Forest Funds / Conservation Trust Funds	Dedicated funds established by governments or organizations to support forest conservation, sustainable management, and the development of forest areas through grants, incentives or loans.
Debt-for Nature Swap	A debt-for-nature swap is a financial arrangement where part of a country's debt is forgiven or reduced by creditors in return for the country committing to environmental protection projects. This typically involves conserving natural habitats, biodiversity, or investing in sustainable development initiatives.
Green Bonds / Sustainability-linked Loans	Financial instruments issued to fund projects with environmental benefits, with green bonds raising capital for upfront expenditure and sustainability-linked loans offering incentives for achieving sustainability performance targets.
Finance instruments for value chains that support conservation and restoration of forests	Can include concessions mechanisms, micro-credit schemes, SME support smallholder schemes, company finance for smallholders & other SMEs (out-grower schemes, off-take contracts), and venture capital/business catalyzers. These instruments are strongly linked to value chains that can support conservation and restoration of forests with SMEs and smallholders.
Biodiversity Markets (Biodiversity Credits/ Certificates)	Markets designed to trade biodiversity credits or certificates, representing actions taken to conserve or restore biodiversity.
Carbon Markets / Carbon Finance	Financial markets and instruments aimed at reducing greenhouse gas emissions through the trading of carbon credits, where one credit represents the right to emit a specific amount of carbon dioxide or the equivalent amount of a different greenhouse gas (may include REDD+ mechanisms, even if not under EU legislation)
Impact Finance / Impact Investment (Fund Set Up – Sustainable Forest Funds / Blended Finance / De-risking)	<p>Investments made with the intention to generate positive environmental and social impacts alongside a financial return, using strategies like fund setup, blended finance to mix different forms of private and public capital, and de-risking (Guarantees, leverage finance, first-loss positions, etc.) to reduce financial risk for investors.</p> <p>The roles of Development Finance Institutions (DFIs) and other funds EFSD+ can be considered when relevant for impact and blended finance.</p>

Annex 2. List of Technical Workshop participants

Participant	Position	Organization
Jerry Rasdan	Coordinator Climate Smart Forestry	Conservation International
Wedika Hanoeman	Forestry Operations Manager	Greenheart Suriname
Roman Moeharram	Legality Manager	Mambowood, Tropical Hardwood Products Suriname
Benito Chin Ten Fung	Chairman	Caribbean Parquet Flooring NV. Production Wood and Production sector
Pierre Bourguignon	AFD representative - focal point for EU programme "Sustainable Forest Livelihood"	Agence Française de Développement (AFD)
Guiani Razab-Sekh	Technical Expert	Agence Française de Développement (AFD)
Aiesha Williams	Conservation Director	WWF Guyana
Suresh Sookbir	Program Manager	FAO TT
Daniele de Bernardi	EU representative to Guyana	Delegation of the European Union to Guyana and Suriname
Latoya Williams	Programme Manager	Delegation of the European Union to Guyana and Suriname
Deslyn Croney	Secretary	Delegation of the European Union to Guyana and Suriname
Vidiyahsree Samwaroo	Secretary	Delegation of the European Union to Guyana and Suriname
Peter Rowan	Private Sector and Investment Expert	Forests for the Future (F4F) Facility
Jochem Schneemann	Key Expert, value chain development	Forests for the Future (F4F) Facility
Anja Gassner	Director Europe	CIFOR-ICRAF

Annex 3. Listing of stakeholders interviewed

Contact person	Position	Organization	Date
Alexander Vasa	Senior Financial Institutions and Capital Markets Specialist	Inter-American Development Bank (IDB)	March 11
Tatiana Alves	Lead Green Finance Specialist	Inter-American Development Bank (IDB)	March 11
Claus-Martin Eckerman	Senior Consultant	FAO	March 17
Andrew Thorburn	Senior Consultant	Suriname Investment and Trade Agency (SITA)	March 17
Santiago Bucaram	Sector Specialist	Inter-American Development Bank (IDB)	March 18
Johanna Langbroek	Director	WWF Suriname and Guyana	March 18
Roman Moeharram	Financial Officer	Tropical Hardwood Products Suriname	March 19
Rudi van Kanten	Director	Tropenbos Suriname	March 20
Wedika Hanoeman	Technician	Greenheart Suriname	March 20
Benito Chin Ten Fung	Chairman	Caribbean Parquet Flooring NV. Production Wood and Production sector	March 21
Pierre Bourguignon	AFD representative - focal point for EU programme "Sustainable Forest Livelihood"	Agence Française de Développement (AFD)	March 21
Herman Fraser	Director of Monitoring & Delivery	Conservation International	March 25
Jerry Rasdan	Coordinator Climate Smart Forestry	Conservation International	March 25
Sima Sultan	Senior Project coordinator	Ministry of Finance and Planning	April 3



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