



The Forest & Climate
Leaders' Partnership

2023

Report and Outlook



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Executive Summary

Forests are vital to global efforts to combat climate change. They also provide livelihoods to over a billion people who live in and depend on them and house 80% of the world's biodiversity on land. The Forest & Climate Leaders' Partnership (FCLP) was launched at COP27 to maintain high-level political leadership on forests, land use and climate, to rapidly scale high-impact policy action, to support the implementation of participating countries' self-determined goals, and to ensure accountability for the commitments under the Glasgow Leaders' Declaration on Forests and Land Use (GLD) and associated pledges. Amidst continued high rates of global deforestation, this report showcases the efforts of FCLP members to maintain this momentum in the first year of the partnership.

In 2023, FCLP members came together to lead strategic initiatives aimed at making the systemic shifts required to deliver on their GLD pledge to “halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation”.

Delivery of the GLD would reduce emissions by 3.5Gt CO₂/year by 2030, or 10% of the overall mitigation action needed to keep 1.5 alive. The annual report is a first step to ensuring accountability of FCLP members to deliver on these goals.

FCLP is not just a platform for high-level dialogues but a commitment by governments to act on forests and climate. In addition to showcasing FCLP members' leadership and ambition in this first year, the report demonstrates the continued need for high-level partnerships to drive climate change mitigation action, not only for protecting forests but also the communities that live in and depend on them, in particular Indigenous Peoples. FCLP members have also utilised this south-north-east-west partnership to open dialogue with new government and non-government partners, facilitating exchange and collaboration across regions.

The report provides an update and outlook covering the overarching goals of FCLP.

High-impact Policy Action

The cornerstone of the FCLP mission is focused on action for forests and climate, while the mobilisation of finance toward forest protection is a key pillar underlying the partnership. This includes increasing catalytic public-private finance to scale up investment for forest protection, acting on debt, climate and nature, and deploying innovative finance instruments to value natural capital.

FCLP members have recognised the critical role of Indigenous Peoples and local communities (IP and LCs) in the conservation of forests and reduction of deforestation, creating a multistakeholder platform and positioning at the highest level of political discourse the challenges that countries and IP and LCs face to achieve the Glasgow goals and secure respect for the rights of IP and LCs. This recognition incorporates respect for the Cancun safeguards and other international conventions, the exchange of best practices, and matchmaking between tropical forest countries, IP and LCs, and donors.

Implementation of Countries' Self-determined Goals

In 2023, FCLP members looked at how to translate the ambition of their high-level commitments into action on the ground. Governments are developing ambitious visions to support the transition to nature-positive, net-zero economies, working with a range of relevant stakeholders. Some are converting these visions into clear targets, implementation strategies, and investment plans to support their goals. Such plans provide an anchor to guide investment by national governments and investments from the private sector, international public finance, and philanthropy. However, as the scale of the challenge is enormous, coordinated action and sufficient commitment from the international community will be paramount.

High-level Policy Leadership

FCLP members have leveraged high-level dialogue and influence to ensure forests remain at the top of international (and national) climate and development agendas. Members have actively engaged with other governments and international bodies, driving innovative policies and collaborations that contribute to the FCLP's mission. FCLP members have advocated for forests to be meaningfully considered in global policy agendas and new funding instruments, including by multilateral development banks and funds.

Accountability

The 2023 FCLP Annual Progress Report is the first step in establishing an FCLP approach to ensuring accountability for commitments made against the GLD ambition and opportunities for collective efforts to be even more ambitious over time.

The Pathway to 2030

Finally, this first progress report presents an opportunity to look ahead to 2030 and reaffirm FCLP's unwavering commitment to halting and reversing forest loss, mitigating climate change and enhancing resilience, and advocating for policies that support the forests, their biodiversity, and the livelihoods of the people who live in and depend on them. COP30 in 2025 will be a critical opportunity to account for the progress of GLD delivery towards the 2030 goals.

The FCLP Secretariat extends its gratitude to the partners, donors, and stakeholders whose support sustains the partnership.



Ambition through Coalition

Introduction

At UNFCCC COP26, over 145 world leaders, representing 91% of the global forest estate, committed to “halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation” through the Glasgow Leaders’ Declaration on Forests and Land Use (GLD). One year after its launch at COP27, members of the Forest & Climate Leaders’ Partnership (FCLP) have made significant progress in driving the actions needed to achieve these goals. Amidst continued high rates of global deforestation, FCLP aims to deliver on the GLD’s objectives through a voluntary and focused partnership of countries committed to making a determined contribution to this agenda through international collaboration and national action.

“The United States is pleased to support FCLP in delivering on the ambition of the Glasgow Leaders’ Declaration on Forests and Land Use. FCLP has made good progress during its first year, and we look forward to accelerating action to bend the curve on forest loss.”

John Kerry, Special Presidential Envoy for Climate, United States

“The UK championed forests at COP26, mobilising over 140 governments to rally behind the Glasgow Leaders’ Declaration on Forests and Land Use. Forests remains a key focus of our work, and, once again, at COP28, it is one of our priorities. We are proud to be a founder member of the Forest & Climate Leaders’ Partnership – a unique mechanism to put forests at the heart of the international climate and development agenda. I am really encouraged by the progress that the initiative has made to date, but there remains much more to be done. I look forward to working with my counterparts internationally to ensure that together we can accelerate delivery of the goal we set ourselves in Glasgow – to halt and reverse forest loss by 2030.”

Graham Stuart, Minister of State for Energy Security and Net Zero, United Kingdom

“The drive and dedication that FCLP has put forth in the past year is truly impressive, and together, we continue to convert our commitments into action by exploring diverse measures to realise the Glasgow Leaders’ Declaration to address forest and land use issues. The Republic of Korea also actively supports the international community’s forest restoration and REDD+ activities based on experience of successfully reforesting our land, and we will carry on moving forward with FCLP in climate change response in the field of forestry.”

Nam Sung-Hyun, Minister of the Korea Forest Service, Republic of Korea

The report provides the first review of FCLP's progress, anchored in the policy initiatives and member coalitions that are amplifying the forest and climate agenda and the actions needed to respond to the dual climate and biodiversity crises. In its first year, FCLP members, through the leadership of Heads of State and Ministers, have worked closely with the private sector, civil society, Indigenous Peoples and local community organisations and other key international and non-state actors to make progress across the partnership's four objectives:

FCLP was established as a south-north-east-west platform with equal voice and decision-making, bringing together a high-ambition group of countries who are signed up to the GLD, representative of a range of regions, major forest areas, and centres of commerce and finance to find common solutions to shared challenges. This report aims to inform stakeholders, donors, and the general public about the participating members' ambitious goals and strategic contributions in the first year of the partnership.

The report will explore the breadth of FCLP members' collective ambition and spotlight examples of individual members' ambition and delivery, such as decreasing deforestation rates, increasing finance for national action, or supporting local forest communities and Indigenous Peoples.

While it is limited in scope, given that FCLP is still in its first year of action, the report lays the foundation for future reviews and collaboration with other GLD accountability efforts. FCLP's success will be measured by its ability to create a space where member countries can be supported to enhance their ambition by showcasing climate leadership, fostering new partnerships to access finance or innovative approaches, collaborating to address shared challenges, and advocating for greater accountability.

1

Provide a solutions-focused political forum to highlight implementation progress and identify shared strategic challenges and opportunities for collaboration;

2

Leverage Head of State and Ministerial leadership to amplify attention to specific challenges and solutions;

3

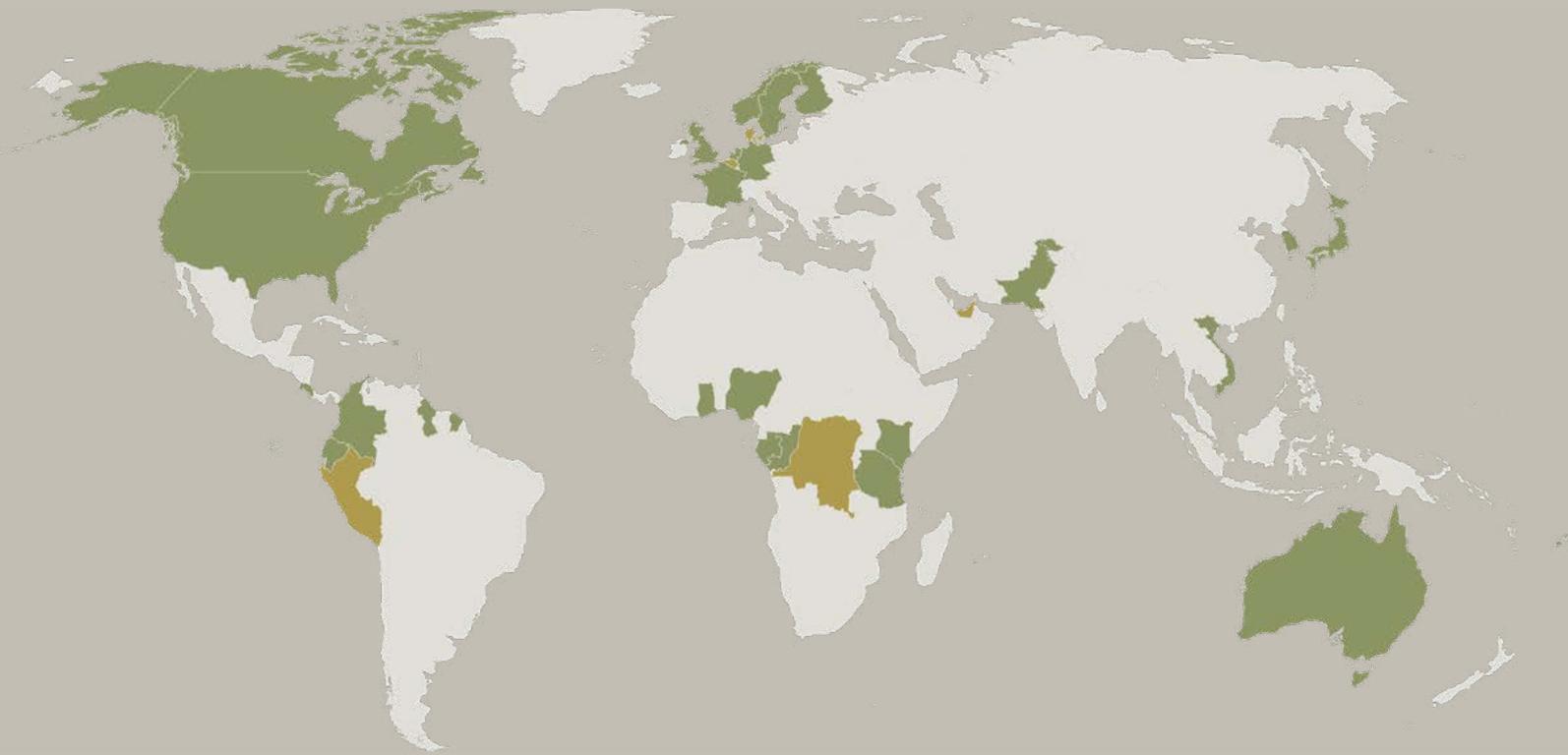
Provide its combined political support to accelerate and scale implementation of a prioritised number of Action Areas strongly aligned with the Mission Statement and Objectives of the Partnership; and

4

Support the implementation of the participating countries' self-determined national goals and encourage all countries to be even more ambitious over time.

“The time to act on halting and reversing deforestation is now. Protecting nature and implementing ecosystem-based solutions are central to delivering on our global climate goals—there is no Paris without nature. Building on the Glasgow Leaders' Declaration, COP28 and the UAE are committed to transforming pledges into action. In my role as FCLP Minister, I look forward to working with countries and non-state actors to unlock finance for nature at-scale that benefits people and planet. This requires forging true multistakeholder partnerships, including with Indigenous Peoples and local communities, to deliver on climate and nature goals at COP28 and beyond.”

*Her Excellency Razan Khalifa Al Mubarak,
COP28 UN Climate Change High-Level Champion, United Arab Emirates*



FCLP members

- Founding members
- Members since 2023

Founding Members ●

The Forest & Climate Leaders' Partnership was launched at COP27 by founding members: Commonwealth of Australia , Canada , Republic of Colombia , Republic of Congo, Republic of Costa Rica , Republic of Ecuador , European Union (EU), Republic of Finland , Republic of Fiji , Republic of France, Gabon , Federal Republic of Germany, Republic of Ghana, Republic of Guyana, Japan, Republic of Kenya, Republic of Korea, Kingdom of Netherlands, Federal Republic of Nigeria, Kingdom of Norway, Islamic Republic of Pakistan, Republic of Singapore, Kingdom of Sweden, United Republic of Tanzania, United Kingdom of Great Britain and Northern Ireland (UK), United States of America (USA) and Vietnam.

New Members ●

In 2023, FCLP expanded, welcoming the Democratic Republic of Congo (DRC), Peru, United

Arab Emirates (UAE), Belgium, and Denmark, further strengthening the coalition's global reach and impact. Altogether, FCLP represents 60% of the global GDP and over 35% of the world's forests.

Steering Committee

FCLP is governed by a Steering Committee, co-chaired by Ghana and the USA, with active participation from Colombia, Costa Rica, DRC, France, Germany, Kenya, Norway, and the UK.

Secretariat

A diverse, global Secretariat with representation from FCLP membership has been established to provide critical support to FCLP members as a facilitator, technical advisor, and financial manager. The FCLP Secretariat is funded by pledges from Germany, Norway, USA, UK, Republic of Korea, and Canada.

Minister-Led Initiatives

FCLP is founded on the principle of political and policy leadership by governments, with ministers south and north co-leading and accountable for the delivery of strategic initiatives and to which governments channel their combined senior engagement and support.

At COP27, FCLP members committed to drive progress in six Action Areas, which will contribute to the systemic shifts needed to halt and reverse forest loss and land degradation by 2030. These are:

International Collaboration on the Sustainable Land Use Economy and Supply Chains

Mobilising Public and Donor Finance to Support Implementation

Shifting the Private Finance System

Supporting Indigenous Peoples' and Local Communities' Initiatives

Strengthening and Scaling Opportunities for Forest Carbon Credits in Carbon Markets

Building International Partnerships and Incentives to Preserve High-Integrity Forests

In 2023, FCLP members have shaped these Action Areas into five policy initiatives that reflect FCLP members' ambition and commitment to deliver:

- **Greening Construction with Sustainable Wood:** a coalition of countries committed to advancing policies and approaches that support low-carbon construction and increase the use of wood from sustainably managed forests in the built environment.
- **Supporting Indigenous Peoples' and local communities' initiatives:** a coalition of countries seeking to address interlinkages between land tenure security and fair and just participation for forests.
- **Strengthening and scaling carbon markets for forests:** a group of countries committed to restoring confidence in forest carbon credits by bringing countries together to outline a clear roadmap to scale investment in forest carbon results and credits and to meet capacity-building needs
- **High-level working group on innovative financial instruments:** a group of countries interested in exploring discussions on innovative financial instruments, including debt, linked to forest and nature outcomes will begin in 2024
- **Mobilising public and donor finance to support implementation:** a coalition of members and international partner groups working to develop country packages for Forests, Nature and Climate.

Non-member Engagement

While FCLP is a government-led partnership, collaboration with non-state actors is essential to support ambition and implementation. National and international partners, including non-member countries, businesses, research institutions, civil society organisations, Indigenous Peoples and local communities, international financial institutions and multilateral organisations, among other non-governmental partners, are actively engaging in the work of FCLP through:

- the annual high-level (leader-level) political event that shines a spotlight on the most ambitious commitments and strongest examples of progress and partnerships from non-state actors, including dedicated segments focused on private sector and Indigenous Peoples and local communities' leadership.
- the five policy initiatives, which may involve public-private partnerships or other forms of multistakeholder coalitions.
- direct support to the FCLP Secretariat, such as seconded individuals, to support specific policy outcomes.





Taking Action for Forests and Climate

FCLP members have made significant strides in identifying actions and forming coalitions around initiatives where they can have the most impact in delivering on GLD commitments. The following sections explore the six action areas and policy initiatives established by FCLP members in 2023 to highlight the collective efforts of FCLP members as well as examples of concrete actions at the national level.

“The IPCC is telling us how essential halting deforestation and restoring ecosystems is to reach the Paris Agreement objectives. We all committed to halt and reverse forest loss by 2030 with the Glasgow Declaration on Forests and Land Use – with strong action, we consumer and producer countries together, can make this happen. Now it is time to turn intentions into action on the ground. The EU is working hard – in cooperation with partners – to deliver on its promises.”

Virginijus Sinkevicius, Commissioner for the Environment, Oceans and Fisheries, European Union

“Since human activities are at the root of the climate challenge, it simply means that the same human actions can help to stop it. We will continue to play our part to save our planet from the dangers of climate change.”

Dr Salisu Dahiru, Director General of the National Council on Climate Change, Nigeria

Vietnam*

In 2023, Vietnam launched the National Plan for Implementation of the Glasgow Declaration on Forests and Land Use to 2030, which aims to reverse deforestation, limit forest and land degradation, and contribute to greenhouse gas reduction by 2030. Objectives include strict management of natural forests, restoring 10% by 2025 and 20% by 2030, promoting biodiversity, and improving productivity in agriculture and forestry. The plan also targets certified sustainable forest management, enhanced institutional policies, and resilience against climate change.

*Note: all country examples in the report are from 2023 unless otherwise stated



Nigeria

Nigeria is now two years into a 30-year National REDD+ Strategy developed with substantial stakeholder participation, including local communities, civil society, private sector, and government bodies. The strategy offers an evidence-based tool for high-level policy engagement, capacity building, and fundraising, unifies institutions and sectors for effective coordination in addressing deforestation drivers, and fosters public awareness and support, emphasising the importance of forests for environmental resilience and socio-economic well-being.

Fiji

Fiji is in the process of developing a National REDD+ Strategy to meet 2030 goals, which will facilitate policies and initiatives to curb deforestation and forest deterioration, including a logging moratorium in native forests and prohibiting the export of unprocessed logs.



United States of America

The Biden-Harris Administration announced actions with the U.S. Department of Agriculture (USDA) and the Department of the Interior (DOI) to foster forest conservation, enhance forest resilience to climate change, and inform policymaking on ensuring healthy forests on federally managed lands administered by the USDA Forest Service and the Bureau of Land Management (BLM).



International Collaboration on the Sustainable Forest and Land Use Economy

A coalition of FCLP members has moved quickly to develop a policy initiative linking the mission of FCLP to that of the Global Alliance for Buildings and Construction, titled **Greening Construction with Sustainable Wood**.

“Forests, with their vast potential for carbon sequestration and biodiversity preservation, are a treasure trove of nature’s solutions. It’s our duty to unlock the secrets of these ancient ecosystems and harness their power for a greener, more sustainable future.”

Sitiveni Ligamamada Rabuka, Minister for Climate Change, Fiji

Greening Construction with Sustainable Wood

Wood harvested from sustainably managed forests has the potential to make a significant contribution to reducing emissions, while providing social, environmental, and economic opportunities for communities that live in and depend on forests.

At the One Forest Summit in Libreville in 2023, the governments of France, Gabon and Canada, supported by Cambodia, Côte d'Ivoire, Republic of Congo, United Kingdom and Zambia, called for interested governments to establish a working group on the sustainable use of wood and bio-based materials in construction under the auspices of FCLP. The resulting initiative is co-led by FCLP members France, Canada, and Kenya, and developed in collaboration with the Global Alliance of Building and Construction (Global ABC) and linked to the [Buildings Breakthrough Agenda](#).

The building sector is an area where increased use of harvested wood products from sustainably managed forests can contribute to climate solutions. The building sector is a major greenhouse gas (GHG) emitter throughout its life cycle. In 2021, the building and construction sector accounted for around 37% of energy- and process-related CO₂ emissions. Materials used in the construction of buildings are estimated to represent around 9% of overall energy-related CO₂ emissions. Yet the world faces significant construction needs, mainly in the Global South, with an area the size of Paris built on every 5 days, and an area the size of Japan every year.

Recognising the continued barriers to sustainable wood sourcing for construction, including insufficient production, inadequate forest governance, and technical and insurance regulatory frameworks and technical capacity, FCLP members have proposed four target areas to improve the enabling environment and increase green construction:

- Establishing enabling regulatory frameworks and public policies
- Intensifying research and development, education, and training
- Increasing access to finance and enhancing risk-taking capacity
- Engaging society to increase awareness and understanding of the benefits of sustainable wood

Collaboration with partners such as the Climate Smart Forest Economy Program (CSFEP), the European Wood Policy Platform, and the Food and Agriculture Organization (FAO) will enhance the success of the initiative – contributing to a more sustainable and resilient construction industry and more sustainably managed and resilient forests, globally.



“Canada is pleased to have played a part in the implementation of FCLP in its first year. The work is action-oriented and provides an ambitious platform for all those involved to continue to highlight the importance of forests to climate action and biodiversity restoration. Canada continues to advance concrete actions to ensure our forests contribute to a sustainable future for the people and for the planet.”

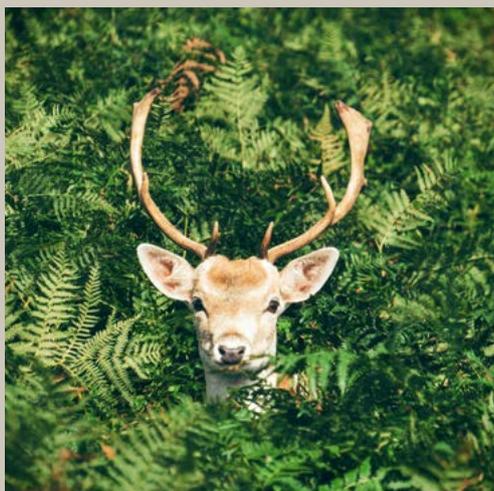
Jonathan Wilkinson, Minister of Energy and Natural Resources, Canada

“We look forward to working with FCLP through sharing our practices and experiences of sustainable forest management and use of wood for the achievement of net-zero society.”

Aoyama Toyohisa, Director-General, Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan

Japan

As the host of the 2023 G7 Hiroshima Summit, Japan led discussions resulting in the Leaders' Communique, which reaffirmed the commitment to halt and reverse forest loss and land degradation by 2030, with a strong focus on promoting sustainable forest management and the use of wood. Japan is actively encouraging the use of wood in construction and various products through a collaborative effort involving both public and private sectors. The promotion of sustainable forest management and the utilisation of wood as a low-carbon material are pivotal in building a carbon-neutral society.

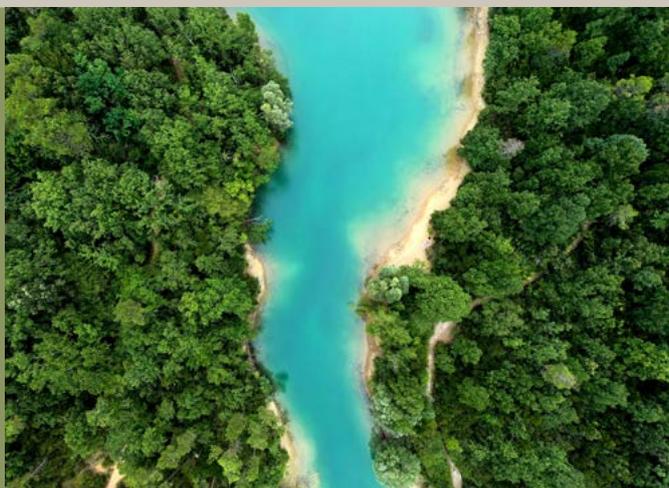


United Kingdom

As co-chair of the Forest, Agriculture, and Commodity Trade (FACT) Dialogue, the UK continues to promote sustainable trade practices. Under the landmark Environment Act 2021, the UK introduced new due diligence legislation to help tackle illegal deforestation within UK supply chains. The government is also reviewing whether existing regulation of the UK financial system under the Financial Services and Markets Bill (2023) is adequate to eliminate the financing or use of prohibited forest risk commodities.

European Union

The EU Deforestation Regulation imposes strict criteria for forest product eligibility in the EU market, emphasising "deforestation-free" status and compliance with relevant legislation. It covers legal deforestation and degradation, surpassing prior laws against illegal logging, and underscores social and environmental considerations, requiring adherence to local laws.



Republic of Korea

The Korea Forest Service has enacted policies to encourage sustainable wood use, exemplified by initiatives such as the "I LOVE WOOD" campaign and the Wood Culture Festival. As an action to bolster the adoption of responsibly sourced and traded wood, the Republic of Korea has introduced the Timber Legality Verification System. In addition, in a concerted effort to advance sustainable wood use in construction practices, the Republic of Korea has implemented measures such as establishing wood-friendly cities and substituting high-carbon materials, like steel and concrete, with wood—an environmentally friendly material capable of storing carbon.

Sweden

Stockholm, Sweden approved plans for [the world's largest urban construction project in wood](#), commencing in 2025 and aiming for completion in 2027. This initiative serves as a model for resource-efficient construction and circular material flows as well as the real estate market, addressing the significant environmental impact of built structures.



France

Ahead of the 2024 Olympic Games, France has stipulated that all buildings under eight stories in the Olympic Village in Saint-Denis must be constructed with wood. Taller buildings must prioritise low-carbon design, with factory-prefabricated timber frame elements making timber construction economically competitive compared to traditional reinforced concrete.

Guyana

Georgetown's [Forest Covers](#) project will replace manholes and sewers with sustainable wood covers in an example of conservation-oriented city planning.



Canada

The [Green Construction through Wood \(GCWood\) program](#) encourages the use of innovative wood-based building technologies in construction projects. Since 2017, the program has successfully funded 16 demonstration projects to de-risk and support the greater adoption and commercialisation of wood-based products in the construction of tall and low-rise wood buildings and timber bridges. The program produced the [2021 State of Mass Timber in Canada](#) report and [an interactive map](#) to record, review, and analyse the rise of mass timber construction in Canada. In its most recent call for proposals, the program has emphasised innovation in buildings, including modular construction, prefabrication, design for disassembly, and retrofits of existing buildings.



Supporting Indigenous Peoples' and Local Communities' Initiatives

Indigenous Peoples play a crucial role in global climate change mitigation, biodiversity conservation, and the pursuit of inclusive and sustainable rural development. Deforestation rates on Indigenous lands are between 17% and 26% lower than compared to unprotected tropical forests globally.

However, Indigenous Peoples' capacity act as forest stewards and actively contribute to national and global goals related to forests, biodiversity,

climate, and sustainable development remains limited as long as their tenure rights are neither recognised, secured, nor protected.

Forest tenure rights are a central focus of both the COP26 Indigenous Peoples and Local Communities Forest Tenure Pledge and the Glasgow Leaders Declaration on Forests and Land Use. In 2023, FCLP members identified the issue of financing land tenure rights as the central work area. Specifically, the question of how to mobilise additional finance for land tenure rights, improving the efficacy of funding on the ground, and ensuring access to inclusive and transparent dialogue and consultation processes to discuss these issues.

“Indigenous Peoples are a key stakeholder in Peru’s climate action. They have been at the forefront of adaptation and mitigation through their traditional knowledge to protect the Amazon, and now this is being recognised in Peru’s NDC measures. It is important to highlight that improving their livelihoods and addressing the vulnerability of indigenous women is a priority for our country. Peru is looking forward to co-leading the action track for supporting Indigenous Peoples and local communities under FCLP with Norway, with whom we share the commitment of empowering Indigenous Peoples to face climate change.”

Albina Ruíz, Minister of Environment, Peru

“Denmark is very pleased to be joining the Forest & Climate Leaders’ Partnership, which will be crucial for delivering on the commitments made at COP26 in Glasgow. Forests and nature-based solutions are key to achieving the goals of both the Paris Agreement and the Kunming–Montreal Global Biodiversity Framework. The Danish Government has just proposed to allocate 1 billion DKK (approximately \$ 150 million) to forest and nature conservation and protection over the coming years. Protecting nature and forests remains one of the best ways to deliver on the SDGs and getting us on track for 1.5 degrees while also delivering sustainable development, supporting Indigenous Peoples and local communities, securing global biodiversity and green economic growth.”

Dan Jørgensen, Minister of Development Cooperation and Global Climate Policy, Denmark

To address this gap, FCLP members, led by Norway and Peru, are establishing a “Platform to Support Indigenous Peoples and Local Communities in Forest for Forest and Climate Action” to facilitate increased collaboration between IP and LC organisations, governments, and the Forest Tenure Pledge donors.

The platform aims to:

- Position at the highest political level of discussion the challenges that countries and IP and LCs face to achieve Glasgow goals and secure respect for the rights of IP and LCs included the Cancun safeguards and other international conventions.
- Develop an inclusive and constructive space between donors, IP and LC organisations and governments that 1) promotes the interchange of best practices; 2) facilitates matchmaking between tropical forest countries, IPs and LCs and donors; and 3) promotes the development of innovative policies that can secure forest tenure reform and other prioritised measures that advance IPs and LCs rights and benefits.

FCLP members are committed to collaborating with organisations like the Global Alliance of Territorial Communities (GATC), regional organisations as the Mesoamerican Alliance of Peoples and Forests, and national bodies such as AIDSESEP and others that represent individuals residing in forest territories globally to advocate for their interests, particularly in securing land rights.



“We now see unprecedented political leadership from tropical forest countries. Our forest country partners are yielding impressive results. Brazil has cut deforestation in half during the first half of this year under President Lula’s leadership, Colombia has the lowest deforestation in a decade, and Indonesia has the lowest deforestation in 20 years, 90% down under President Jokowi. Norway is delivering on our financial pledges. We need to mobilize additional political and financial support to maintain these gains and to reach the Glasgow target to halt and reverse forest loss by 2030.”

Andreas Bjelland Eriksen, Minister of Climate and Environment, Norway

“AIDSESEP and the Indigenous Peoples of Peru applaud the agreement between the governments of Peru and Norway to co-lead the action track for Indigenous Peoples and local communities under FCLP. We are happy to know of the commitment on the part of the states to recognise the efforts of the Indigenous Peoples in the face of the multiple climate-ecological crises that we face worldwide. Now more than ever we must realise the dream and strengthen alliances and channel pledged climate funds to Indigenous Peoples to fight against threats to their territories and lives and also those of Indigenous Peoples in voluntary isolation and initial contact.”

Jorge Perez, President of AIDSESEP, the Association of the Indigenous Peoples of the Peruvian Amazon



Peru and the Joint Declaration of Intent

The Joint Declaration of Intent between Peru and Norway, Germany, UK and USA has supported almost a decade of environmental policies in Peru, including the expansion of national parks; granting of indigenous peoples rights to significant forest areas in the Amazon; and the creation of indigenous territories that protect several isolated indigenous groups. Peru has granted land titles covering 2 million hectares to Indigenous groups as part of this partnership, with a firm commitment to substantially increase this figure by 2025.

Tanzania

The “Study with a Tree” initiative in Tanzania aims to target youth participation in environmental stewardship and to engage their communities in campaigns to halt and reverse forest loss.

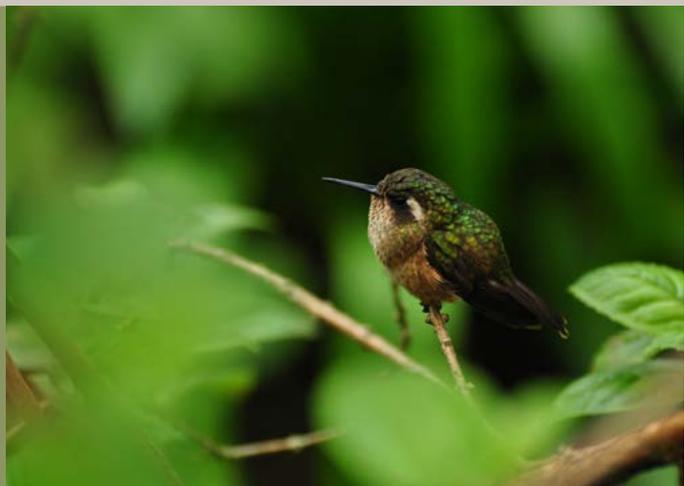


Pakistan

Forest initiatives in Pakistan have focused on empowering communities to become responsible for protecting, managing, and restoring their local forests have been successful with the added benefits of strengthening capacity and identifying new sustainable sources of income for the communities that have long relied on wood for cooking and heating that is a major source of forest degradation.

Colombia

Improvements in the security situation have facilitated initiatives that focus on capacity building and other incentives for local forest communities, especially those in remote areas who have been particularly affected by decades of armed conflict. Colombia also recorded a 29% reduction in deforestation in 2022.





DRC

In 2022, DRC approved a new law focused on the Protection and Promotion of the Rights of Indigenous Pygmy Peoples. This legislation supports the development of environmental and social safeguards, including for REDD+.

Peru

Peru launched the Indigenous Peoples' Platform on Climate Change, aligning with the Paris Agreement, to recognise and integrate indigenous knowledge and practices in comprehensive climate change management. The platform facilitates knowledge sharing among indigenous communities, enabling the implementation of holistic climate solutions at local, regional, and national levels with government funding and support.



Ghana

The Ghana Cocoa Forest REDD+ Programme will enhance smallholder farmers' livelihoods through increased yields and benefit-sharing while also reducing emissions from deforestation and improve resilience in Ghana's cocoa and forestry sectors. Co-led by the National REDD+ Secretariat and Ghana's Cocoa Board, the program is backed by chocolate industry, value chain companies, government agencies, and civil society partners, aiming to establish a new asset class and revenue stream from climate-smart cocoa beans.

Ecuador

Ecuador approved the Technical Norm of Green House Emissions and Compensation Scheme. The national program, promoted by the Ministry of Environment, Water and Ecological Transition encourages actions to address climate change by public, private or mixed, national or foreign, legally constituted, for-profit or not-for-profit organisations that seek to contribute to the decarbonisation of the country's economy. Indigenous Peoples and local communities can benefit from the mechanism that will allow the retribution of mitigation initiatives that contribute to the energy transition, implementation of clean technologies, reduction of natural resource consumption, conservation and restoration of ecosystems, among others.





Indigenous Peoples and Local Communities Forest Tenure Pledge Update

In 2022, IP and LC pledge signatories provided \$494 million in pledge-aligned funding, a \$172 million increase over 2021. Total spending to date exceeds \$815 million—almost half of the pledge total—putting the donors on track to meet or exceed the pledge commitment. Compared with a historical baseline of \$270 million per year from all sources (including \$140 million from bilateral and philanthropic funders), funding for IP and LC tenure rights and forest guardianship is increasing.

Around \$8.1 million directly reached IP and LC organisations in 2022. This is slightly more than last year (revised analysis shows 2021 direct funding was \$7.3 million). Still, because other types of funding increased by a greater amount than direct funding did in 2022, the percentage of direct funding decreased from 2.9% to 2.1%. This report discusses direct funding obstacles and suggests how donors and IP and LC organisations can partner to overcome them.

Forest Tenure Pledge Donors include: Germany, Norway, Netherlands, United Kingdom, United States of America, Ford Foundation, Good Energies Foundation, Oak Foundation, Sobrato Philanthropies, The David and Lucile Packard Foundation, The William and Flora Hewlett Foundation, The Christensen Fund, Children's Investment Fund Foundation, The Wellspring Philanthropic Fund, and member of the Protecting our Planet Challenge.

Strengthening and Scaling Carbon Markets for Forests

Scaling payments for the climate and environmental services that forests provide is essential to bridge the gap in forest finance, which in turn is critical for achieving the GLD targets. Results-based payments (RBP) and carbon markets are important vehicles for channelling investment to forest-based mitigation, which can also deliver additional benefits related to adaptation and sustainable economic and social development in forest communities and countries.

As a result of over a decade of work on REDD+, a strong framework is now in place to shape the supply of high-quality carbon results and market-ready carbon credits. Despite progress on establishing the international legal framework under the UNFCCC, carbon finance for forests has yet to reach its full potential.

FCLP members agree that much of the groundwork has been laid for a forest carbon payment system, including the significant regulatory and institutional architecture. The challenge remains how to operationalise it in a way that delivers environmental and social impact at scale.

In 2023, FCLP members have been vocal in amplifying the importance of forest carbon markets. To this end, members have developed a comprehensive roadmap, “Scaling Investment in Forest Carbon Results and Credits” that builds on complementary and existing initiatives and processes, such as the [Call to Action for Paris Aligned Carbon Markets](#), the [Global Biodiversity Credits Roadmap](#), the [Libreville Work Plan](#), and

aligns with national policy frameworks and processes.

Almost three quarters of FCLP members have engaged in this working group on carbon finance to improve and scale high-integrity forest carbon markets, co-led by Ghana, Guyana, and the UK. The roadmap aims to respond to the major challenges and requirements on both the supply- and demand sides.

Moving forward, the roadmap has identified the following strategic needs:

- Increase results-based payments
- Elicit demand signals that buyers are willing to appropriately value and invest in forest carbon results and credits
- Scale the supply of high-quality and high-integrity forest carbon results and credits, including increased transparency and reduced transaction costs and barriers to entry
- Facilitating broader inclusion of IP and LCs
- Working in partnership with all interested members and the wider community
- Helping connect FCLP members to technical assistance and capacity building
- Recognising the value that forests provide for the full climate and ecosystem services.

FCLP members recognise the importance of any work on forest carbon markets should not duplicating, undermining, or precluding current negotiations under the UNFCCC, including on the operationalisation of Article 6 of the Paris Agreement.

“The multi-faceted dimensions of forest carbon transactions demand that technical assistance be bespoke, nuanced, and tailored to support broad level understanding and urgent delivery of climate finance. For Ghana, this is what the JTAP [Jurisdictional REDD+ Technical Assistance Partnership] represents, and has the capacity to redefine technical assistance beyond the known rhetoric. As a country pioneering broad level sustainable action to reduce deforestation and forest degradation we applaud the JTAP and look forward to it delivering support for urgent forest and climate action as needed. This must promote inclusivity for Indigenous Peoples and local communities.”

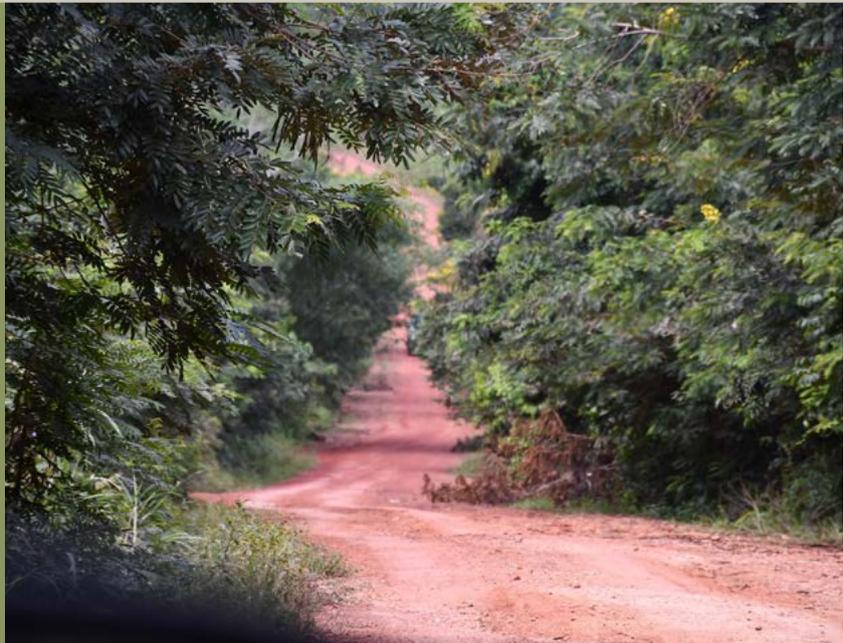


Guyana

In 2022, Guyana became the first country to sell ART (Architecture for REDD+ Transactions) carbon credits for preventing and reducing deforestation and forest degradation in 2016 – 2020 (33.47 million forest carbon credits). Guyana also signed a deal worth at least \$750 million with Hess Corporation for the purchase of 37.5 million carbon credits.

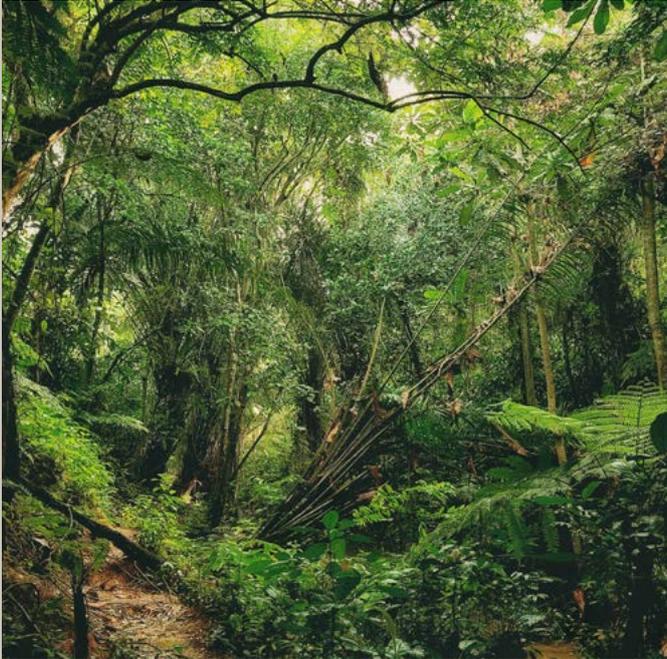
Ghana

Ghana became the second African country to receive payments under the FCPF for over \$4.8 million for reductions delivered in 2019. Ghana also signed an agreement with the LEAF Coalition for the sale of up to 5 million tonnes of credits of high-quality forest carbon credits for \$50 million to public and private sector buyers.



Costa Rica

Costa Rica became the first Latin American country to sign an agreement with the LEAF coalition worth up to \$14 million, corresponding to \$10 a tonne in forest carbon credits.



Singapore

Singapore's Carbon Pricing (Amendment) Act 2022 was created to drive the city-state's path to net-zero by incrementally raising carbon tax rates, establishing an industry transition framework for emissions-intensive sectors, introducing an International Carbon Credits (ICC) framework, and updating the list of greenhouse gases and their Global Warming Potential Values. Singapore is now working on an ICC transaction with Ghana under Article 6.2 of the Paris Agreement.

Kenya

In 2023, Kenya became the second African country to sign a Letter of Intent with the LEAF Coalition to supply high-integrity emissions reductions and removals credits.



United Kingdom

The UK launched a £5 million bilateral Technical Assistance Facility to support forest countries in the LEAF Coalition. This is part of the UK's £200 million commitment to LEAF announced at COP26, which includes £25 million in technical assistance to support forest protection activities and verify credits in line with environmental and social safeguards.



Mobilising Public and Donor Finance to Support Implementation and Shifting the Private Finance System

Independent analyses [suggest](#) that delivering the Glasgow Leaders Declaration objective could require annual investment from public and private sources of \$130 billion. To reach the 2030 target, a substantial amplification of financial resources from public, private, and donor sources is imperative. This funding must be effectively directed to assist developing countries in realising their ambitious climate objectives, with a particular emphasis on initiatives related to forests and land use.

In 2023, FCLP members looked at how to translate the ambition of their high-level commitments into action on the ground. Governments that are the custodians of the most critical ecosystems are increasingly developing ambitious visions to support the transition to nature-positive, net-zero economies, working with a range of relevant stakeholders. Some are converting these visions into clear targets, implementation strategies, and investment plans to support their goals. Such plans provide an anchor around which to guide

“Over the past year, the [FCLP] Partnership has made progress in bringing together public, private and philanthropic partners to support the development of the Country Packages for Forests, Nature, and Climate. This will support several countries to achieve their forestry targets. Singapore will continue to work with like-minded partners to spearhead the development of environmentally robust market and financial solutions that unlock the potential of the forestry sector for climate action.”

Grace Fu, Minister for Sustainability and the Environment, Singapore

“The Democratic Republic of Congo is pleased to join the Forest & Climate Leaders’ Partnership and be a source of climate and nature solutions for our people and the world. DRC’s vision to achieve this is through fostering the new climate economy.”

Stephanie Mbombo, Special Presidential Envoy for New Climate Economy, Democratic Republic of Congo



Global Forest Finance Pledge Update

The 2021 [Global Forest Finance Pledge](#) (GFFP) is a collective public finance commitment of 12 public donors supporting nations to tackle the causes of deforestation. The second annual report of the GFFP provides an update on the progress of January – December 2022, including aggregate spending data and further information on how funds are used. Despite a turbulent global economy in 2022, results suggest a steady trajectory towards achieving the 2025 target: in the first two years of the five-year pledge, \$5.7 billion, or 47% of the \$12 billion pledge, has already been directed towards forest-related programs in developing countries.

The GFFP contributions support activities that address the systemic drivers of forest loss, enabling the conservation, sustainable management, and restoration of their forests and their climate mitigation and adaptation. Enabling the participation of Indigenous and local communities is also central to the activities contributing to the pledge.

GFFP donors: Canada, European Commission on behalf of the European Union, Federal Republic of Germany, French Republic, Japan, Kingdom of Belgium, Kingdom of Denmark, Kingdom of the Netherlands, Kingdom of Norway, Republic of Korea, United Kingdom of Great Britain and Northern Ireland, United States of America.

investment by national governments themselves, as well as investments from the private sector, international public finance, and philanthropy. But the scale of the challenge is enormous and must be met with coordinated action and scaled commitments from the international community. This is the focus of the “Country Packages for Forests, Nature, and Climate” concept.

FCLP members have engaged a range of public, private, multilateral and philanthropic institutions together with tropical forest nations to coordinate efforts, advance policies, and mobilise resources at the scale needed to deliver on ambitious forest, climate, and biodiversity goals. These packages also promote the involvement of Indigenous Peoples, local communities, and other key stakeholders in decision-making processes.

These Country Packages begin based on a trusting dialogue between host countries and their international partners. Packages have the potential to match the scale of the challenge faced by a country in meeting its raised ambition by pooling,

coordinating, and catalysing new and additional international sources of funding. Improved collaboration among international partners, domestic institutions, implementing agencies, and private sector entities in targeted areas is crucial for optimising the use of limited concessional and grant capital. This enhanced coordination, coupled with efficient financial instruments, aims to mobilize the required scale of finance effectively. Additionally, country packages are designed to minimize transaction costs for all involved stakeholders.

FCLP has convened an International Stakeholder Group, comprising over 100 institutions, including FCLP member countries, international financial institutions, non-government organisations, multilateral development banks, and private sector.

In 2023, Colombia, the DRC, Ghana, the Republic of Congo, and Papua New Guinea (supported by FCLP members) announced national packages for forest, climate, and nature backed by finance from public, private, and civil society partners.



European Union

The EU announced support for a multinational effort to preserve the Amazon rainforest as part of the EU’s Global Gateway investment plan committing 45 billion euros for Latin America by 2027. The plan facilitates the distribution of 260 million euros pledged by EU countries, including FCLP members France, Germany, and the Netherlands and focuses on combatting deforestation in the Amazon. It also allocates an additional (undisclosed) amount to protect old-growth forests from logging as part of its broader Latin America investment plan.

Australia

Australia is pioneering the world’s first voluntary nature repair market through a bill currently under review in the Parliament. Stakeholder consultation, involving states, territories, and First Nations people, has shaped the market, which provides incentives to landholders and investment opportunities for business. The government is also trialing the Agriculture Biodiversity Stewardship Package, leveraging environmental markets to boost private sector involvement in achieving biodiversity outcomes.





Finland

The European Commission approved a €350 million Finnish sustainable forest management scheme, which provides direct grants to private forest owners to implement economically, ecologically, and socially sustainable practices, including measures to promote forest growth, climate change adaptation, biodiversity protection, and water conservation.

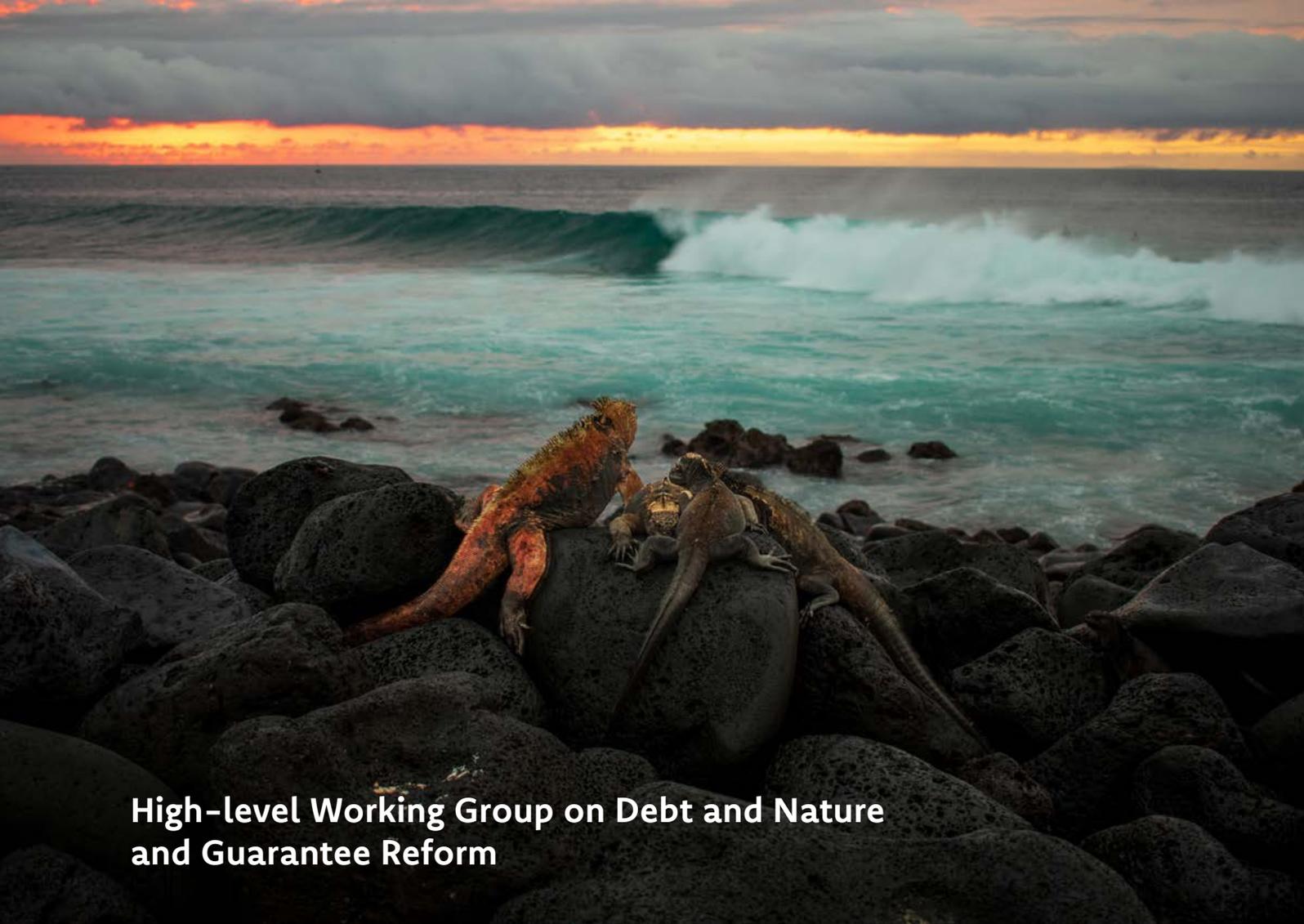
Costa Rica

Costa Rica has showcased leadership in forest carbon markets through its National REDD+ Strategy developed in collaboration with leaders from 24 Indigenous territories. The consultation process engages all stakeholders within territories, including Indigenous Development Associations, women's groups, older generations, youth, and more.



Germany

Germany remains a key donor to forest programs, along with Norway and the UK. Having funded the REDD Early Movers Program (REM) in Colombia, Ecuador and Brazil; the Legacy Landscapes Fund for biodiversity; the World Bank's flagship Forest Carbon Partnership Facility (FCPF), the Central African Forest Initiative (CAFI), Africa Forest Landscape Restoration Initiative (AFR100) and World Bank EnABLE (Enhancing Access to Benefits while Lowering Emissions), which aims to improve the participation of Indigenous Peoples and local communities in results-based emission reduction programs.



High-level Working Group on Debt and Nature and Guarantee Reform

Many countries are suffering from a triple crisis of unsustainable debt burdens, escalating costs of climate shocks and transition, and adverse economic impacts of climate change and biodiversity loss. Countries increasingly lack the fiscal space to address forest, nature and climate-related objectives due to high debt service payments, reduced access to concessional financing, inflationary pressures and high market interest rates for new debt. The ten most forested emerging and developing countries

alone owe nearly \$460 billion in external sovereign debt service over the next five years (2023–2027). This burden increases these countries' vulnerability to new physical and economic shocks. It also makes it more difficult to raise sufficient funds to act on climate, forests and nature, meaning these countries miss the benefits of increased prosperity, new jobs, lower costs linked to health and property damage and reduced sovereign risk.

“Colombia, through FCLP, positioned its leadership in climate action by promoting the construction of its Country Package, highlighting the importance for middle-income and more vulnerable countries to consolidate actions through a portfolio of projects, which supports Colombia to adapt to a changing climate and the achievement of its goals and ambitions in terms of climate adaptation and resilience, decarbonization and biodiversity conservation. I want to highlight the role that women play in land use planning around water and in development and social justice; the role of women worldwide as leaders in their communities and transformative agents to face the climate emergency. We must unite scientific knowledge with traditional knowledge, and smart solutions that benefit the environment empower communities while contributing to sustainable development.”

Susana Muhamad, Minister of Environment and Sustainable Development of Colombia

FCLP members have focused on new and emerging structured instruments that offer means to reduce debt servicing burdens while increasing fiscal space for investment in forests, nature and climate. These tools include debt conversions, such as debt-for-nature swaps, other debt refinancing approaches, and sustainability or sustainability-linked sovereign bonds. Combining these instruments with de-risking mechanisms is a key part of reducing the cost of borrowing to free up capital to pay for nature and climate outcomes. Guarantees help improve the credit rating of the instrument, allowing sovereigns to attract cheaper financing for urgent climate and nature programs and expand the pool of investors who can buy the bond (e.g. some may only be able to purchase investment-grade debt). In debt refinancing, guarantees can reduce the cost of servicing the new debt, enabling a portion of the savings to be re-invested in nature and development outcomes (as with Ecuador). Countries can learn from the examples set by Ecuador and Peru, who both finalised debt-for-nature agreements in 2023.

Guarantees can also be used to incentivise and de-risk private investment in climate and nature outcomes by tackling certain risks (both real and perceived) at the project or macro-level (e.g. country, currency and counterparty risk). Overall risk mitigation and credit enhancement solutions like guarantees can help catalyse private-sector investment at significantly larger multiples than traditional donor finance or concessional lending, by a factor of 55x and 5x, respectively, according to recent analysis.

Together, these global efforts demonstrate an encouraging shift towards greater environmental responsibility and international cooperation in the fight against climate change and deforestation. FCLP can play a pivotal role in government-led action to mobilise financial resources and advocate for innovative financial and fiscal approaches.

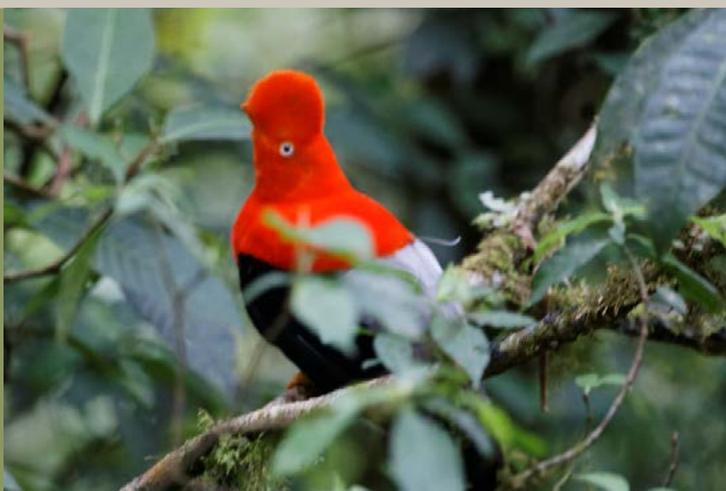


Ecuador

The Ecuadorian government announced the largest debt-for-nature conservation swap in the world and the most important in history, which generates a savings of \$1.1 billion in debt for the country, with which it will invest \$450 million for the protection of the Galapagos Islands.

United States – Peru Collaboration

The United States completed its 22nd debt-for-nature swap with a \$20 million agreement with Peru. This is the third collaboration between the two nations and supports the protection of the biodiversity-rich Peruvian Amazon, a globally valuable carbon sink.





Partnerships and Incentives for Preserving High-integrity Forests

High-integrity forests comprise approximately 40% of the world's remaining forests and play a critical role in providing essential services such as carbon sequestration, climate regulation, biodiversity preservation, and support for livelihoods.

Despite their paramount importance, existing mechanisms for financing the preservation of these high-integrity forests prove insufficient and unsustainable for many lower-income countries. FCLP members are exploring ways to address this gap through innovative incentives capable of mobilising public and private finance on a scale that ensures the

preservation and enhancement of the indispensable ecosystem services provided by high-integrity forests.

FCLP members will convene a concrete initiative under FCLP to champion high-integrity forests and support the development of a roadmap for action with concrete milestones leading to COP30. Priorities include a common global understanding of definitions and metrics related to high-integrity forests and emphasising direct ecosystem services payments to communities involved in protecting and maintaining them

“There is no alternative to a trusting and ambitious collaboration to solve the global deforestation challenge. We cannot reach our climate and biodiversity goals without nature, without forests. To this end, we view FCLP as an important platform for governments that have started that journey to halt and reverse deforestation by 2030. There is a long way to go yet, since global deforestation rates are still alarmingly high, but we are committed to continue the collaboration with our like-minded FCLP partners and beyond until the job is done.”

Jennifer Morgan, State Secretary and Special Envoy for International Climate Action, Germany



Congo Basin Pledge Update

The Congo Basin Pledge is a collective commitment by 12 donors to provide at least \$1.5 billion of financing between 2021 and 2025 to protect and maintain the Congo Basin forests, peatlands and other critical global carbon stores. The second annual Congo Basin Pledge [report](#) provides an update on donor spending over the period from January to December 2022. In the first two years of the five-year pledge, total contributions currently exceed \$1 billion, over half of the pledge total.

The report also includes case studies that illustrate the programs and projects Pledge donors are supporting to address the drivers of forest loss and enable the protection and restoration of the Congo Basin. These include forest-positive investment and alternative livelihoods programs, including investment that supports economic development and well-being of communities at the edges of forests.

Congo Basin Pledge donors include: Belgium, European Union, France, Germany, Japan, Republic of Korea, Netherlands, Norway, Sweden, United Kingdom, United States of America and the Bezos Earth Fund.

Looking Towards the Future of Forests and Climate: The Road to 2030

As FCLP members convene at COP28 in Dubai, it is an important opportunity to highlight achievements, take stock of the partnership's ambition and objectives, and to signal a path towards COP30 in 2025 and the 2030 goals. As this report outlines, FCLP remains a unique partnership for south-north-east-west collaboration and shared ambition, and it has demonstrated delivery on the commitments made under the GLD. Moving forward, FCLP will continue to be a space for high-level leadership, dialogue, and accountability for the GLD targets.

The journey to 2030 is marked by a series of pivotal milestones and moments for tropical forest countries and ambition partnerships like FCLP to demonstrate

progress while also spotlighting accountability for pledges such as the GLD. The FCLP annual progress report is the first step in establishing an FCLP approach to ensuring accountability for commitments made against the GLD ambition and opportunities for collective efforts to be even more ambitious over time.

FCLP will continue its mission of fostering collaboration, accountability, and innovation. Members remain committed to working with new partners and initiatives to maintain the momentum and drive delivery in the lead-up to 2030 and hold all GLD signatories accountable for their commitments made in 2021.

“The Netherlands welcomes the efforts of FCLP as a high-level political platform to drive action and progress on stopping deforestation while promoting sustainable land use and development. We will not reach the goals of the Paris Agreement and the Global Biodiversity Framework without halting and reversing forest loss and land degradation by 2030.”

Christianne van der Wal-Zeggelink, Minister for Nature and Nitrogen Policy, Netherlands

“Australia is proud to cooperate with our global partners through FCLP to unlock the full potential that forests and forest products offer as climate solutions. Our collective efforts are central to responding to climate change, caring for our natural environment, and supporting trade in sustainably managed resources. We recognise the opportunities for innovation and world-class forest management to contribute to a low carbon, sustainable, and prosperous future, and we look forward to continuing our work with our FCLP partners to achieve these outcomes.”

Murray Watt, Minister for Agriculture, Fisheries and Forestry, Minister for Emergency Management, Australia

“Now is the time to step up our collective efforts, deliver on climate ambition and reverse biodiversity loss while ensuring sustainable development. Belgium is committed to addressing this challenge and further supporting our partner countries, including through innovative solutions. I strongly believe that the transformational approach tabled by the Forest & Climate Leaders' Partnership is the right one: unlocking financing for forest protection at scale through focused multistakeholder partnerships. Investing in nature is also a development opportunity.”

Caroline Gennez, Minister of Development Cooperation, Belgium



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2023
Report and outlook

