

Taking stock of national climate action for forests

Goal 7 Progress Report

October 2021

Please refer to the full report at
forestdeclaration.org for citations
and a bibliography.



NEW YORK DECLARATION ON FORESTS
PROGRESS ASSESSMENT

forestdeclaration.org

What can governments do to enhance climate change mitigation through forests? Ways forward.

Scope

Forests are an opportunity for climate change mitigation that countries cannot afford to miss. The NYDF Assessment Partners call on governments to radically shift gears to realize forests' mitigation potential globally. There is no silver bullet – multiple strategies that work complementarily are required to protect, restore and sustainably manage forests.

In addition to clarifying and increasing their ambition and aligning investment flows with forest and climate goals, we provide recommendations for the six strategies that governments need to implement:

- Strengthening forest and land use governance
- Recognizing and securing the rights of Indigenous Peoples and local communities
- Aligning incentives with forest climate goals
- Promoting multistakeholder collaboration as part of jurisdictional approaches
- Ensuring robust forest monitoring and accounting
- Expanding demand-side measures of governments that import forest-risk commodities

Goal 7 of the New York Declaration on Forests (NYDF) has been achieved: the Paris Agreement has confirmed forests' important role in the international climate agenda. It is still too early to assess the progress of NDCs, as countries only report their progress under the Paris Agreement in a few years from now. In the meantime, we take stock of governments' existing domestic efforts and policies, and offer recommendations on what governments can do to accelerate outcomes.

There are promising examples where deforestation rates have declined, and where necessary policies and institutions have been put in place. However, efforts have been insufficient in addressing the complex problem of deforestation and unsustainable land use. Governments have yet to deliver on their goals to limit global warming; emissions trends for all sectors, including forests, are heading in the wrong direction. Despite their essential role and potential, forests are under massive threat worldwide.

We found many indications of governments' progress: for example, more than 50 reducing emissions from deforestation and forest degradation (REDD+) programs operate at national scale; more than 100 national governments have strong and robust forest monitoring systems; dozens of initiatives for multistakeholder collaboration involve governments at national or subnational level; and some of the largest consumers of forest-risk commodities have initiated or established legislation to limit and control the import of deforestation.

Nevertheless, these and other initiatives have been insufficient in addressing the powerful drivers of forest loss and unsustainable land use. Forest mitigation goals are fundamentally at odds with an economic system that assumes infinite production and consumption. Fueled by burgeoning demand, forests are exploited as a reservoir of natural resources, for agricultural land and/or minerals and metals. Strong economic and political forces—both global and domestic—incentivize forests' exploitation and conversion at unprecedented scales. The richer populations in the Global North, as well as new elites and middle classes in emerging economies, benefit from the flow of commodities out of forests that externalizes environmental and social costs. The groups most affected by the damage—poor populations

and vulnerable local communities—are pushed further into the forest or to urbanizing human settlements with a lack of alternative options for local economic development.³⁷

As a result, the world is still far from protecting, restoring and sustainably managing forests. The sustained reductions in forest loss needed to achieve the 2030 NYDF target would be unprecedented and are highly unlikely in the near-term. All assessment indicators show either insufficient progress towards ending forest loss and associated greenhouse gas (GHG) emissions by 2030 or that we are moving further from the targets.²⁰⁹ Similarly, current rates of annual tree cover gain are insufficient.

The NYDF Assessment Partners call on governments to enhance and clarify their ambition, to align investments with forest climate goals, and to recognize and promote forests as an essential climate solution.

AMBITION

What can governments do to increase and clarify their ambition?

Most governments that have communicated their ambitions under the Paris Agreement (nationally determined contributions, NDCs) mention forests. Nevertheless, many do not provide quantitative forest-related mitigation targets. Targets that are quantified are not ambitious enough, and some are also conditional on international finance.

All countries with forest climate goals need to:

- Support capacity building for NDC focal points to raise forests' profile as a climate solution within national policy arenas.
- Support research to identify the feasible mitigation potential of different forest-based mitigation activities in country, taking into account global spatial data as well as national, context-specific data.
- Make the involvement of Indigenous Peoples and local communities (IPLCs) central to setting goals and priorities for forest activities.

Developing and developed countries can pursue and pilot partnerships for bilateral and/or non-market cooperation to accelerate forest-based mitigation under Articles 6.2 and 6.8 of the Paris Agreement.

FINANCE

How can governments increase their investments to realize forest climate goals?

To realize forests' mitigation potential, governments need to massively increase their domestic investments and international support. Current finance flows are only a minuscule fraction of what is needed. Governments also need to invest in the “greening” of “grey” financing that is negatively impacting forests. This may involve channeling existing financial streams towards shifting deforestation-driver activities from forested to non-forested land and supporting sustainable practices, such as climate-smart and regenerative agriculture.

All countries with forest climate goals need to:

- In line with Article 2.c of the Paris Agreement, assess the domestic and international forest impact of fiscal policies. Take further action to “green” grey finance: reform subsidies to provide benefits for forests and other sustainable development goals, and include environmental and social safeguards for all subsidies.
- Require financial, public- and private-sector actors to disclose the forest risks and benefits of their investments, such as infrastructure, mining developments, and the production of forest-risk commodities. This includes investments abroad.
- Mobilize private-sector funding to scale up efforts to achieve national forest goals in line with the Paris Agreement, leveraging the growing interest in carbon markets, carbon pricing mechanisms, and other sustainable investments in conservation or sustainable forest use. Ensure the environmental and social integrity of these activities.
- Consider the use of border measures for carbon to generate revenues to invest in forest mitigation goals.

Developing and developed countries, in partnership, can:

- In line with Article 9 of the Paris Agreement, developed countries need to pursue their obligations to provide financial resources to assist developing countries, including for forest climate goals.
- Develop financing plans for conditional NDC targets of developing countries and specify concrete commitments for international support by developed countries.
- Initiate a dialogue between donor initiatives for results-based REDD+ finance and forest countries to harmonize and simplify requirements, and make them more applicable to individual country contexts.
- Develop additional mechanisms to complement results-based finance with support for up-front investments for the implementation of REDD+ programs.

IMPLEMENTATION

How can governments advance their efforts to protect and enhance forests?

Forest goals and strategies need to be front and center of policy-making processes that are inclusive and transparent, involving different stakeholder groups, and spanning sectors and government levels. Upholding forest goals in policy making does not mean all deforestation can or should be stopped. It means that forests' contributions and services for current and future generations are carefully valued and regenerated. Any loss needs to be justified by other sustainable development benefits.

Governments carry significant influence in setting priorities for policies that influence forests. By establishing spatial and macro-economic plans, they set national development pathways. Taking into account the full picture of how land is used throughout the country, governments can make strategic decisions that achieve multiple goals. For example, governments may conserve a certain area of primary forests, while managing other forested areas for uses considered essential for sustainable development—not only to benefit a small elite. Policy makers can also consider redirecting large developments (e.g., infrastructure, agriculture, mining) to non-forested areas or set specific requirements that minimize harm.

To support this process long term and overcome political volatilities, governments need to establish constituencies that support sustainable development and forest mitigation goals.^{39,91} To achieve this, governments need to empower civil society, smallholders, and, in particular, Indigenous Peoples and local communities (IPLCs), who have traditionally protected and valued forests. Governments need to ensure their participation and involvement in decision-making about their customary forest lands and livelihoods. Governments can also actively contribute to a more positive narrative around forest protection and enhancement by emphasizing and promoting the economic, cultural, and social benefits.³⁹

There is no silver bullet—multiple strategies that work complementarily are required to protect, restore and sustainably manage forests. Governments need to embrace a combination of the strategies in this report, ensuring the necessary enabling conditions while providing incentives as well as disincentives to those that influence the use of forests, land, and resources. The following section provides detailed recommendations under each strategy.

Strategies for governments



STRATEGY 1.

Strengthening forest and land use governance

Robust forest and land use governance are essential for combating illegal deforestation and conversion, as well as aligning development and environmental objectives. Strong and sustained governance will have a positive impact on the implementation and enforcement of forest conservation, restoration, and management policies.

All countries with forest climate goals need to:

- Address weaknesses in legal frameworks for forests and land use. This may require clarifying unclear and overlapping laws, regulations, and institutional mandates, and streamlining legal frameworks in the forest and non-forest sectors.
- Invest in public agencies to ensure they are able to implement the law; for example, implementing land titling processes to recognize land rights and resolve tenure conflicts.
- Provide adequate resources and mandates to enforcement agencies and anti-corruption agencies to combat illegal forest and land use.
- Enhance participation in decision-making and benefit-sharing on forest and land use, ensuring participatory processes are accessible to all groups, particularly to women, IPLCs, and others that have typically been excluded.
- Increase transparency and checks and balances to combat corruption in the land and forest sector. This may require limiting government officials' discretion in approving concessions and adopting robust rules to avoid conflicts of interest.
- Consider all natural ecosystems affected by commodities that risk driving forest and habitat conversion, in legislation and market-based policies and commitments.
- Address regulatory weaknesses and ensure the proper implementation of environmental and social impact assessments for developments that influence forests, considering all direct, indirect, and cumulative negative impacts on forests, and prioritizing their avoidance (e.g., from mining and forestry).
- Halt and undo rollbacks to environmental and social protections adopted in the wake of COVID-19, carefully assessing their long-term implications for sustainable development and forests.



STRATEGY 2.

Recognizing and securing the rights of Indigenous Peoples and local communities (IPLCs)

Despite their essential role for the protection, restoration and sustainable management of forests, IPLCs are disproportionately affected by deforestation, threatening their home, livelihoods, and cultural and spiritual wellbeing. Investments in securing the rights of currently unrecognized communal lands could protect more forest areas and their ecosystem services—including carbon sequestration.

All countries with forest climate goals need to:

- Make the recognition and security of community and IPLC land rights and tenure central to the national climate change mitigation strategy and implementation.
- Protect communal IPLC lands by enforcing these rights through the implementation of monitoring mechanisms, cracking down on illegal activities, and taking action against perpetrators of violence against communities.
- Establish legislation and laws that enhance the protection of IPLC lands and give power to communities to decide over and manage their forests sustainably. This may require reforms in some countries or introducing new laws in others.
- Dismantle existing laws that undermine, weaken, or threaten IPLC rights and replace with supportive rules and policies.
- Prioritize customary land registration and titling by initiating processes where they are absent or by scaling up where they have begun.
- Streamline processes for inclusion, by mandating and enforcing processes of free, prior and informed consent (FPIC) on all communal and customary lands.
- Channel funding and resources at both domestic and international levels towards scaling-up IPLC land recognition and security globally.



STRATEGY 3.

Aligning incentives with forest climate goals

Flows of public finance, fiscal policy, and broader development policies have a strong influence on how forests and resources are managed. Economic planning and policy do not need to conflict with forest goals; aligning existing instruments to incentivize sustainable forest use and protection, while promoting livelihoods, can advance sustainable development goals.

All countries with forest climate goals need to:

- Harness fiscal policy as a tool to creatively and cost-effectively promote sustainable forest use rather than driving forest destruction.
- Evaluate the environmental and social impacts of fiscal incentives in sectors driving deforestation such as agriculture, mining or infrastructure and adjust incentives to promote forest and sustainable development goals.
- Improve the management of land-use sector revenues to ensure they are being collected and disseminated as legally required. This may require clamping down on corruption and increasing investment to strengthen financial management systems.
- Pair productivity support programs for small-scale farmers and miners with investments in enabling conditions and targeted economic incentives to ensure improved livelihoods without increased forest conversion.
- Reduce structural barriers to community forest management and other community-led economic activities. This may require reforming legal frameworks, investing in capacity strengthening of associations, and enabling market access.
- Expand payments for ecosystem services schemes, backed by secure land tenure and capacity building, to reach smallholder actors and generate long-term funding for sustainable forest management.
- Invest in technical and financial support for community forestry and social programs to encourage improved local livelihoods and sustainable forest enterprises.



STRATEGY 4.

Promoting multistakeholder collaboration as part of jurisdictional approaches

To address the drivers of deforestation and promote forest mitigation activities, governments need to drive a transition away from business-as-usual decision-making and practices. This spans sectoral and national development policies and all actors that impact forest and land use. Participatory and inclusive coordination and collaboration across sectors and stakeholders are needed to overcome the fundamental differences in interests and power.

All countries with forest mitigation goals need to:

- Promote collaborative, participatory, and inclusive multistakeholder forums and dialogues. Bringing stakeholders to the table—such as IPLC groups, which may be excluded from decision-making—is a necessary first step. These forums need to build on existing informal institutions, including traditional leadership roles, local practices around resource management, and social capital.¹⁷⁷
- Involve and grant a strong voice to civil society actors in decision-making processes to address power imbalances and bring localized needs and perspectives to the fore. Multistakeholder forums will be ineffective, and reproduce unequal power differences, when entrenched, dominant, business-as-usual interests convene them.
- Include subnational government in sustainable development dialogue and implementing national forest strategies.
- Institutionalize initiatives and programs such as partnerships and multi-stakeholder platforms to make them less dependent on changing administrations and political will.
- Support local collaboration and knowledge-sharing networks to strengthen local institutions and their ability to participate effectively in national and international decision-making processes.



STRATEGY 5.

Ensuring robust forest monitoring and accounting

Many forest countries have made significant progress in building their forest monitoring systems and in creating reference levels for results-based REDD+. Further efforts are needed to improve methodologies and increase transparency, as well as to align REDD+ monitoring and accounting systems with national GHG inventories that are part of the Enhanced Transparency Framework. This will feed into the Global Stocktake process.

All countries with forest mitigation goals need to:

- Pursue South-South exchanges to share experiences of countries that have started integrating their REDD+ monitoring systems with national GHG inventories.
- Provide additional technical support for enhancing monitoring methodologies and capacities, including for different local contexts such as highly biodiverse and heterogenous forests.
- Provide financial support and capacity building for forest monitoring systems, including for their alignment with national GHG inventories and requirements by the Enhanced Transparency Framework, and for enabling participation of local communities, in particular, Indigenous peoples.
- Ensure that the systems and data (including through public-private partnerships) are transparent, aligned with, and reinforcing national priorities and systems.
- Support local research and empower civil society organizations and communities to act as a watchdog of monitoring systems.



STRATEGY 6.

Expanding demand-side measures of governments that import forest-risk commodities

Efforts to avoid unsustainable and illegal forest-linked commodities from finding markets need to be scaled up. Governments—both producer and importer countries—can play a central role in creating the demand for legal and deforestation-free commodities and products.

Consumer countries, including those that consume domestic and imported forest-risk commodities need to:

- Consider their shared responsibility and interest in advancing forest mitigation goals abroad. This may require assessing their global forest footprints in NDCs and setting out the processes for reducing them. For example, they can align their trade policies and ensure effective enforcement of import regulations aimed at reducing deforestation in commodities.
- Set requirements that restrict the entry of products that have caused deforestation. Due diligence requirements enacted in major consumer countries are a step in the right direction; the enforcement and implementation of these measures need to be accelerated.
- Introduce public procurement policies that restrict the inclusion of illegal and deforestation-risk commodities in public purchases.
- Improve transparency throughout the supply chain of forest-risk commodities through forest monitoring and open, accessible data on forest concessions. This may require increasing and sustaining the transparency of the forest sector to phase out corruption in the long term.
- Expand bilateral agreements between producer and buyer countries across all deforestation-risk products. This may include the use of border measures for carbon to internalize the costs of deforestation and ensure that negative impacts on smallholders and poor countries are minimized.
- Align free trade agreements with the Paris Agreement goals. This may include the setting of strong and binding provisions for imported emissions, and require safeguards for all investments and trade activities.
- Collaborate with governments of producer countries to strengthen national law enforcement.

NEW YORK DECLARATION ON FORESTS PROGRESS ASSESSMENT

Learn more at: forestdeclaration.org

