



JAMAICA

Summary Financing Plan for the National Forest Management and Conservation Plan (NFMCP)

Background

The National Forest Management and Conservation Plan (NFMCP) for Jamaica is being developed at a time of low economic growth and tight fiscal space. This reality necessitates that a combination of financing sources that include domestic and international, as well as public and private, be considered for the NFMCP. This Financing Plan is developed to broaden and strengthen the financial base for the forestry sector with a focus on the long term sustainability of forest resources.

In preparing the Financing Plan, consultations were held with key institutional stakeholders that include the Forestry Department, the National Environment and Planning Agency, and The University of the West Indies to define the resource needs for activities identified in the NFMCP and to identify existing funding sources for implementing activities that support the NFMCP.

Preliminary Budget Estimate

The budget for implementing the NFMCP was developed through comprehensive costing of activities individually. Although the NFMCP is developed along thematic lines, some activities in the plan are cross-cutting and their implementation will enhance other activities across themes. Examples of these are capacity-building and public education. Therefore, the budget is presented in a summarized form along functional rather than thematic themes. For example, the budget for capacity building is presented as one budget line although specific capacity building activities may respond to sustainable forestry management or forest utilization.

The preliminary estimated cost of implementing the NFMCP is approximately US\$8 million or J\$1 billion¹. The breakdown of the budget along functional lines is presented in Table 1.

Table 1: Preliminary estimated budget for financing the NFMCP

Functional Area	Estimated Budget (US\$)	Source(s) of Finance
Forest Administration	2,006,500	NHT, TEF, GoJ, World Bank
Capacity Building	1,415,000	IDB, World Bank, GCF
Forest Conservation and Management (including Climate Change Adaptation)	3,875,000	GEF, GCF
Communication and Outreach	300,000	PSOJ, TEF, GoJ
Public Education	320,000	TEF, GCF
Total Estimated Budget (US\$)	7,916,500	

¹ At an estimated exchange rate of J\$130=US\$1.

Sources of Financing

The following have been identified as existing or potential sources of finance for activities listed in the NFMCP:

Domestic sources

- The Government of Jamaica (GoJ)
- National Housing Trust (NHT)
- Tourism Enhancement Fund (TEF)
- The Private Sector Organization of Jamaica (PSOJ)

International sources

- Global Environment Facility (GEF)
- Green Climate Fund (GCF)
- Inter-American Development Bank
- The World Bank

Forest Financing Instruments

The budget to finance the NFMCP will be realized through a combination of financing instruments. These include:

Budget allocation: GoJ must commit to allocate a percentage of the national budget to the development of the forestry sector, beyond the recurrent expenditure of the Forestry Department (FD). The allocation could be placed in a fund for the FD as well as municipalities, communities, and land owners to access for forestry administration, conservation, natural regeneration and forest management.

Grants: Through international facilities such as the GCF, Jamaica's forestry's role in climate change adaptation, especially relating to deforestation and forest degradation initiatives, could be enhanced under the REDD+ programmes. Grants from domestic institutions and programmes such as the NHT and TEF are complementary to those provided by international organizations and form an important source of funds for financing the NFMCP.

Loans: Institutions such as the IDB have dedicated funds to promote climate change adaptation, including biodiversity, and capacity building. These funds could provide seed funding for pilot projects that are designed to make the forestry sector sustainable through the development of systems of payment for ecosystem services.

Donations: Both domestic and foreign entities with particular interest in an area of activity covered in the NFMCP could provide financial support through donations or sponsorship of such activities. These donations or institutional support could be material or in-kind in nature. Areas that could be financed through donations and sponsorships include public education, communication and outreach, and capacity building.