

# **NEW YORK DECLARATION ON FORESTS**

# Action Agenda

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# **CLIMATE SUMMIT 2014**

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#### **Forests Matter**

Forests are essential to our future. More than 1.6 billion people depend on them for food, water, fuel, medicines, traditional cultures and livelihoods. Forests also support up to 80% of terrestrial biodiversity and play a vital role in safeguarding the climate by naturally sequestering carbon. Yet, each year an average of 13 million hectares of forest disappear, often with devastating impacts on communities and indigenous peoples. The conversion of forests for the production of commodities—such as soy, palm oil, beef and paper—accounts for roughly half of global deforestation. Infrastructure, urban expansion, energy, mining and fuel wood collection also contribute in varying degrees.

The world can slow, halt and reverse global forest loss while simultaneously enhancing food security for all. Reducing emissions from deforestation and increasing forest restoration will be extremely important in limiting global warming to 2°C. In fact, forests represent one of the largest, most cost-effective climate solutions available today. Action to conserve, sustainably manage and restore forests can contribute to economic growth, poverty alleviation, rule of law, food security, climate resilience and biodiversity conservation. It can help secure respect for the rights of forest dependent indigenous peoples, while promoting their participation and that of local communities in decision-making.

#### Already much has been achieved:

- Brazil has demonstrated that progress can be made at huge scale. By 2013, Brazil had reduced deforestation by 71% compared to the 1996-2005 annual average, while at the same time increasing agricultural production and rural incomes. In terms of the size of emissions avoided, this may well be the largest climate success to date globally in any sector.
- Indonesia has embarked on comprehensive reforms to land use policies, customary land rights, regulations and law enforcement to meet its pledge to reduce greenhouse gas emissions 26% by 2020 (41% subject to international support).
- Congo Basin countries have made important advances in sustainable forest management, including through adoption of management plans and certification, and in ecosystem conservation through the creation of protected areas and the use of conservation concessions.
- Colombia is making progress on its Amazon Vision an ambitious plan towards meeting the zero net deforestation goal in its Amazon region by 2020.
- Mexico has adopted a law on climate change that incorporates the goal of reaching zero net deforestation.
- A number of nations have strengthened legal protections for and implementation of the rights of indigenous peoples.
- Some 75 countries are drafting or implementing comprehensive national strategies and action plans to reduce forest loss, increase forest cover and sustainably manage their forest resources, both as part of their climate contributions under the UNFCCC and to



promote the objectives of other related initiatives such as the UN Forum on Forests and its non-legally binding instrument on forests.

- Since 2010, donor governments have provided a total of over \$5 billion in finance to over 50 countries for programs that support efforts to slow, halt and reverse deforestation.
- Large REDD+ transactions are being tested, through Norway's bilateral deals (including the USD 1 billion partnerships with Brazil and Indonesia), Germany's REDD Early Movers

Program, and multilaterally through the Carbon Fund of the Forest Carbon Partnership Facility.

- The Governors' Climate and Forest Task Force brings together 26 states and provinces covering a quarter of all tropical forests, committed to pursuing low emissions development. In the Rio Branco Declaration of August 2014 they pledged ambitious cuts in deforestation, supported by results-based payments, with a substantial share of revenues going to indigenous groups and local communities.
- Parties to the UN Framework Convention on Climate Change established in 2013 the Warsaw Framework for REDD+, completing the guidance needed for nations to qualify for results-based payments for verified reductions in forest emissions.
- Parties to the Convention on Biological Diversity agreed in Aichi, Japan, in 2010, to, various targets related to forests, in particular:
  - By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.
  - By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.
- A number of countries have committed to restore deforested and degraded lands, as part of the Bonn Challenge target to restore 150 million hectares by 2020.
- Multilateral initiatives have provided more than \$1 billion of support for REDD+ efforts and forest investments across 75 countries, encompassing over 55% of the world's tropical forests, as well as dry lands and boreal forests. They bring together key stakeholder groups at national, regional and global levels, and have generated knowledge and experiences to advance the REDD+ agenda.
- Commodity producers and traders have made commitments to zero-deforestation production and trade of commodities, zero conversion of carbon-rich peatlands, respect for human rights, transparency, traceability, third party verification and responsible management practices.
- The Consumer Goods Forum (CGF), a global alliance of 400 large companies with global sales of \$3 trillion, has pledged to eliminate deforestation from consumer goods supply chains by 2020 and called for a legally binding climate agreement, including provisions for REDD+ implementation.
- Individual consumer goods companies are making progress towards eliminating deforestation from their supply chains, often partnering with NGOs.



- The Tropical Forest Alliance 2020, a public-private partnership, is bringing together governments, companies and civil society organizations to promote supply chain transformation and reduce tropical deforestation related to key agricultural commodities by 2020.
- A group of international banks has come together under the umbrella of the Banking Environment Initiative, to make public commitments (via the 'Soft Commodities' Compact with the CGF) to using the banking industry's services to help end deforestation in

commodity supply chains by 2020. This has triggered the banking industry to work to stimulate trade in sustainably sourced commodities through trade finance instruments, and to explore supporting banking standards.

- Institutional investors representing US\$15 trillion are requesting information on deforestation risk via CDP, formerly known as the Carbon Disclosure Project.
- Research and advocacy by civil society organizations has improved scientific understanding, built public support for conservation and restoration policies, and helped to encourage companies to take action.
- Local civil society organizations in forest countries have helped strengthen natural resource management, transparency, accountability and rule of law, and have built public support for forest conservation and legal protections.
- Many indigenous peoples and local communities around the globe have long proven that they can sustainably and equitably manage natural resources, and have served as effective defenders of their rights, traditions and communities.
- Several tropical countries have implemented effective satellite-based deforestation monitoring systems, with support from U.S. and European space agencies. In addition, Global Forest Watch has emerged as a tool that could help achieve powerful new levels of transparency and participation, both locally and globally.
- Policies and measures by timber-producing and timber-consuming countries to tackle illegal logging have proved very effective in reducing forest loss. Examples include enforcement, certification, legality verification and bilateral voluntary partnership agreements.
- There is growing evidence that areas where communities have clear and enforced rights over forests have reduced deforestation. In Nepal, deforestation has been virtually eliminated in areas under community management.

Governments, Companies and business associations, indigenous peoples, civil society organizations and multilateral institutions should do much more, however, acting individually and in partnership, to achieve the goals of the New York Declaration on Forests. All have different opportunities to lead. Below is a menu of key actions they can take, on a voluntary basis, to promote their shared objectives.

# Governments can:

- Augment efforts to achieve the Aichi Biodiversity Targets by 2020.
- Put forward climate mitigation contributions that include ambitious goals to reduce forest emissions and/or ambitious provisions to generate demand or finance for verified emission reductions from REDD+, both before and after 2020.

• Facilitate REDD+ actions at scale by implementing the Warsaw Framework for REDD+ to ensure that countries and provinces that take action are rewarded economically for their efforts including through scaled up payments for verified emission reductions.

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- Align fiscal and other economic incentives for forest conservation and restoration.
- Institute policies to protect and sustainably manage natural forests and shift agricultural expansion to non-forested and degraded lands, while promoting sustainable and equitable development.
- Strengthen implementation and enforcement of legal frameworks for protecting and sustainably managing forests.
- Promote and support participation and respect the rights of indigenous peoples, including to their lands, territories and resources, consistent with applicable law.
- Clarify rights in land tenure systems to improve land security, strengthen community management of natural resources and resolve overlapping forest clearing concessions.
- Provide support to producers, in particular smallholders, to adapt better management practices, comply with relevant policies and increase productivity on existing farms and new non-forested lands.
- Support the development of alternative economic opportunities to those relying on forest loss.
- Use real time satellite imagery and on the ground monitoring to clamp down on illegal deforestation and degradation.
- Promote public procurement systems that favor sustainably sourced commodities, and educate citizens about responsible consumption.
- Stop the importation of illegally sourced commodities.
- Support partner countries, including through development assistance and economic incentives, to undertake policies and measures that help address deforestation.

# Companies and business associations can:

- Commit to eliminate deforestation from their supply chains, including third party suppliers, as soon as possible, and collectively by no later than 2020. Leading consumer goods companies, commodity producers and traders have already committed to ambitious timelines to phase out deforestation, some with immediate effect. More companies should be encouraged to follow suit, including companies from other sectors such as animal feedstuffs, construction and food service.
- Adopt the highest possible standards for forest conservation particularly as they relate to protection of high carbon stock landscapes, no expansion onto peat lands and the protection of human rights and land rights.
- Commit to traceability and transparency in their supply chains.
- Commit to world-class standards for responsible forest management.

 Strengthen and expand commitments by banks and other financial institutions, building on the work of the Banking Environment Initiative. This includes rolling out financial instruments to support sustainable commodity production and trade, and deforestation-free banking operations and standards.

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- In partnership with others, tighten and make more precise the standards that define sustainably sourced commodities in ways that facilitate ambitious action.
- Commit to invest in and purchase commodities preferentially from countries and jurisdictions that have ambitious plans to halt deforestation and that succeed in reducing emissions.
- Commit to clear, quantifiable emissions reduction targets in their agricultural value chains.
- Support and promote sound forest governance and strong forest policies, including economic incentives for action.
- Evaluate and disclose the deforestation footprint of their sectors and organizations, with a view to creating greater transparency and understanding, and stimulating implementation of solutions.

## Indigenous peoples can:

- Exercise and promote their rights to traditional lands and other natural resources in ways that protect and conserve forests, especially when such rights are secured, consistent with applicable law.
- Work with governments to secure their distinct right to participate in decision-making in order to improve transparency, strengthen forest governance, reduce illegal logging and deforestation and increase overall public participation in decision-making.
- Work actively with governments to shape national REDD+ strategies and policies and make their own contributions to REDD+ implementation, tailored to national circumstances and in accordance with applicable law.

## **Civil Society Organizations can:**

- Build public support for strong forest policies, including economic incentives for action and to strengthen the environmental integrity of forestlands.
- Contribute to the development of forest conservation and restoration policies through appropriate channels for public input and participation.
- Assist governments and companies to set and implement ambitious standards for defining sustainably and equitably sourced commodities.
- Expand the technical support and assistance they provide communities, governments and companies.
- Educate the public through public awareness campaigns, including by promoting sustainable consumption and production.

#### Multilateral institutions can:



- Support partner countries through development assistance, capacity building and climate finance to implement policies and practices to address deforestation and forest degradation as well as to promote sustainable land and resource use.
- Test and scale up forest and land use investments and systems to deliver results-based REDD+ payments.
- Work with the private sector to mobilize capital to scale up sustainable land-use practices and accelerate the greening of supply chains.
- Include greenhouse gas accounting in appraisal and impact evaluation of projects and promote low-emission land-use finance policies to direct finance towards sustainable land use.
- Help countries deliver REDD+ at scale using the instruments of the World Bank, United Nations, the Global Environment Facility and other relevant international organizations, by offering an integrated platform of services that includes capacity building, knowledge exchange, investments and performance-based payment systems.

# Together, governments, companies and business associations, indigenous peoples, civil society organizations and multilateral institutions can:

- Work collaboratively at the global level to strengthen the policies and decisions referenced in the New York Declaration on Forests.
- Promote national and jurisdictional approaches consistent with national REDD+ strategies that align the provision of REDD+ payments with private sector investments in (and commodity purchases from) provinces, states, regions and municipalities that are reducing deforestation.
- Develop and apply sustainability criteria for commodity sectors and other economic sectors impacting forests, including deforestation free sourcing.
- Collaborate to improve the yields and productivity of smallholder farmers so that they can improve their incomes without having to expand into forested areas.
- Develop new sources of income for forest dwellers and indigenous peoples in ways that recognize their rights, including pertaining to their lands, territories and resources.
- Support information-based, flexible and informal platforms for shared implementation and monitoring of private sector and government forest conservation and restoration commitments.

# Everyone is invited to participate in these efforts through appropriate platforms for collaboration.

- Consumer goods companies can augment existing efforts under the Consumer Goods Forum.
- Commodity traders and growers can work with peers to coordinate implementation of best practices and strengthen existing forums, including the sustainable commodity roundtables.
- Banks and other financial institutions interested in developing innovative financial services that help companies, investors and governments take action can join the Banking Environment Initiative and CDP.



- Countries, companies, business associations and civil society organizations seeking to support the goals in the New York Declaration on Forests can join the Tropical Forest Alliance 2020 or similar public-private partnerships.
- Indigenous peoples who are forest dwellers can maintain their life ways, participate directly in decision-making, and continue their role in the ongoing dialogues to safeguard forests.
- Civil society organizations and indigenous peoples' organizations interested in strengthening transparency can contribute to the use and implementation of Global Forest Watch.
- Governments can increase bilateral cooperation and participate in the multilateral forest and climate programs of the World Bank and United Nations, including the Forest Carbon Partnership Facility, BioCarbon Fund, and the UN-REDD Programme, as well as the Global Environment Facility.

## Section 3: Supportive Concrete Action Announcements

This section summarizes the wealth of new commitments that are being put forward by governments, companies, indigenous groups and civil society to address forest loss or enhance restoration. Each of them contributes in some way to meeting the objectives of the New York Declaration on Forests. These actions have emerged or intensified in the last 12 months since the Secretary-General announced the Climate Summit and asked for "bold pledges" from all sectors. Others are being announced for the first time at the Climate Summit. This section summarizes the main announcements. Further details for most announcements are provided in the annexes which can be found in a separate document.

# A. The Supply Chain Revolution

Global commodity markets are undergoing dramatic change, in large part motivated by the need to take climate action. Over the last year, transformative new commitments have been made across the value chain, from producers to traders, consumer goods companies and global financiers:

**Zero Deforestation Commitments from Commodity Producers and Traders**. Perhaps most substantively, in the last 12 months the major global traders of palm oil have adopted zero deforestation policies covering about 60 percent of global trade:

- <u>Wilmar International</u> (about 45 percent market share), zero deforestation policy across commodities, December 2013;
- <u>Golden Agri-Resources</u> (~ 5 percent), adopted new zero-deforestation policy for palm oil production in 2011, and applied it to all third-party suppliers in February 2014;
- <u>Cargill</u> (~ 10 percent) adopted zero-deforestation palm oil policy in August 2014.

**Policy Ask From Commodity Producers and Traders.** At the Summit, a joint palm oil pledge was announced by the Indonesian Chamber of Commerce (KADIN) announced jointly with Golden Agri-Resources, Wilmar International and Cargill. The pledge covers all their operations and those of third party suppliers. The companies commit to a sweeping set of principles to ensure zero deforestation, to protect human rights and promote social development, including through the respect of indigenous peoples' free prior informed consent. As a new development, the industry is calling on the Government of Indonesia to "codify all elements of this pledge within and enforceable by Indonesian

CATALYZING ACTION law." The companies support Indonesia's "One Map initiative" for integrated land use decisions, and commits to engage the Government of Indonesia to encourage development of policies, and legal, and regulatory framework that promote the implementation of this pledge, including reforms of spatial planning, promoting land swaps, incentivize forest conservation, and promote the utilization of low-carbon lands.

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**Zero Deforestation Commitments From Consumer Goods Companies.** In parallel to the progress among palm oil producers and traders, a groundswell of new corporate zero deforestation policies have been announced by consumer goods companies in the last year, following up on the 2010 pledge by the <u>Consumer Goods Forum</u> (CGF) – an association of some 400 global companies with combined revenues equal to the economy of France – to help eliminate deforestation from soy, palm oil, beef, pulp and paper by 2020, in the context of serious government action. In the last 9 months, the following 21 consumer goods companies have adopted zero deforestation policies (mostly for palm oil, but many apply to a broader set of commodities):

Hershey's	Dec-13	General Mills	Mar-14	<u>PepsiCo</u>	May-14
<u>Unilever</u>	Dec-13	<u>Safeway</u>	Mar-14	Mondelez	Jun-14
<u>L'Oréal</u>	Jan-14	<u>Orkla</u>	Mar-14	<u>Cargill</u>	Jul-14
<u>Delhaize</u>	Feb-14	<b>Colgate-Palmolive</b>	Mar-14	<u>ConAgra</u>	Aug-14
<u>Cérélia</u>	Feb-14	Procter & Gamble	Apr-14	PZ Cussons	Aug-14
Kellogg's	Feb-14	<u>Danone</u>	May-14	Dunkin' Donuts	Sep-14
Mars	Mar-14	Johnson & Johnson	May-14	Krispy Kreme	Sep-14

As more and more consumer companies have made commitments, more traders and producers have come forward, and visa versa. **Taken together, the share of palm oil under zero deforestation commitments has grown from 0 to about 60 percent in the last year.** Plantations under commitments cover an area the size of Portugal. The value of this palm oil trade is about \$30 billion of a global \$50 billion industry. This is estimated to reduce 400-450 million tons of CO2 per year by 2020, or 2 billion tons in the period through 2020.<sup>1</sup>

**Policy Ask from Consumer Goods Companies.** In June 2014, as a policy contribution to the Climate Summit, the CGF issued a "<u>Call to Action</u>", calling for an ambitious and legally binding climate agreement that includes REDD+. It further urges governments to make REDD+ a priority for supporting appropriate local and national policies that protect forests and support livelihoods.

**New Partnerships Between Consumer Companies, Governments and Banks.** To reach their goal to eliminate deforestation from the supply chains of soy, beef, palm oil and pulp and paper, the CGF has partnered with other sectors to pursue its goals. They partnered with governments and NGOs to set up the <u>Tropical Forest Alliance 2020</u>. Its new <u>African Palm Oil</u> announcement aims to ensure that

<sup>&</sup>lt;sup>1</sup> Using the same methodology as the one used to estimate the impact of <u>Wilmar's new</u> <u>policy</u>.



expansion of palm oil in West Africa can be done sustainably, and with the <u>Banking Environment</u> <u>Initiative</u> (BEI), entering into a "<u>Soft Commodities Compact</u>" that (i) commits participating financial institutions to follow banking standards mimicking those adopted by CGF and (ii) promises to scale up preferential trade finance for deforestation free commodity shipments. Since its adoption in [April 2014], seven financial institutions have joined the Compact.

# **B.** Forest Country Announcements

A large number of forest countries are moving forward on REDD+ strategies to reduce forest loss and enhance restoration, guided by the <u>Warsaw Framework on REDD+</u> adopted by the UNFCCC in December 2013:

**Forest States and Provinces Pledge 80% Reduction Subject to Support.** The <u>Governors' Climate and</u> <u>Forest Task Force</u>, which brings together 26 states and provinces covering a quarter of all tropical forests, committed to pursuing low emissions development. In August 2014 it released the <u>Rio Branco Declaration</u>, pledging to achieve 80 percent reduction of deforestation by 2020 compared to historic levels, supported by results-based payments, with a substantial share of revenues going to indigenous groups and local communities.

*New Country Commitments Supported by Results-Based Partnerships.* At the Summit, <u>Liberia</u> and <u>Peru</u> announced ambitious new policies to address deforestation, supported by USD 150 million and 300 million partnerships with Norway focused on payments for verified emission reductions.

**Indonesia – Action Plan on Indigenous Lands.** On September 1 2014, seven Indonesian ministers signed an <u>Action Plan on Indigenous Lands</u> to coordinate government implementation of a groundbreaking Constitutional Court ruling from 2013 that will secure land rights to millions of indigenous people living on customary lands.

**Emerging Pipeline of Large Emission Reduction Programs.** Numerous countries are preparing largescale emission reduction programs to receive results-based payments in accordance with the Warsaw REDD+ Framework adopted by the UNFCCC, through the Forest Carbon Partnership Facility's Carbon Fund, the BioCarbon Fund and bilateral arrangements such as the REDD Early Movers Programme. This includes large emission reduction programs in Chile, the Democratic Republic of the Congo, Ghana, Mexico, Nepal, Republic of Congo and Vietnam. These efforts are being supported by the UN-REDD Programme, the FCPF Readiness Fund, the Forest Investment Program and the Global Environment Facility.

**Restoration Pledges.** [Four] countries made new pledges at the Summit to <u>restore [34] million</u> <u>hectares of forests</u>, as part of the <u>Bonn Challenge</u>. This includes Ethiopia (22 million hectares), DRC (8 million hectares), Uganda (2.5 million hectares) and Guatemala (1.2 million hectares). This year, <u>Asia Pulp and Paper</u> pledged to restore 1 million hectares of forestlands, on top of their zero deforestation policy from 2013.

## C. Indigenous Peoples

*Indigenous Peoples From Across the Globe Pledge to Protect 400 Million Hectares of Forests.* A global coalition of indigenous peoples from the Amazon, Central America, the Congo Basin and Indonesia put forward an <u>unprecedented pledge at the Summit</u> to protect and sustainably manage 400 million hectares of forests in the service of climate change mitigation, adaptation and resilience. This represents an area twice the size of Indonesia, which stores more than 85 Gt of CO2. They put

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forward three priorities: (i) progress on customary land rights for indigenous peoples, (ii) free prior informed consent for all decisions that affect them, and (iii) access to a fair share of climate finance.

# D. Developed country commitments

**Joint Statement on REDD+ Finance.** Responding to increased calls for signals of predictable REDD+ finance from forest countries, states and provinces, consumer goods companies, civil society and indigenous peoples, Germany, Norway and the United Kingdom released a joint statement on REDD+. They signaled a shared intent to support provisions for adequate, predictable, sustainable financing for REDD+, including results-based finance, as part of a new global climate change agreement, and to provide results-based payments to up to 20 new emission reduction programs proposed by 2016.

*Joint Statement on Public Procurement.* The United Kingdom, Germany, Norway, [France], and [The Netherlands] pledged to work on <u>new procurement policies</u> to limit the consumption of commodities associated with deforestation. This will place consumer countries in line with consumer good companies that are increasingly adopting zero deforestation sourcing policies.