



Title: Investing in Nature: Financing Forest Landscape Restoration in India

Date: 5th March 2025

Time: 2:00 pm- 3:30 pm

Venue: Tamarind Hall, India Habitat Centre

In India, 32% of the land is degraded, and 25% is undergoing desertification, impacting agricultural systems (FAO, 2024). The potential for forest landscape restoration in India is both vast and essential. It is crucial for achieving the national forest and tree cover target of 33% (National Forest Policy, 1988) and fulfilling international climate commitments.

Despite ambitious FLR goals, financial constraints remain a barrier to large-scale restoration efforts. Sustainable financing is critical to ensuring that FLR projects are effectively implemented and maintained in the long-term. While multiple funding mechanisms exist, including public sector investments, private sector contributions, carbon finance, and innovative models like Payments for Ecosystem Services (PES) and green bonds, access to these funds remains fragmented or limited. (FAO & UNCCD, 2015).

Restore, Conserve and Protect, Forest and Tree Cover for NDC Implementation in India (RECAP4NDC) is an Indo-German bilateral technical cooperation project commissioned by the International Climate Initiative (IKI) of German Federal Government, with direct oversight by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and jointly implemented with the Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India. The project is being implemented by a six-member consortium comprising GIZ India as the consortium lead, the International Union for the Conservation of Nature (IUCN) India, the Forest Survey of India (FSI), The Energy and Resources Institute (TERI), the Indian Council for Forestry Research and Education (ICFRE) and the International Centre for Integrated Mountain Development (ICIMOD). The

project is being implemented in four regions, namely, Gujarat, Maharashtra, Uttarakhand and Delhi National Capital Region (NCR; which includes 24 districts from Haryana, Rajasthan and Uttar Pradesh surrounding Delhi). RECAP4NDC project aims to identify and restore degraded landscapes across the four regions. TERI is leading the work on implementing the output on 'Financing FLR'. TERI is contributing towards the identification of potential financing sources (public, private, international), modes of channeling financing into FLR models, exploring new financing options, scaling up private sector engagement, and developing new business models for Forest Landscape Restoration (FLR) in the identified landscapes.

The "Investing in Nature: Financing Forest Landscape Restoration (FLR) in India" is a thematic track event jointly curated by TERI and GIZ India at WSDS 2025. This panel discussion will bring together key stakeholders from diverse sectors, including representatives from the public sector (forest/line departments), the private sector, carbon finance experts, development banks, and other financial entities. The aim is to facilitate discussions that will lead to practical solutions for improving convergence, creating predictable streams of finance and increasing funding volumes for FLR, identify financing gaps, as well as exploring new business models to scale up efforts in forest restoration.

Guiding Questions for the Discussion

1. What are the key financial barriers to channel existing financial resources of the government and scale FLR?
2. How can financial institutions and private investors create sustainable FLR business models? What might be the role of public-private partnerships in catalyzing finance?
3. What policy reforms are needed to attract more investments from non-governmental sources for FLR?
4. What role can CSR and impact investing play in FLR?
5. How can blended finance models be used in India for FLR financing?
6. How can alternate financing streams like carbon markets, green bonds, PES, etc. be leveraged for FLR financing?

About the World Sustainable Development Summit (WSDS)

The World Sustainable Development Summit (WSDS) is the annual flagship Track II initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades for making 'sustainable development' a globally shared goal. The only independently convened international Summit on sustainable development and environment, based in the Global South, WSDS strives to provide long-term solutions for the benefit of global communities by assembling the world's most enlightened leaders and thinkers on a single platform. The 24th edition of the annual flagship event of The Energy and Resources Institute (TERI)—the World Sustainable Development Summit (WSDS)—will be held from 5-7 March 2025 in New Delhi. The Summit deliberations will focus on the umbrella theme: Partnerships for Accelerating Sustainable Development and Climate Solutions.