

SUMMARY FOR POLICYMAKERS

OFF TRACK AND FALLING BEHIND

Tracking progress on 2030 forest goals

The Forest Declaration Assessment
November 2023



WE ARE IN A CRISIS

The forest ecosystems that support a liveable climate, invaluable biodiversity, thriving economies, and intangible cultural importance remain under massive pressure. Standing forests are essential for limiting global warming to 1.5°C, and in 2021, over 140 countries signed the Glasgow Leaders' Declaration on Forest and Land Use, committing to eliminate gross deforestation and forest degradation and restore 350 million hectares of forests globally by 2030.

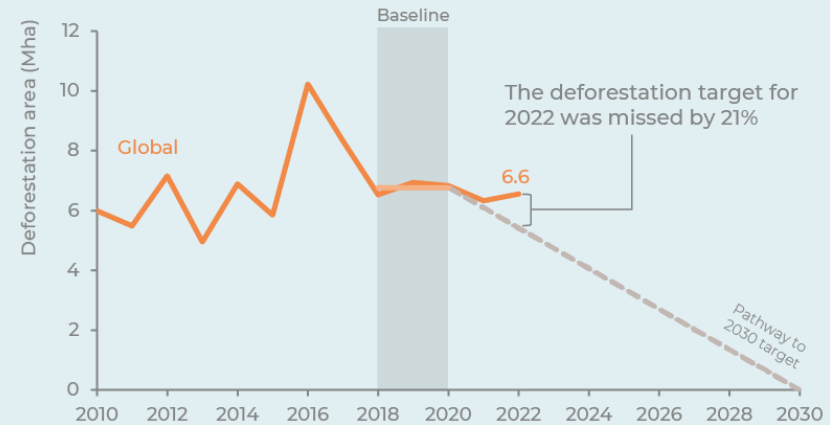
Yet, the world remains off track to reach the 2030 goals. In 2022, global gross deforestation reached 6.6 million hectares worldwide and was 21 percent higher than needed to eliminate deforestation by 2030. The loss of primary tropical forests reached 4.1 million hectares and is even further off track—the loss was 33 percent higher than the needed trajectory to halt primary forest loss by the end of the decade. This backslide puts forest goals even farther out of reach after the small but insufficient progress made in 2021.

Regional deforestation targets were missed in all tropical regions, though Tropical Asia fared better than other regions; it saw a 16 percent lower rate of deforestation in 2022 compared to baseline levels – the average deforestation rates observed between 2018 and 2020. While this progress is still too slow, it shines in comparison to Tropical Latin America and the Caribbean, which saw a 9 percent increase in deforestation compared to baseline.

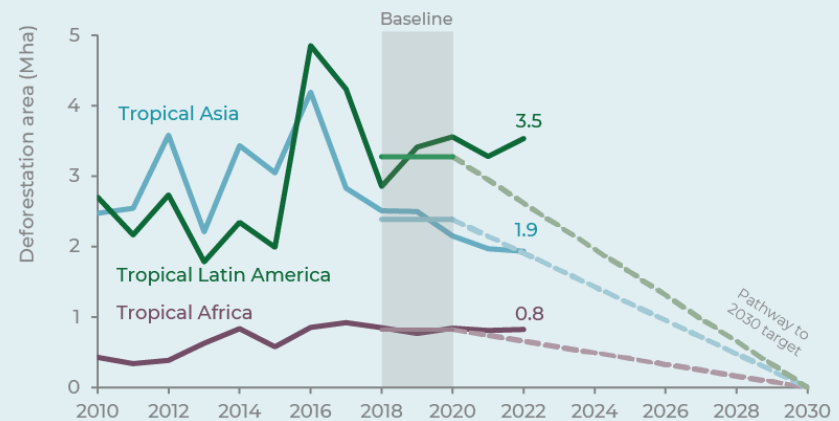
Several regions continue to lose high integrity forests at alarming rates. These include non-tropical and tropical Latin America, non-tropical Africa, as well as boreal and temperate forests in North America and Europe. Comprehensive data on forest degradation, especially in many northern forests, remains insufficient to adequately assess progress and inform needed action.

Forest regrowth in tropical deforested areas has increased steadily over the past four years, demonstrating the great capability of forests to recover from disturbances. Regrowth is certainly positive, but the ecological conditions characterizing mature forests may take decades to be reestablished. While there is evidence that restoration is scaling up globally, tracking progress is hindered by the glaring lack of transparency on public and private efforts to restore forests across the world.

THE DEFORESTATION TARGET FOR 2022 WAS MISSED BY 21 PERCENT



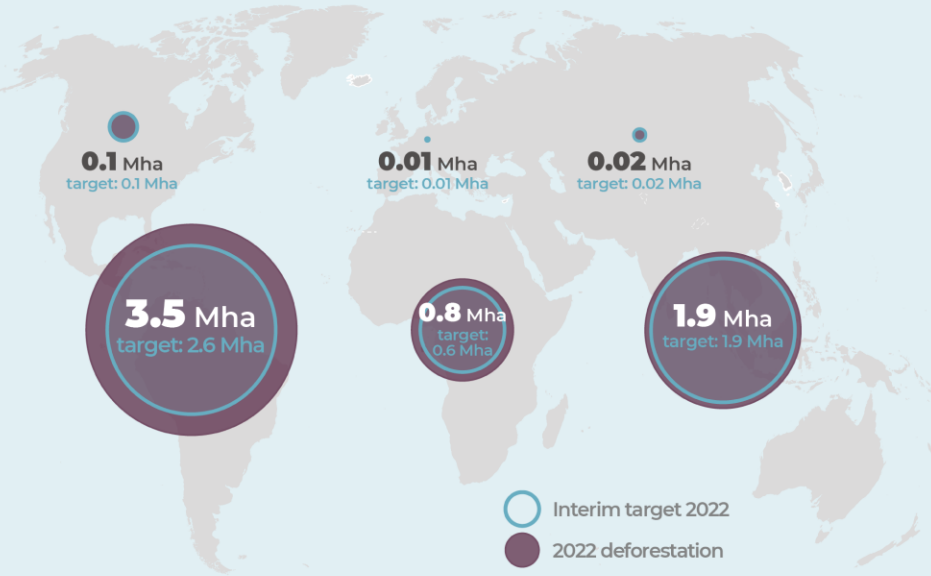
REGIONAL DEFORESTATION TARGETS WERE MISSED IN ALL TROPICAL REGIONS, THOUGH NOT TO THE SAME DEGREE



THE WORLD IS OFF TRACK TO HALT DEFORESTATION BY 2030

6.6 Million hectares deforested in 2022

While the majority (96%) of deforestation occurs in tropical regions, that doesn't mean non-tropical regions are in the clear: forest degradation is an ongoing, significant threat in both tropical and non-tropical regions.



DEGRADATION POSES A SIGNIFICANT AND ONGOING THREAT TO FORESTS IN ALL REGIONS

Half of all regions experienced a decline in forest integrity compared to baseline levels.

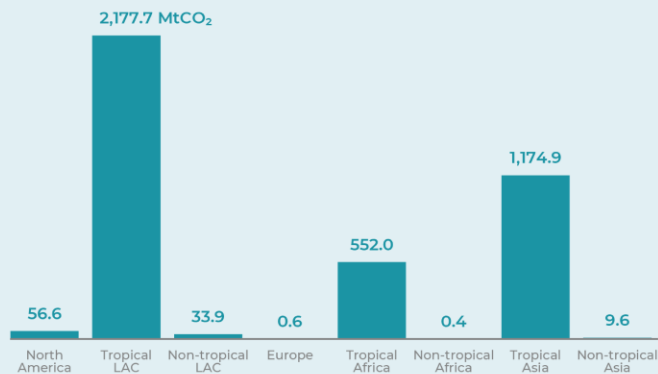


EMISSIONS FROM FORESTS CLIMBED IN 2022

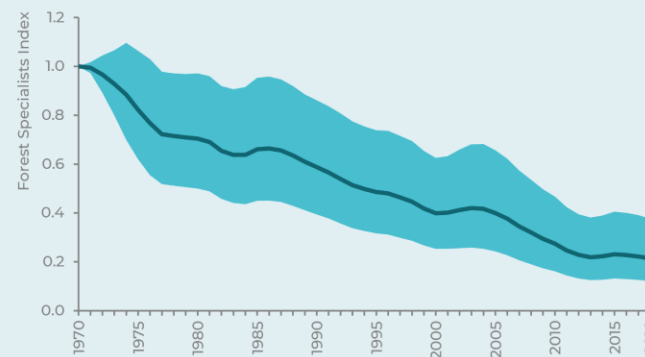


Gross emissions from deforestation increased by 6% compared to 2021 – totalling 4 billion metric tons of CO₂e in 2022.

Deforestation in both tropical and non-tropical regions produced significant emissions.



FOREST BIODIVERSITY DECLINING AT ALARMING RATE



The Forest Specialists Index shows a 79% decline in the monitored populations of forest specialist species between 1970 and 2018.

Habitat loss, habitat degradation, overexploitation, and climate change are the most pressing threats to these species.

Only 18 COUNTRIES REPORT RESTORATION EFFORTS UNDER THE BONN CHALLENGE

While restoration is scaling up globally, tracking progress is hindered by the glaring lack of transparency on public and private efforts to restore forests across the world.

4.1 MILLION HECTARES OF TROPICAL PRIMARY FORESTS WERE LOST IN 2022

The 2022 target was missed by 33%.

The world's progress on halting the loss of these irreplaceable forests is vastly insufficient.

MONEY TALKS

Following the money makes it painfully clear that forest goals are still given low priority. Globally, only USD 2.2 billion in public funds are channeled to forests every year—a negligible fraction compared to other global investments. In fact, it would not even cover the cost of two football stadiums: Tottenham Hotspur Stadium in London cost about USD 1.1 billion to complete;^a and the budget for the ongoing renovation of Camp Nou stadium in Barcelona comes to USD 1.6 billion.^b

Recent international forest finance pledges demonstrate increases in ambition, with commitments amounting to USD 28.9 billion between the years 2021-25, but only USD 5.7 billion has been disbursed. A lack of information on how pledges will be operationalized and poor transparency on implementation hinders a full assessment of progress. Half of the pledges are reported to be on track.

Developed countries have announced dozens of initiatives to support ending tropical deforestation—yet the incentives provided by these programs are not nearly enough to overcome the challenges of reaching forest goals. Most developing countries still need significant support to initiate the bold reforms required to reconcile their development pathways with forest goals.

The majority of financial institutions have no forest risk policy covering their lending and investments. In 2022 alone, Forest 500 estimates that private financial institutions provided USD 6.1 trillion to companies most at risk of driving tropical deforestation through agricultural commodity production. Despite many ambitious pledges, many companies and governments have made limited efforts to advance forest goals.

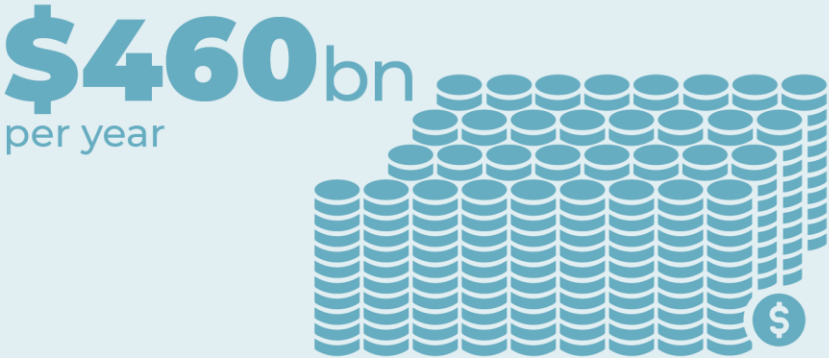
^aStadiumDB: Tottenham Hotspur Stadium.

^bMallick, A. (2023, September 13) "Barcelona's Estimated Stadium Revenue from the new Camp Nou." TechnoSports.

FINANCE FOR FORESTS REMAINS INADEQUATE

Public and private finance for forests remains far below estimated needs for meeting global goals to halt and reverse deforestation by 2030.

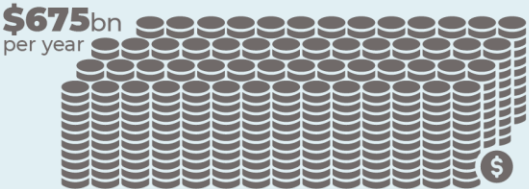
ESTIMATED FOREST FINANCE NEEDS



Current annual flows...

GRAY FINANCE*

GREEN FINANCE**



Green finance flows continue to be far outweighed by gray flows, amounting to less than 1% of gray finance on average each year.

*Total includes both public and private finance flows

**Total includes only public finance flows, due to limited private sector data.

HOPE IS NOT LOST

Well over 50 countries are on track to eliminate deforestation within their borders by 2030. Both developed and developing countries have demonstrated the transformative power of political will and dedicated action: Brazil's rapid shift on Amazon deforestation in 2023, for example, Indonesia's and Malaysia's sustained reductions in deforestation, or the European Union's striking advancements in both domestic and international forest policy. There have been positive steps toward enhancing transparency and participation in forest-related decision making, and in adopting demand-side measures to restrict the import and trade of products linked to deforestation and forest degradation.

Similarly, within the private sector, a small group of company leaders have, with the support of civil society, pioneered best practices like supply chain monitoring and traceability and supplier engagement to mitigate and reduce their exposure to deforestation and ecosystem conversion in their supply chains. Financial institutions are increasingly recognizing and acting on the risks of exposure to deforestation, degradation, and ecosystem conversion through their investments.

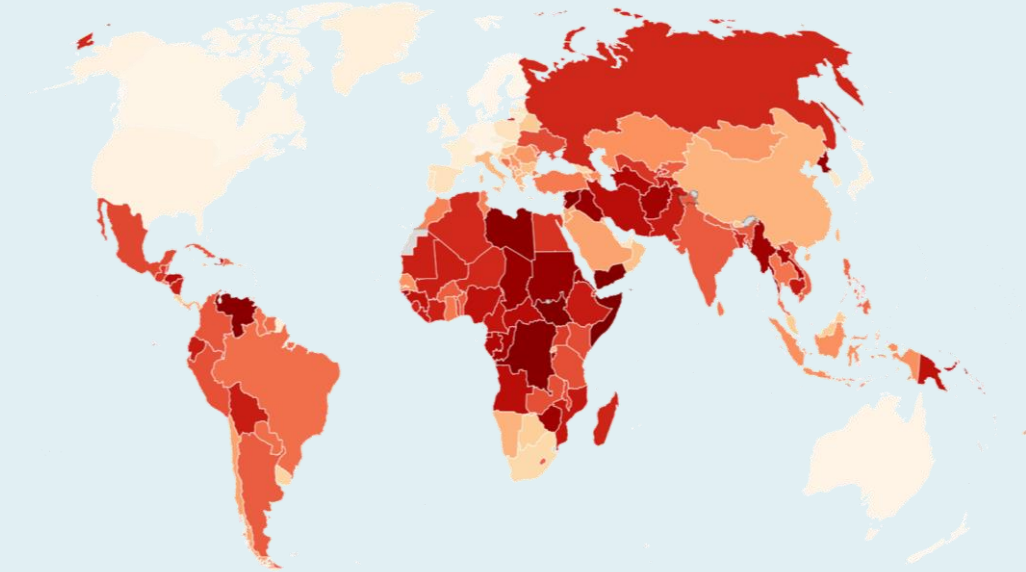
PROFOUND CHALLENGES REMAIN

Unfortunately, these individual successes cannot outweigh the massive forest loss and degradation underway across critical forest ecosystems. Reduced deforestation in one geography may be due to the outsourcing of forest-risk commodity production and subsequent leakage of deforestation to other countries and ecosystems.

- **Corruption and poor governance** continue to lead to high risks of illegal deforestation in many tropical forest countries.
- **Subsidies and regulations** in some developed countries provide perverse incentives, allowing, and even encouraging, forest management and extraction that degrades forest quality, even in irreplaceable primary and old-growth forests.
- **Indigenous Peoples (IPs) and local communities (LCs)** remain under threat. Many commitments to protect the rights of IPs and LCs, including land tenure and free, prior, and informed consent, are still just lip service. IPs and LCs receive a mere fraction of the finance they need to secure their rights and effectively steward their territories. Progress in the legal recognition of IPs and LCs land has been slow. Meanwhile, communities are subject to violence and criminalization when protecting their lands.
- **Transparency is lacking:** The majority of governments, companies, and financial institutions who have done little or nothing have also, so far, escaped accountability. There is a systemic lack of data and transparent reporting on forests, from data on forest degradation in temperate, boreal and tropical forests and restoration progress globally, to proactive reporting on activities and outcomes by actors who have made forest pledges.

HIGH RISKS OF ILLEGAL LOGGING

Global average % ranking
1.8 99.6



3%
**INSUFFICIENT
FUNDING FOR
IPs AND LCS**

Only 3% of Indigenous Peoples and local communities' financial needs for transformational tenure reform is being met annually.

**1.375 BILLION HECTARES
OF INDIGENOUS AND LOCAL
COMMUNITIES' LAND
REMAIN UNRECOGNIZED
GLOBALLY, DESPITE SOME
PROGRESS**

A recent report by the Rights and Resources Initiative shows an increase in the area of land Indigenous People, Afro-descendent Peoples, and Local Communities have legal rights to in at least 39 of the 73 countries studied. However, many communities still lack legal recognition of their rights, leaving them vulnerable to land grabbing and incursions.

RECOMMENDATIONS

Nothing less than a radical transformation of development pathways, finance flows, and governance effectiveness and enforcement is required to shift the world's trajectory to achieve the 2030 forest goals. IPs and LCs have consistently demonstrated the effectiveness of alternative models of development and forest management. Leading countries, companies, and financial institutions have shown that change in policies and practices is possible.



IMPROVE FOREST GOVERNANCE

Corruption and poor governance continue to enable illegal deforestation in many tropical forest countries, and IP and LCs remain exposed to violence and criminalization in the protection of their lands. The Forest Declaration Assessment Partners urge governments to:

- **Ensure that forest governance and regulations are ambitious, science-based, and rights-based.** These could include due diligence regulations, supply chain regulations, mandatory disclosure, moratoria, designation of protection zones, and recognition and respect for Indigenous rights. These mandates should be comprehensive, covering all forest- and conversion-risk commodities, and address legal and illegal deforestation and degradation. They must be implemented consistently, transparently, and with due respect for human rights, including IPs' and LCs' rights.
- **Build a regulatory and fiscal environment that mandates and incentivizes the protection, sustainable management, and restoration of forests and ecosystems.** Governments should structure reforms aimed at strengthening forest protections to ensure that reforms last beyond political cycles, respond to the needs and priorities of forest-adjacent communities, and enjoy popular support. They should set interim milestones and publicly available strategies to align their economic and development priorities with forests, and adopt and enforce stronger mandates for corporate action, disclosure, and accountability, while encouraging private-sector actors to continue their voluntary efforts.
- **Adopt an inclusive and rights-based approach to forest and biodiversity conservation,** working with IPs and LCs to expand the protection of natural ecosystems in ways that respect their rights, knowledge, and livelihoods. Laws must be developed and implemented to legally recognize and protect IP and LC rights, halt efforts to roll back rights, and ensure rights are respected in practice. They must also clamp down on violence and threats against environmental and Indigenous rights defenders, including by State authorities, and ensure the free, prior, and informed consent of IPs and LCs wherever decisions affect their land and rights.
- **Ensure that reforms last beyond political cycles and respond to the needs and priorities of forest-adjacent communities.** Governments should invest in the capacity of civil servants at national and sub-national levels to implement reforms, and provide adequate finance, mandates, and training to agencies tasked with implementing and enforcing forest laws, while also ensuring adequate oversight to minimize risks of corruption and abuses of power. Finally, they should recognize and strengthen the role of civil society, IPs, and LCs in enforcing forest laws and ensure they have sufficient finances, mandates, and capacities to carry out this role.
- **Adopt demand-side policies that reflect the shared responsibilities of developed and developing countries,** ensuring fairness and addressing deforestation and degradation in all—not just tropical—forests, while also applying the same or higher standards to their domestic policies. Furthermore, they should include resources for producer countries to strengthen rights and governance frameworks, initiatives for international collaboration, support for smallholders, and measures to address illegality.

INCREASE AND REDIRECT FINANCE FOR FORESTS

Currently, public green finance amounts to less than 1 percent of grey finance flows, and in the private sector, the majority of financial institutions have no forest risk policy covering their lending and investments. Finance for IP and LCs also remains far below their estimated needs. The Forest Declaration Assessment Partners urge governments to:

- **Prioritize efforts to redirect harmful subsidies and other incentives.** Our economic models must be re-structured to value forests for the benefits that they provide over the long term, rather than for the superficial and short-term gain that comes with clearing them. Governments must align fiscal and financial policies with forest goals and accelerate efforts to shift finance away from harmful activities. They should prioritize the delivery of finance to high-impact activities. Public regulatory frameworks can create incentives for driving additional private finance towards these vital ecosystems.
- **Recognize IPs and LCs as rights-holders and partners and create new finance mechanisms through processes that are locally led, fully transparent, and culturally-tailored.** Finance mechanisms should provide IPs and LCs direct access to finance, reduce dependency on donors, have fair benefit-sharing arrangements, and account for both short- and long-term needs.
- **Leverage the power of innovative financing mechanisms—while ensuring just and clear governance of these tools.** Market- and non-market based finance mechanisms, such as payment for ecosystem service schemes, debt-for-nature swaps, and carbon credits, can accelerate and diversify the delivery of finance to forests. Governments should develop, adopt, and advocate for governance frameworks that establish harmonized rules for public and private use of, and claims about, forest-based carbon credits that ensure additionality, prevent leakage, and do not undermine ambition toward decarbonization, or social and environmental integrity.

INCREASE TRANSPARENCY

In all their actions, governments must shine the spotlight on themselves, ensuring that progress on their pledges can be tracked and that they can be held accountable. They must prioritize pro-active, transparent, and good-faith collaboration with private and civil society sectors – including IPs and LCs – to leverage relative strengths to reduce commodity-driven deforestation and degradation and work toward sustainable development. They should invest heavily in data collection and actively report on restoration, forest regrowth, and forest degradation data.

ABOUT

The Forest Declaration Assessment is a continual and collaborative process achieved collectively by civil society organizations and researchers, known as the Forest Declaration Assessment Partners. Previously the NYDF Progress Assessment, the Forest Declaration Assessment has since 2015 published annual updates on progress toward global forest goals. All assessment findings undergo a rigorous peer review process conducted by experts across the globe. To learn more about the Forest Declaration Assessment, please visit www.forestdeclaration.org/about/assessment.

ACKNOWLEDGMENTS

This project is supported by the Climate and Land Use Alliance (CLUA) and the Bezos Earth Fund. Support with media relations is provided by Burness. Translations provided by VVH business translations. Copy editing by Emily Steadman. Design and figures by Elisa Perpignan.

The Forest Declaration Assessment and Systems Change Lab will launch a Glasgow Leaders Declaration Dashboard to track the collective progress countries have made toward the Declaration's goals to halt and reverse forest loss and land degradation by 2030, while delivering sustainable development and promoting an inclusive rural transformation. This report will contribute to the Dashboard.

CITATION

Please use the following citation:

“ Forest Declaration Assessment Partners. (2023). *Summary for policymakers: Off track and falling behind: Tracking progress on 2030 forest goals*. Climate Focus (coordinator and editor). Accessible at www.forestdeclaration.org.

