

The Forests and Climate Leaders' Summit – COP27 Event Summary

- The Forests and Climate Leaders' Partnership was launched on behalf of a group of ambitious countries to drive delivery of the 2030 target to halt and reverse forest loss and land degradation by 2030.
- 16 governments made statements on how they will work towards the 2030 goal. These included Colombia's announcement of USD \$200 million annually for the next two decades to save the Amazon, Kenya's plans to restore 10.5 million hectares of degraded forests and rangelands, Ecuador's plans to increase forested land by 1.4 million hectares by the end of 2023 and Germany's increase of international climate finance for forests by €1 billion EUR.
- Leaders demonstrated transparency to prior public finance commitments. The Global Forest Finance Pledge released a report outlining that USD \$2.67 billion was contributed to forest-related programmes in developing countries in 2021, 22% of the 5-year commitment made at COP26.
- Private sector leaders including SouthBridge Investments, &Green and Volkswagen made commitments to ensure their operations align with the 2030 goal to halt and reverse forest loss.

At COP26, over 140 world leaders committed to “halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation” in the Glasgow Leaders' Declaration on Forests and Land Use (GLD). This was backed by a financial package of \$19.2 billion from public donors, philanthropy and private investors.

Demonstrating delivery on these commitments is crucial to meet the 2030 GLD ambition. At COP27, leaders from governments, companies, the finance sector, and Indigenous Peoples came together at **the Forests and Climate Leaders' Summit** to focus on delivery, to share best practice and scale action aligned with the GLD. Headline announcements included:

Political Leadership

The [Forests and Climate Leaders' Partnership](#) (FCLP) was launched at the Summit on behalf of 26 Governments and the European Commission who together represent a third of the world's forests and nearly 60% of the world's GDP. These leaders are committed to maintaining political focus on the objectives of the GLD, to inspiring and fostering ambition and positive action through providing annual high-level political platforms, to being accountable for delivery of pledges made, and to supporting each other and scaling action through collective initiatives. The FCLP will provide a space for governments to innovate, and problem solve together to drive progress towards the 2030 target, and to take stock of current progress. Special Presidential Envoy for Climate, John Kerry announced that the FCLP will initially be co-chaired by the **United States of America** and **Ghana**.

The Summit afforded the opportunity for government, business, civil society and Indigenous community leaders to set out how they are turning the GLD into practical action. This

included 14 heads of state or government who spoke and a further 3 heads of delegation who represented their respective governments. For example, President Akufo-Addo of **Ghana** shared that Ghana's Cocoa Forest Programme recorded its first emissions reductions which account for 972,456 tonnes of CO₂ equivalent and generated a result-based carbon payment of USD \$4.8 million, and **Ecuador** announced that it will increase forested land by 1.4 million hectares by the end of 2023.

Public Finance

Delivery and scaling

At COP26, 12 governments collectively committed USD \$12 billion for international forests over 5 years through the [Global Forest Finance Pledge](#). At the Summit, those governments collectively [reported on progress](#). In calendar year 2021, USD \$2.67 billion was contributed to forest-related programmes in developing countries. This equates to 22% of the original pledge and means that donors are on track to deliver by 2025. For example, the **UK** Prime Minister announced £65 million for the Climate Investment Fund's "Nature, People and Climate" Programme (NPC). This funding will help to protect forests while supporting the livelihoods of the people who depend on them.

In addition, governments demonstrated that public finance will be scaled to meet the 2030 target. **Colombia's** President Gustavo Petro announced USD \$200 million annually for the next two decades to save the Amazon, the world's largest rainforest. Chancellor Scholz also announced that **Germany** will double its international climate finance for forests from €1 billion EUR to €2 billion EUR through to 2025.

The Congo Basin

The Congo Basin is the second largest rainforest in the world and is crucial for the supply of rainfall to the African continent. Heads of State from the Congo Basin addressed the Summit and emphasised their national ambition, their record of delivery and the need for greater support for the region, including:

- President Ali Bongo reiterated **Gabon's** intent to trade REDD+ credits as a means of increasing the value derived from their forests which cover 88% of the country.
- President Sassou highlighted that the **Republic of Congo** has created 45,000 hectares of forest since 1970 and is aiming to create 1 million hectares of forest cover through its national programme of reforestation but needs international support to meet these commitments.
- Prime Minister Lukonde highlighted the importance of the **Democratic Republic of Congo's'** forests and peatlands to global carbon sequestration efforts.

At COP26, governments and philanthropy collectively pledged USD [\\$1.5 billion to the Congo Basin](#) over 5 years. At the Summit, they [reported](#) that they had provided [USD \\$508 million](#) support for forests and people in the Congo Basin. The **UK** Prime Minister also announced delivery of support for forests through development of a new £90 million programme in the Congo Basin.

In addition, Chancellor Scholz of **Germany** announced that the Central African Forest Initiative (CAFI) is seeking to mobilise private finance at scale through funding the design of a series of Forest Performance Bonds in Central Africa with the potential to secure co-

investment from the Green Climate Fund (GCF) amongst others. The bond would invest in forest positive businesses across the region.

Finally, the [Green fund](#) announced that they are committing up to USD \$10.6 million in addition to USD \$32 million of CAFI funding to invest in sustainable agriculture in the Congo Basin.

Indigenous Peoples and Local Communities

At COP26, governments and philanthropies committed USD \$1.7 billion through the [Indigenous People and Local Communities Forest Tenure Pledge](#). At the Summit, the Prime Minister of **Norway** reported that USD [\\$321 million of finance](#) had been disbursed by donors in 2021 before leading a minute's silence to pay respect to environmental defenders that had sacrificed their lives in order to protect us all. Representatives from the **Global Alliance for Territorial Communities** - Marleine Nguie and Levi Sucre - called for the importance of indigenous peoples to be reflected by increased action on the ground.

Restoration in Africa

At the One Planet Summit in April 2021, financial institutions committed USD \$19.6 billion to restore degraded land and forests in Africa, primarily through the Great Green Wall (GGW) initiative. Alongside AFR100, the African Forest Landscape Restoration Initiative, GGW initiative is driving investment to restore over 100 million hectares of degraded land in Africa by 2030. The conservation, management and restoration of land at this scale has the potential to sequester 3 GtCO₂ equivalent.

At the Summit, President Macron of **France** chaired a session on restoration in Africa, he announced that USD \$2.57 billion of this commitment was spent in 2021, whilst [President von der Leyen](#) reported that the **European Commission** is on track to overdeliver on its promise to spend EUR 700 million to fund the Great Green Wall.

President Suluhu of **Tanzania** outlined plans to plant 2 million trees every three years and called for assistance to ensure that Tanzania can benefit from carbon credits, whilst President Macky Sall of **Senegal** called on countries to help increase in-country capacity to grow trees and implement agroforestry practices.

President Ruto announced **Kenya's** tree growing programme will restore 10.5 million hectares of degraded forest and rangelands. The programme will grow 5 billion trees in the next 5 years and an additional 10 billion trees in the 5 years thereafter, generating 200,000 jobs in the process.

The President of the African Development Bank (AFDB) Dr Akinwumi Adesina, the appointed champion of the Great Green Wall, outlined plans for a USD \$20 billion investment in solar technology that will provide Great Green Wall communities with access to electricity and reduce their access on wood for fuel. He called on leaders to offer their support to the Climate Action Window, the concessional arm of the AFDB with an aim of raising USD \$13 billion to restore land, deliver climate resilient technologies and secure access to water.

Dr Frannie Léautier, CEO of Southbridge Investments, announced the development of a major new partnership, The African Forest Funds, with AFR100 and the Arab Bank for Economic Development in Africa (BADEA). This fund will blend USD \$500 million of

concessional finance with USD \$1.5 billion in private investment to support local restoration efforts across the continent.

As part of its USD \$2 billion commitment to landscape restoration and improving food systems made at COP26, the Bezos Earth Fund announced USD \$50 million for locally led restoration aligned with AFR100. This new commitment will help restore parts of the Congo Basin and Great Rift Valley.

Accelerating Private Finance for Forests

Progress on COP26 commitments

The Summit held a session on accelerating private finance for forests. Leaders announced progress on delivering against private finance commitments made at COP26:

- The [Lowering Emissions by Accelerating Forest Finance](#) (LEAF) Coalition announced that it has increased the total amount of finance for the purchase of high-integrity emissions reductions credits to over USD \$1.5 billion, of which USD \$500 million is new and additional. This represents a 100% increase in financial commitments from the private sector since COP26 with Volkswagen Group and H&M Group the latest to make commitments.
- Na Kyung-Won, Special Envoy for Climate for the **Republic of Korea** announced that Korea will join the LEAF Coalition and outlined its critical role in mobilising forest finance globally. In addition, Minister Manrique announced that **Ecuador** had become the first forest nation to sign a LEAF memorandum of agreement, which sets out next steps and a clear roadmap for the signing of a binding Emissions Reduction Purchase Agreements by April 2023.
- The Innovative Finance for the Amazon, Cerrado and Chaco (IFACC) commitments have risen from USD \$3 billion to USD \$4.2 billion, an increase of \$1.2 billion, and the initiative now comprises 13 financial institutions and agribusiness companies.
- The [Forest Investor Club](#), announced at COP26 by the United States Department of State's Office of Global Change has selected the World Business Council for Sustainable Development to play a leading role in the coordination and engagement of members. It will annually disclose progress being made to catalyse investments in forests and nature.
- The Natural Capital Investment Alliance has continued to target a mobilisation of USD \$10 billion towards natural capital themes, with over USD \$1.1 billion committed and a further USD \$6.2 billion raising funds to deploy.

New Commitments of Non-Government Financial Support

At COP26, USD \$7.2 billion of private sector funding was pledged for forest protection and restoration. At the Summit, private sector leaders reported that¹:

¹ NB other new commitments made at the event layered throughout this summary including &Green, SouthBridge Investments, New Joiners to LEAF.

- FMO, the Dutch entrepreneurial development bank is committing to build a forestry portfolio to at least [EUR €500 million](#) with the ambition to increase it to EUR €1 billion by 2030.
- The establishment of a new collaboration of philanthropic donors, *Forests, People, Climate (FPC)*, was announced. Its aim is to mobilise and deploy significantly increased philanthropic funding in support of the Glasgow Leaders' Declaration goal. At the Summit, USD \$400 million over five years in new philanthropic funding was committed to the FPC with a goal of raising another USD \$1.2 billion over the next five years. These new commitments go beyond the USD \$380 million over five years that the thirteen donors currently involved in the collaboration already planned to spend toward the FPC goal.

Systemic Shifts

To support delivery of the long-term systemic shifts required to ensure that all public and private financial flows are aligned to support delivery of the 2030 goal, central banks and ministers of finance highlighted work being undertaken to further understand the significance of nature-loss as part of their wider work to manage the systemic risk of climate change. Central Bank Governors from Chile, Malaysia and Zambia spoke to how they are taking vital steps to better understand nature-related climate risks, ensuring that the protection and restoration of critical ecosystems are properly accounted for in ensuring financial stability and contributing to economic prosperity. Meanwhile Prime Minister Marin of **Finland** reflected on the work of the Coalition of Finance Ministers for Climate in this space, and how it is designed to both manage the economic and financial risks of nature loss and to unlock opportunities for investment.

Mark Carney recalled a [Statement on Deforestation Financing from the Co-Chairs and Vice Chair of Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) which urged members of the alliance with USD \$135 trillion in assets under management, to embed tackling deforestation into their transition planning by developing policies to identify and curtail financing of such activities, and to scale forest positive investment.

Leading financial institutions from Japan to Norway to Brazil are demonstrating that it is possible to do this. Signatories of the [Commitment on Eliminating Commodity-driven Deforestation](#) have been moving forward with implementation as the **Finance Sector Deforestation Action (FSDA) initiative**. FSDA members have published shared [investor expectations](#) for companies, are stepping up engagement activity and working with policymakers and data providers. New members joining FSDA in 2022 include SouthBridge Group whose CEO, Frannie Léautier, announced that they were the first African financial institution to join the initiative alongside Banco Estado de Chile, London CIV and GAM Investments.

Governments participating in the [Forest, Agriculture and Commodity Trade \(FACT\) Dialogue](#), represent over 75% of global trade in key commodities that can threaten forests. The [FACT Dialogue Progress Report](#) is a renewal of the commitment of these largest producer and consumer countries to working together to achieve shared goals and promote sustainable development and trade, while protecting forests and other critical ecosystems.

14 of the largest agricultural commodity trading companies managing major global shares on key forest-risk commodities, shared their [joint roadmap](#) for increased supply chain action across the palm oil, soy and cattle sectors.

List of members of the Forest and Climate Leader's Partnership

1. Commonwealth of Australia
2. Canada
3. Republic of Colombia
4. Republic of Congo
5. Republic of Costa Rica
6. Republic of Ecuador
7. European Union
8. Republic of Finland
9. Republic of Fiji
10. French Republic
11. Gabon
12. Federal Republic of Germany
13. Republic of Ghana
14. Republic of Guyana
15. Republic of Indonesia (is especially considering joining the FCLP²)
16. Japan
17. Republic of Kenya
18. Republic of Korea
19. Kingdom of the Netherlands
20. Federal Republic of Nigeria
21. Kingdom of Norway
22. Islamic Republic of Pakistan
23. Republic of Singapore
24. Kingdom of Sweden
25. United Republic of Tanzania
26. United Kingdom of Great Britain and Northern Ireland
27. United States of America
28. Vietnam

² Indonesia is especially considering joining the FCLP and to serve on the Steering Committee. This builds upon the strong platform established by separate MoUs and bilateral climate partnerships between Indonesia and the USA, Norway and UK to support Indonesia's FOLU Net Sink 2030 Operational Plan.