Progress on the New York Declaration on Forests

Protecting and Restoring Forests:

A Story of Large Commitments yet Limited Progress

FIVE-YEAR ASSESSMENT REPORT

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forestdeclaration.org

Five years after the New York Declaration on Forests

In September 2014, a broad coalition of governments, companies, civil society, and indigenous peoples' organizations endorsed the New York Declaration on Forests (NYDF). Driven by the shared understanding that halting deforestation is essential to keep temperature increases below 2 degrees Celsius above pre-industrial levels, the endorsers — who now number over 200 — adopted an ambitious declaration detailing ten goals. By committing to the ten goals of the declaration, endorsers have agreed to work toward halving tropical deforestation by 2020 and ending it by 2030. The NYDF also calls for the restoration of 150 million hectares of degraded landscapes and forestlands by 2020 and 350 million hectares by 2030.

Five years later, there is little evidence that these goals are on track, and achieving the 2020 NYDF targets is likely impossible (Figure 1). Tropical deforestation has continued at an unsustainable pace since 2014. Furthermore, while the political will to restore degraded land has increased, efforts to implement restoration promises have been slow to gain traction. So far, most restoration has taken place outside of natural forest. Forestlands continue to be converted to other commercial land uses, indicating that the short-term profits of forest conversion still trump the long-term benefits of forest conservation and restoration in many land-use decisions.

Despite what these trends may suggest, many private and public actors have taken action to address deforestation — but these often lack ambition and remain isolated. For example, companies are assessing their contributions to deforestation and governments are initiating conservation and restoration programs and projects. Overall, however, actions to address the direct and indirect drivers of deforestation and incentivize and fund restoration are inadequate to catalyze a systemic shift in behavior. Rather, they are often disconnected from the broader socioeconomic situation or are not designed to deal with multiple interconnected deforestation drivers.

Tropical forests need to be effectively protected to meet climate targets

On average, an area of tree cover the size of the United Kingdom was lost every year between 2014 and 2018. While hotspots of increasing tree cover loss have emerged in Africa in the last five years, Latin America still loses the most tree cover every year. In June 2019 alone, deforestation rates in the Brazilian Amazon increased by 88 percent compared to the same month last year. The expansion of agricultural commodities continues to be the largest driver of deforestation. Over ninety percent of global deforestation linked to agricultural commodities and urbanization occurred in the tropics.

The accelerated loss of irreplaceable primary forests is particularly alarming given that they serve as invaluable carbon sinks. Detection of humid tropical primary forest loss increased by 44 percent relative to the baseline period of 2002–13, from 3.0 to 4.3 million hectares per year — an area twice size of El Salvador.[i] On average, annual tropical tree cover loss between 2014 and 2018 emitted 4.7 gigatons of carbon dioxide per year — more than all of the European Union's (EU) 2017 greenhouse gases emissions. Nearly half of these emissions occurred within humid tropical primary forests.

More positively, primary forest loss in Indonesia slowed considerably in 2017 and 2018, by more than 30 percent compared to the average annual loss rate over the reference period of 2002–16. A confluence of factors, including actions taken by government, the private sector, and civil society organizations, as well as wetter weather conditions that reduced the incidence and extent of fires, resulted in a sharp reduction of forest loss in the last two years. However, with the country currently experiencing its worst fires since 2015, it is clear that these conservation efforts need to be intensified and that additional measures are needed to combat deforestation in Indonesia.

Restoration of forest ecosystems must be accelerated

Forest landscape restoration must complement efforts to halt deforestation by recovering some of the lost ecosystem functions and services of cleared forests. Among other benefits, adding trees to degraded forest landscapes can improve air and water quality and provision and reduce the risks of soil erosion and flooding. At a larger scale, restored forests can enhance biodiversity and absorb carbon from the atmosphere, though it will take a long time to replace the carbon stocks accumulated in mature natural forests over hundreds of years. Increasing tree cover in degraded non-forest landscapes like croplands and pastures through agroforestry systems can also yield ecosystem services that benefit local communities. Other approaches to increasing vegetation cover — such as afforestation and the large-scale production of feedstocks for bioenergy — require careful assessments of trade-offs and limitations. This is particularly relevant where they replace natural ecosystems with non-native monoculture plantations.

The political will to restore degraded landscapes is high, but translating forest landscape restoration commitments into action remains challenging. So far, only a fraction of the committed restoration goals has been realized as increases in forest or tree cover area. As of April 2019, there were 59 Bonn Challenge pledges from countries, jurisdictions, and companies totaling 170.6 million hectares of restoration commitments for 2020 and 2030 combined. However, evidence for restoration of forests amounts to only 18 percent of the 2020 forest landscape restoration goal (26.7 of 150 million hectares brought under restoration since 2000).

Constraints in the available data and resources to monitor restoration make it challenging to quantify progress on forest landscape restoration. A case study of the Mekong region using satellite data piloted an approach that has helped to understand important nuances in

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i. Changes in the methodology in 2011 and 2015 and the inclusion of new satellite data in 2013 may result in higher estimates for tree cover loss in recent years compared to earlier years. This note on the change regarding the global tree cover loss data was added in April 2021.

Figure 1.

New York Declaration on Forests
2019 Progress Assessment: Key Messages

Deforestation and forest landscape restoration are closely connected, but they have largely been treated as separate conservation processes. We must preserve and restore natural forests, focusing on primary forests and developing countries.

On the current trajectory, our goals become more ambitious every year as timelines get shorter. The world is running out of time to save tropical forests.


NYDF Goal 1 **Globally, we have not made progress toward ending the loss of natural forests. Particularly concerning is the increasing rate of loss of irreplaceable primary forests.**

The global rate of gross tree cover loss has increased by 43%—rather than decreased toward the goal.
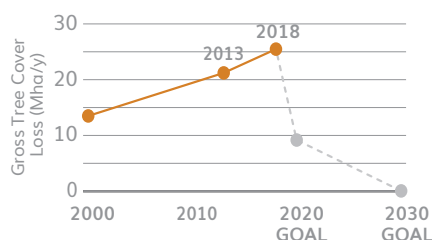
However, in 2017–18 national government and non-government actions contributed to a >30% reduction in the rate of deforestation in **Indonesia**.

Since the NYDF was endorsed, average annual humid tropical primary forest loss has accelerated by 44%.

Before NYDF 2001–2013: 3.0 Mha/yr
After NYDF 2014–2018: 4.3 Mha/yr
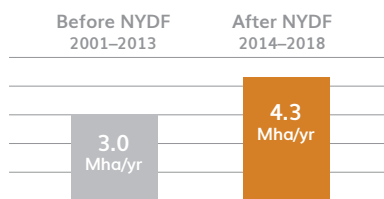
Latin America continues to lose the most primary forests per year. **West Africa** recently experienced a sharp increase in the rate of loss.

Annual CO_2 emissions from tropical tree cover loss are equal to the total GHG emissions of the European Union.

Change in average annual CO_2 emissions 2001–13 vs. 2014–18
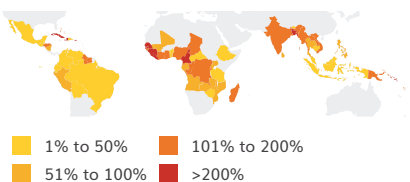
| | 1% to 50% | | 101% to 200% |
| | 51% to 100% | | >200% |

|	
DRC	138%
Thailand	73%
Brazil	27%
Indonesia	25%

NYDF Goal 5 **There is mixed progress on the implementation of forest landscape restoration. Restoring natural forests is vital for recovering ecosystem function and services. Data limitations make progress difficult to evaluate.**

Large pledges indicate high political will, yet, since 2000 only 18% of the 2020 goal has been realized as increases in forest or tree cover.

2020 Goal 150 Mha
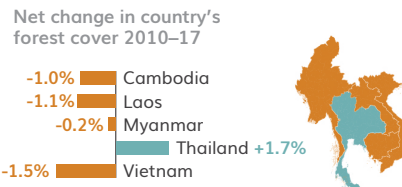Pledges 170 Mha
Restoration of forests 26.7 Mha
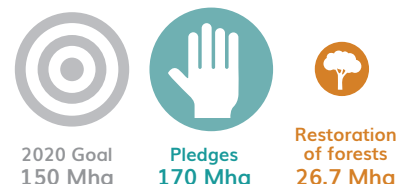
Forest landscape restoration aims to restore ecological integrity at the same time as improving human well-being through multifunctional landscapes.

Since 2011, the primary objectives for restoration have shifted more toward recovering ecosystem function and biodiversity.

2000–2010: 16%
2011–2019: 31%
Ecosystem function and biodiversity
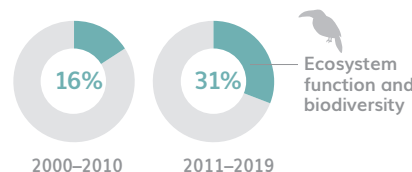
Natural regeneration and ecological restoration of forests generate large benefits to ecosystem function and services. Agroforestry (outside forests) improves livelihoods and climate adaptation.

A pilot study of the Mekong region found that, despite restoration taking place, there is an overall net loss of natural forests.

Net change in country's forest cover 2010–17

-1.0% Cambodia
-1.1% Laos
-0.2% Myanmar
Thailand +1.7%
-1.5% Vietnam

Three times more restoration is happening outside forests compared to inside forests. Restoration of forests takes decades to centuries and cannot replace halting deforestation.

Serious corrective action is needed. Efforts to date have been inadequate to achieve systemic change.

The private sector is not on track to eliminate deforestation from agricultural production. Non-agricultural economic sectors continue to pose risks to forests.

Finance is needed. Grey finance for agriculture is 15 times more than green finance for forests. Forests receive 1.5 percent of the climate finance to all sectors.

Improvements in forest governance have been too slow to effectively protect forests. This includes land titling, transparency, adoption of policies, and strengthened law enforcement.

forest restoration dynamics. The results of the case study indicate that most tree cover gain in the area since 2010 has taken place outside of forests (e.g. on croplands, shrublands, and other non-forest lands) rather than inside forests (gaining 4.7 million hectares outside of forests while losing a net of -0.3 million hectares inside forests). Trees outside forests provide important socioeconomic and livelihoods benefits, yet more measures need to be taken to protect and restore natural forest ecosystems to enhance their essential biodiversity and carbon sequestration functions.

Drivers of deforestation: Larger scale and more coordinated action is needed

Efforts to address the drivers of deforestation are making incremental progress. A number of governments have adopted strategies to conserve forests and reduce deforestation and forest degradation. Governments have also formulated Nationally Determined Contributions to the Paris Agreement that include land-based mitigation and adaptation actions, and have made some progress in strengthening forest governance. Many private companies have made commitments to eliminate deforestation embedded in their supply chains, and financial institutions have started to screen investments for negative forest impacts. Civil society supports supply-chain transparency while working with communities on the ground to implement projects and programs to halt deforestation and restore forests. However, current actions are not enough to meet NYDF targets because implementation is slow and action remains limited in geographical scope and not fully integrated throughout supply chains and across sectors.

Increases in the number of companies with commitments to reduce or eliminate deforestation from their supply chains have stalled in the last three years. Of the companies with existing commitments, only eight percent have a zero-deforestation commitment that covers all of their supply chains and operations. Companies have been slow to implement commitments due to lack of agreement on priority actions, limited understanding of where risks are, and hesitation to invest in sustainable activities where the financial returns are unclear. Furthermore, company reporting on actions taken and progress made toward achieving these commitments remains inadequate to assess the efficacy of supply chain-based zero-deforestation approaches.

There is evidence that sector-wide approaches lead to a reduction in deforestation. The Soy Moratorium in the Brazilian Amazon and the Peatland Moratorium in Indonesia have worked in their targeted regions, even though there is indication that the Soy Moratorium has led to some displacement of deforestation. Growing momentum around collaborative actions at the sub-national level in many producer countries points to a new path forward, but implementation of these jurisdictional approaches is still in the early stages and their impact on deforestation from agriculture is yet to be seen at scale. Nevertheless, efforts by both producer and consumer governments to facilitate the implementation of private-sector commitments remain limited and mostly in the form of high-level policies and pledges.

Global demand for mined materials and oil and gas is expected to significantly grow in the coming decades, increasing the risk of forest loss from extractive activities. Currently intact forest areas in the Amazon, the Congo Basin, and Southeast Asia are expected to incur increasing rates of deforestation and fragmentation due to planned infrastructure and new mining and oil and gas projects. Even more concerning is the trend in many countries of reversing the status of protected areas to open up new areas to development. At the same time, community-led movements against destructive mining operations are gaining international recognition and winning some legal victories, and high-level support for mainstreaming forest and biodiversity protection across economic sectors has grown. However, this progress has yet to be translated into real transformational changes in these sectors' approach to forests.

Poverty can also drive forest loss. A lack of livelihood alternatives and increased population pressures often trigger unsustainable forest use to meet basic needs. For example, shifting agriculture shapes over a quarter of all forested land in the Democratic Republic of the Congo and accounts for 70 percent of total tree cover loss in that country. While rotational agricultural systems allow secondary forests to regrow and soils to regain fertility, population increases put shifting agriculture systems under growing strain. Farmers face pressures to shorten shifting cultivation cycles, leading to declining productivity and eventual expansion of cropland through primary forest clearance. Similarly, in the absence of alternatives, the clearing of trees to produce charcoal and cash crops remains one of the few opportunities for the rural poor to earn cash, fueled by the demand from growing cities. Satellite data of the Congo Basin show that the rate of disturbance in primary forests and woodlands, which doubled between 2001 and 2014, correlates with the increase in population (including from migration) over that time.

Most programs addressing poverty and human development do not track forest impacts, making it difficult to determine how much support is specifically addressing forest loss. However, increased understanding of the link between poverty and resource degradation can help to improve the efficacy of interventions like the formalization of small-scale commercial activities and the adoption of clean cookstoves.

Improving implementation conditions is essential to achieving forest goals

Achieving international and national forest goals is not possible without dedicated and reliable financing from domestic, international, public, and private sources to address each of the above drivers of forest loss. This implies a need for new finance streams, but, even more importantly, a redirecting of mainstream finance toward activities that have positive conservation outcomes ('green' finance). Today, green finance comprises a fraction of the grey finance flowing into countries with high levels of deforestation; development finance for agriculture amounts to 15 times more than climate mitigation finance with a forestry objective. In addition, companies and governments continue to provide subsidies and support to activities that potentially harm forests. Even where there is interest, financial institutions and lenders largely lack the safeguards necessary to ensure that investments and finance are not supporting deforestation.

In addition to a shift in finance, more new finance is needed. The current amount of green finance for forests captured by this report is under USD 22 billion. Since our in-depth assessment of the NYDF finance goals in 2017, overall finance for forests has increased by a minor amount (9 percent). Support to address deforestation and protect forests in tropical countries comprise less than 1.5 percent — only USD 3.2 billion — of the USD 256 billion committed by multilateral institutions and developed country donors since 2010 to climate change mitigation. The renewables sector alone has received over 100 times more commitments of finance than forests.

Demand-side measures play an important role in addressing drivers of deforestation. International pledges such as the Amsterdam Declaration have been made to eliminate deforestation from commodity supply chains. However, only the timber sector has seen concrete actions and regulatory measures adopted (e.g. European Union Timber Regulation, the Lacey Act in the United States). A recent European Communication on "Stepping up EU Action against Deforestation and Forest Degradation" signals that the EU is considering a set of regulatory and non-regulatory measures that reduce the import of embedded deforestation into the Union and that strengthen international cooperation in support of forest conservation and restoration. The EU is also contemplating measures that re-direct finance to support more sustainable land-use practices.

Together with finance, good governance provides the foundation for policies to be developed, laws to be enforced, and the conditions for investment and implementation to improve. Improvements in forest governance, including land titling, transparency, adoption of policies, and strengthening of enforcement, remain too slow relative to the accelerating threats faced by forests. New and existing policies and tools, such as sectoral agreements and certification schemes, can be used to minimize the impact of commercial activities on forest. However, their effectiveness is subject to the conditions around their implementation. This includes strong governance, good policy design, and reconciling conflicting interests in regulating agencies. Trends in Brazil demonstrate the fragility of forest policies in light of changing political priorities. After a change of government in 2019, deforestation in Brazil has increased due to reversals of existing legal and institutional forest protection policies and frameworks.

Effective conservation of forest ecosystems includes recognizing the contribution of indigenous peoples and local communities to forest conservation. When communities have full land rights to govern forest territories, these forests and the carbon they store are better protected over time. Despite this, indigenous peoples and local communities are still struggling to achieve full recognition and protection of land rights. About half of the world's land is subject to long-standing customary claims by indigenous peoples and local communities who have used, owned, and occupied it for generations.

Looking to the future: The path to 2030

To achieve the goals of the NYDF and keep global warming below 2 degrees Celsius, it is essential to preserve natural, and in particular primary, forests, as well as to restore natural forests, with a particular focus on restoration and protection efforts in tropical countries. Restoring forests, however, cannot offset deforestation because lost habitat and ecosystem services may take decades to centuries to recover. It is therefore vital that restoration be used as additional measure, and not as an "alternative" to stopping forest loss.

In parallel, direct and indirect drivers of deforestation from the production of food, fuel, and fiber must be reduced to remove undue pressures on land while also feeding growing populations. This requires more productive systems among smallholders and basic-needs populations, improved land management and practices across sectors, and, to a larger extent, a move to sustainable, plant-based diets among the wealthy, and a reduction in overall food waste and losses.

Policies motivated by other priorities, such as food security, public health, or rural development, should incorporate conservation into their program priorities. Public policies that combine a bundle of several goals tend to be stronger than those motivated by a single issue because they get more and broader financial support and buy-in. Examples of aligned goals include sustainable investments in agricultural productivity, land rights, public health, regional investments in infrastructure and institutions, market access, biodiversity, and ecosystem services. Furthermore, to be effective, policies must be implemented and enforced and progress needs to be measured and monitored to hold stakeholders to account.