GOAL 8: Provide support for the development and implementation of strategies to reduce forest emissions

Key Messages

Little new data is available on finance for forests or development related to Goal 8 since our *2017 NYDF Progress Assessment*, which found that:

- Finance for forests falls far short of supporting their mitigation potential; forests have the potential to be up to 30 percent of the climate solution, yet just 2 percent of international climate finance goes to forests.
- Subsidies and investments in sectors driving deforestation (e.g., agriculture) amount to 40 times more than investments in protecting forests.
- Over 60 percent of forest-sector finance for mitigation-related development goes to countries with high levels of deforestation, although not necessarily countries where forests are disappearing the fastest.
- Financial institutions are adopting policies that address deforestation risks, seeking to increase sustainability and – at a minimum – not to increase deforestation through their investments. However, few of these bank policies are mandatory and there is a lack of transparency in their application.

Our 2018 Goal 8 assessment takes a closer look at financial institutions and finds:

- New tools have been released in the past year to help assess climate risks and improve transparency in financial institutions, such as the Task Force on Climate-Related Financial Disclosures and the Soft Commodity Risk Platform (SCRIPT).
- Some banks are emerging as leaders in the adoption and enforcement of forest-risk policies. This year several banks, such as the Government Pension Fund Global, managed by Norges Bank Investment Management (NBIM), and the AXA Group, have publicly disclosed and divested from companies with a risk of high deforestation.
- While over half of the the most influential financial institutions in forest-risk supply chains with at least one commodity-specific forest-risk policy have a process to address noncompliance, enforcement is not consistent across sectors. For example, the palm oil sector gets more than half (56 percent) of its financing from Southeast Asian institutions, which have weaker policies than the global average.

OVERVIEW OF GOAL AND INDICATORS

Goal 8 focuses on support for strategies to reduce forest emissions (that is, the CO_2 emissions released by forest loss or degradation). The call to provide finance for protection and sustainable use of forests is anchored in the international agenda for climate and sustainable development. It extends to domestic, international, public, and private finance.

Public finance plays a key role in reducing forest emissions. It is essential for transforming and driving changes in land-use policies. Funds also support research and capacity building, provide direct incentives for the protection of forests, and aid the mobilization of private investment needed to address deforestation.

The financial and private sectors can also help reduce deforestation and forest degradation. The large volume of finance required to tackle deforestation and restore degraded land represents an underutilized opportunity for investment. Investors' internal policies and investment design decisions can create positive change through improving disclosure and reporting standards, restricting loan allocation for the most destructive activities and/or engaging with clients whose activities are not compliant with investor's policies, and incorporating climate change risk assessment into their financial analysis and decision-making processes.

Assessing progress

In 2017 the New York Declaration on Forests (NYDF) Assessment Partners published an in-depth review of progress toward NYDF Goals 8 and 9. From 2018 on, we will provide annual updates on progress toward these goals using the revised assessment frameworks. We use two criteria to assess progress on achieving Goal 8 (Table 1).

Table 1. Criteria and indicators to track Goal 8

CRITERIA	INDICATOR
1. Public support for the development and implementation of strategies to reduce forest emissions	1.1 International finance 1.2 Domestic finance
2. Private investment targeted at reducing forest emissions	2.1 Policies for investment in forest-risk commodities 2.2 Investments in sustainable commodity production and conservation

FINDINGS

Criterion 1: Public support for the development and implementation of strategies to reduce forest emissions

Indicator 1.1: International finance

International forest finance continues to be limited and has not grown substantially in recent years. During 2010–16, developed countries and multilateral institutions committed[1] USD 4.2 billion in forest-sector finance for mitigation-related development, the majority (63 percent) to countries with high levels of deforestation. [2] Another USD 1.3 billion was pledged for regional or unspecified support to the forestry sector. Financial commitments concentrated on a few countries, including major deforestation hotspot countries, but not necessarily countries where forests are disappearing the fastest.

Several programs to reduce deforestation have recently been approved through the Green Climate Fund (GCF). These include a USD 84 million grant to develop Ecuador's REDD+ Action Plan, of which USD 41 million had been disbursed as of August 2018, and a cofinacing initiative with Conservation International and the private sector for sustainable landscapes in Madagascar.[3] Norway recently committed to a new approach to supporting reduced forest emissions, committing a new fund to fight forest crime, such as illegal tree clearing (Box 1).

Box 1. Norway pledges finance to fight forest crime[4]

At the Oslo Tropical Forest Forum in June 2018, Norway announced a new pledge of Kr. 145 million (USD 16.2 million) to fight high-level forest crime. Annually, forest crime illegally siphons USD 50–150 billion of value from the world's forests. The new pledge, to be shared by Interpol, the UN Office on Drugs and Crime, and the Rhipto Norwegian Centre for Global Analyses, will support investigations into the leaders of international gangs who coordinate the bulk of large-scale illegal logging.

Interpol established its forestry program, LEAF (Law Enforcement Assistance to Forests), in 2012 with funding from the Norwegian government to coordinate the international and national law enforcement response to organized crime in the forestry sector. The new funding will allow LEAF to more than double its detective task force from 6 to 15. Though the pledge is small compared to the scale of the crimes, representatives from the Norwegian government and Interpol stressed that its effect could be large. Targeting key figures through intelligence gathering and criminal analysis will, they anticipate, have significantly more impact than arresting low-level actors, whose detentions do little to slow the spread of environmental crime.

The partnership is heading into the project with optimism due to previously successful projects, such as the exceptional 76 percent reduction in deforestation in Brazil led by the Brazilian federal police and Interpol's seizure of over USD 1.5 billion worth of illegal timber across Africa, Asia, and Latin America in the past several years.

Indicator 1.2: Domestic finance

The Forest Carbon Partnership Facility is a USD 1.3 billion global partnership that supports efforts to reduce emissions from deforestation and degradation, commonly known as REDD+. As of August 2018, five new countries – Madagascar, Mozambique, Nepal, Vietnam, and Lao People's Democratic Republic – have shared plans for their investments in REDD+, including domestic contributions. These countries join Mexico, Costa Rica, Chile, the Republic of Congo, the Democratic Republic of Congo, and Ghana in the final stages of negotiating agreements with donors for results-based REDD+ finance. Domestic contributions from these countries range greatly (Table 2). In fact, no domestic investments were included in the financial plans of Madagascar, the Republic of Congo, and the Democratic Republic of Congo. In countries that do plan domestic contributions, the funds support a variety of activities, including sustainable land use planning, monitoring, reporting, and verification, and forest policy and land tenure reforms. Similarly, GCF proposals also require information on domestic cofunding.

Table 2. Forest Carbon Partnership Facility REDD+ investments planned or made by domestic governments

COUNTRY	DOMESTIC INVESTMENT (USD MILLIONS)	EXAMPLES
Mexico	7,990	Sustainable forest management, payment for environmental services

Costa Rica	1,413	REDD+ program management, emission reductions quantification and verification, forest governance
Vietnam	222	Enabling conditions, sustainable forest management, adoption of climate-smart agriculture
Nepal	121	Private-sector forestry, integrated land-use planning, protected area management, biogas stoves and cookstove projects
Ghana	54	Forest law enforcement, forest policy reforms, forest data management
Mozambique	51	Regularizing land tenure, forest governance, promotion of conservation agriculture and agroforestry systems
Chile	37	Forest law development and enforcement, sustainable forest management and planning
Lao PDR	8.1	Enabling conditions, forest law enforcement, forest policy reforms, land-use planning, tenure security, sustainable forest management

Criterion 2: Private investment targeted at reducing forest emissions

Indicator 2.1: Policies for investment in forest-risk commodities

Financial institutions are adopting policies that address deforestation risks. Such policies seek to ensure that their lending and investment portfolios are, at a minimum, not contributing to increased deforestation. Few of these bank policies are mandatory, however, and there is a lack of transparency in their application. Some financial institutions require companies with palm oil operations to demonstrate certification from the Roundtable for Sustainable Palm Oil, but this type of mandate is uncommon in other sectors.

In the past year, new tools and guidelines for assessing climate and deforestation risk in finance have been released, which include recommendations for financial institutions to disclose their risk management strategies to increase transparency in the market. In 2017, the Task Force on Climate-related Financial Disclosures (TCFD), an initiative of the Financial Stability Board, released recommendations for financial institutions to assess and disclose the actual and potential impacts of climate-related risks and opportunities on their business, as well as how they manage them. TCFD is working with CDP (formerly the Carbon Disclosure Project) to integrate these recommendations into their Forests questionnaire. Following this release, in 2018, a coalition of 16 banks convened by the UN Environment Finance Initiative produced the first guidance to help the banking industry implement these forward-looking and transparent climate-related risk and opportunity assessments. Similarly, Global Canopy recently launched the Soft Commodity Risk Platform (SCRIPT), a freely-available platform based on innovative company datasets to help financial institutions assess and mitigate the deforestation risks in soft (food and fiber) commodity supply chains. The platform provides tools and guidance for financial institutions to establish a robust sustainable financing policy and portfolio-screening procedures. SCRIPT currently hosts two tools, the Policy Benchmarking Tool and the Portfolio Risk Tool.[5]

According to Forest 500, which ranks the top companies, financial institutions, and governments involved in commodity supply chains that pose a risk to forests, financial institutions can play an important role in pushing the implementation of private sector commitments, but efforts are lagging. Financial institutions are adopting deforestation policies, yet the overall proportion of those with commitments remains low.[6] Only 8 of 150 influential financial institutions have a commitment for all forest-risk commodities in their portfolios. Less than half of the commodity-specific policies include mandatory, rather than voluntary, protection of priority forest types. In one sign of progress, in August 2018, 17 financial institutions – two of which are Forest 500 powerbrokers with no previous forest commitments – signed on to the Cerrado Manifesto to halt soy-based deforestation in Brazil's Cerrado region.[7] However, given current trends, the financial institutions with the greatest influence on forests will likely fail to adopt or implement adequate policies for addressing deforestation by 2020.

Individual banks are emerging as leaders in policy enforcement. Over half of the Forest 500 financial institutions with at least one commodity-specific policy have a process to identify and address noncompliance. For the first time, the Government Pension Fund Global, which is managed by Norges Bank Investment Management (NBIM), has publicly disclosed the identities of noncompliant companies and revealed that it has already divested from four high-deforestation-risk companies.[8] Similarly, the AXA Group has reported several sector-level divestments.[9], [10] In July 2018, CalPERS, the largest U.S. state pension fund, also updated its investment policy to include deforestation risk as a consideration in its investment decisions.[11]

In the palm oil sector, investors continue to support forest-risk production activities.[12] Key financial institutions have provided over USD 5 billion in equity and debt financing and loans to refiners without forest-related sourcing commitments and who thus have a high risk of leakage. For example, BNP Paribas has a sustainability commitment and palm oil policy, but it appears to contradict that commitment by holding shares in refineries that do not have sustainable sourcing policies.

Indonesia and Malaysia are home to nearly half of the world's palm oil refineries, yet banks in the region lack strong policies to safeguard forests. Between 2010 and 2016, the majority (56 percent) of global financing for palm oil companies was lent by Southeast Asian institutions, most of which have policies that are weaker than the global average.[13] The Malaysian bank Maybank is the single largest lender to the palm oil industry (USD 3.9 billion), followed by RHB Banking and CIMB Group (each lending USD 2.9 billion). The Forests and Finance Initiative found that Indonesian banks largely did not meet evaluation criteria based on their forest policies and commitments, environmental standards, and social standards including workers' and community rights.[14] None of the Malaysian financial institutions included in the assessment had any relevant publicly available environmental, social, and governance based risk mitigation policies specific to the palm oil sector.[15]

Indicator 2.2: Investments in sustainable commodity production and conservation

The increase in sustainable commodity sourcing and deforestation-free supply chain commitments (Goal 2) indicates a growing acknowledgment of the need to move toward more sustainable land use. The private sector has the opportunity to not only scale up investments but to work with governments to develop appropriate policy and legislation that will ensure a shift of finance flows toward investments with environmental benefits.

Findings from our 2017 progress assessment indicate that while the share of projects in forest-relevant subsectors in the impact-investment market has grown rapidly in recent years, the amount of capital committed remains miniscule compared with traditional investments. Because data was not updated in 2017, we are unable to include new forest-relevant developments in the impact-investment market in our *2018 NYDF Progress Assessment.*

In addition to impact-investment funds, a number of public-private partnerships seek to support projects with a positive impact on the environment (Table 3).

Table 3. Examples of public-private or private impact-investment funds

NAME (SUPPORTER)	DESCRIPTION OR OBJECTIVE	COMMITMENTS AND ACHIEVEMENTS
Andgreen.fund (IDH, the Sustainable Trade Initiative, and Norway's International Climate and Forest Initiative (NICFI))	Aims to protect over 5 million hectares of tropical forest and peatlands by 2020 by triggering USD 1.6 million in private capital investment with a USD 400 million fund capitalization target.	Initial commitment of up to USD 100 million by NICFI, to fund more than 20 forest protection projects globally, while catalyzing private investments up to four times more than the fund's investment. The Andgreen.fund site shows no projects approved for investment as of August 2018.
Ecobusiness Fund (KfW (formerly Kreditanstalt für Wiederaufbau) and Conservation International)	Public-private partnership that provides loans to qualified local financial institutions that lend the money to eligible borrowers (e.g., holders of recognized certifications or those making improvements in line with conservation and biodiversity goals).	Initial commitment of EUR 17 million (USD ~19.5 million), by the German Federal Ministry for Economic Development and Cooperation to enable Latin American businesses to invest in the protection of biodiversity and sustainable use of natural resources (e.g., through forestry, fishing, and agriculture).
Althelia Climate Fund (Althelia Ecosphere)	Public-private partnership that focuses on beef and palm oil projects to reduce deforestation, safeguard biodiversity, mitigate climate change effects, and provide fair and sustainable lives to local communities, while granting investors a fair return on capital.	Initial commitment of EUR 60 million (USD ~69 million) to deliver investments for competitive projects addressing greenhouse gas reductions, focusing on sustainable land use and funds for ecosystem services (e.g., REDD+ projects). By 2018, it had already reached or was close to reaching many of its targets for 2021.[16]
EcoEnterprises Fund (The Nature Conservancy)	Partnership of financial institutions that offer guidance to small and growing businesses to improve their financial, social, and environmental performance. More than 4.2 million hectares were preserved thanks to the impact of the fund.	Totals assets under management are USD 26–50 million.[17] The focus of impact investment is on conservation of natural resources, sustainable land use, and development of small and medium businesses in Latin America. EcoEnterprises Fund has conserved more than 4.2 million hectares through projects it has financed.[18] EcoEnterprise Fund has financed Del Llano Alto Oleico, a certified sustainable palm oil company in Columbia. [19]
Moringa (Edmond de Rothschild Private Equity, ONF (Office National des Forêts) International)	Public-private partnership that aims to provide financial returns for investors and communities in the area while developing land-use resilience.	Initial commitment of EUR 51.4 million (USD ~59.1 million).[20] Aims to invest EUR 4-10 million (USD~4.6-11.5 million) per project, creating stable and profitable agroforestry projects that can access both national and international markets. Since 2017, the fund has grown by USD 32.6 million to an investment potential of USD 84 million – bringing it closer to its target of USD 100 million – in sustainable agroforestry projects, and has thus far restored 25,000 hectares.[21] In May 2018 Moringa closed the sixth investment of its portfolio, providing technical assistance and investing in Jus Délice, an organic juice company in Togo.[22]
BioCarbon Fund Initiative for Sustainable Land Use (Initiative for Sustainable Forest Landscapes (ISFL), World Bank Carbon Finance Unit)	Multilateral fund that promotes and rewards reductions in greenhouse gas emissions in the land-use sector through REDD+; sustainable agriculture; and smarter land-use planning, policies, and practices. It is supported by donor governments and managed by the World Bank.	Fund capital of USD 340 million to support programs in Zambia, Colombia, and Ethiopia. The ISFL delivers results-based finance over 10–15 years by purchasing verified emission reductions to incentivize governments.
Partnerships for Forests (UK Department for International Development)	Provides grants and technical assistance to incubate market-ready "forest partnerships" between companies, public sector actors, and civil society that catalyze investment in forests and sustainable land use. Currently, partnerships are being supported in East Africa, West and Central Africa, and Southeast Asia.	Partnerships for Forests has a commitment to leverage three times the private investment in forests and sustainable land use by 2020, equating to GBP 150 million (USD ~195 million). Partnerships for Forests plans to introduce a new auditing process between 2018 and 2020 to verify grant expenditures and ensure agreements are upheld.[23]
Tropical Landscapes Finance Facility (TLFF)	Leverages public funding to unlock private finance for sustainable land use in Indonesia. Projects include agriculture and ecosystem restoration and investments in renewable energy. The	In February 2018, the TLFF announced its inaugural transaction, a USD 95 million sustainability bond to help finance a sustainable natural rubber plantation.[24] The financial platform of TLFF consists

(United Nations Environmental Programme, BNP Paribas and ADM Capital)	multistakeholder initiative aims to bring long-term finance to projects and companies that stimulate green growth and improve rural livelihoods.	of a grant and loan fund, which is managed by the United Nations Environmental Programme, and the banks BNP Paribas and ADM Capital.

Recipient countries should seek to diversify revenue streams by diversifying capital sources, such as blending public and private finance. Blended financing models such as the Private Sector Facility of the GCF can mobilize private-sector action and resources by using a mix of grant and nongrant financing to lower the risks to investors related to market failure, while allowing for diversified capital sources and complementarity of efforts.

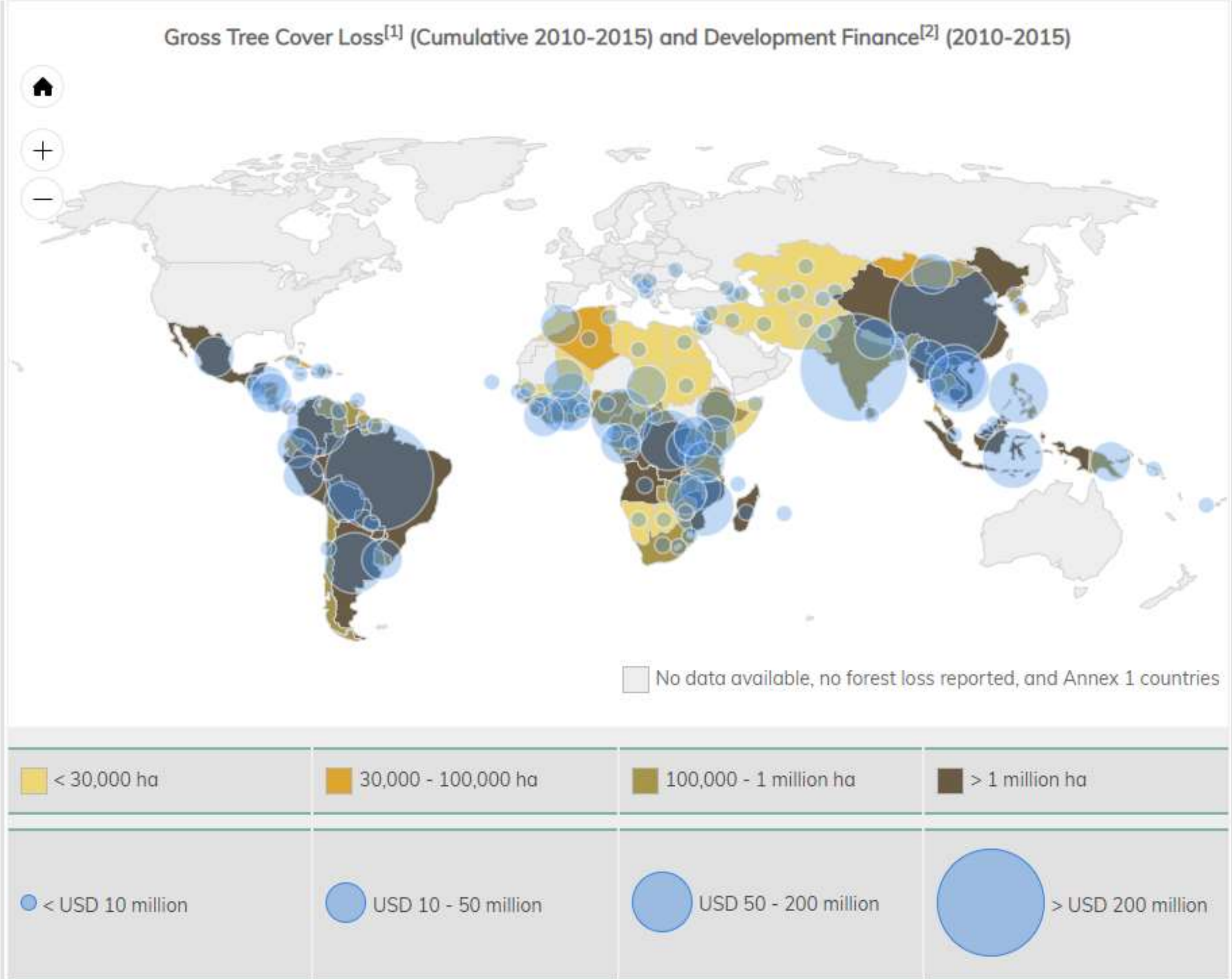
Additionally, the public sector has a range of tools to reduce risks and make deforestation-free investments more attractive. These include:

- Forming strategic partnerships with private investors to demonstrate proof of concept
- Risk mitigation instruments (Box 2) such as guarantees, insurances, and public coinvestment
- Providing subsidized or free technical assistance to producers and companies
- Providing fiscal incentives for deforestation-free investment
- Taxing environmentally degrading activities
- Enhancing financial sector transparency
- Investing in law enforcement and eliminating illegality
- Providing clear land-use rights and tenure
- Promoting jurisdictional[25] or landscape initiatives that take a multistakeholder approach to land-use planning while considering social, economic, and environmental objectives

Box 2. Forests Bond – Forest conservation through financial innovation

In October 2016, the International Finance Corporation issued a first of its kind USD 152 million Forests Bond in partnership with BHP (formerly BHP Billiton) and with technical collaboration from Conservation International and Baker McKenzie, in support of REDD+ efforts.[26]The innovative Forests Bond unlocks private financing for reducing deforestation by providing a price-support mechanism, which guarantees support for the REDD+ credits for the five-year life of the bond. The Forests Bond offers investors a choice between a cash or interest payment in the form of verified carbon units (VCUs) from the Kasigau Corridor REDD Project in Kenya. Investors may use these VCUs or sell them in the market. BHP's investment provides the price support to ensure that the REDD project sells its carbon credits, guaranteeing support for forest finance. The bond's success confirms private-sector interest and demand in socially and environmentally conscious investments, given that the Forests Bond was oversubscribed by more than double its capacity.

Finance aligned with forest and climate goals captured by the 2017 Goals 8 and 9 assessment



	Country	Gross tree cover loss[1] (million ha)	Mitigation-related development finance commitments targeted at the forestry sector[2] (USD million)
1	Brazil	14.39	247
2	Indonesia	9.87	181
3	Democratic Republic of Congo	5.06	75
4	China	3.29	290
5	Malaysia	2.95	6
6	Paraguay	2.35	5
7	Argentina	2.19	89
8	Bolivia	1.66	22
9	Madagascar	1.42	3

	Country	Gross tree cover loss[1] (million ha)	Mitigation-related development finance commitments targeted at the forestry sector[2] (USD million)
10	Myanmar	1.40	25
11	Laos	1.18	73
12	Peru	1.12	30
13	Mexico	1.12	11
14	Cambodia	1.11	8
15	Colombia	1.10	66
16	Angola	1.07	5
17	Vietnam	1.05	168
18	Mozambique	1.03	67
19	Côte d'Ivoire	0.99	17
20	Tanzania	0.92	23
21	Chile	0.69	1
22	Thailand	0.69	5
23	Zambia	0.65	16
24	Liberia	0.63	21
25	Sierra Leone	0.62	0
26	India	0.57	372
27	Papua New Guinea	0.54	18
28	Guinea	0.51	0
29	Venezuela	0.51	8
30	Cameroon	0.48	89
31	Nicaragua	0.44	13
32	Philippines	0.42	121
33	South Africa	0.41	0
34	Guatemala	0.36	3

	Country	Gross tree cover loss[1] (million ha)	Mitigation-related development finance commitments targeted at the forestry sector[2] (USD million)
35	Ghana	0.35	24
36	Uganda	0.29	22
37	Central African Republic	0.28	1
38	Honduras	0.28	31
39	Republic of Congo	0.28	8
40	Nigeria	0.27	0
41	Ecuador	0.26	14
42	Gabon	0.16	12
43	Ethiopia	0.15	39
44	Uruguay	0.14	40
45	Kenya	0.10	18
46	Panama	0.09	3
47	Dominican Republic	0.09	1
48	South Korea	0.08	0
49	Suriname	0.07	1
50	North Korea	0.07	0
51	Malawi	0.06	32
52	Sri Lanka	0.06	0
53	Guyana	0.06	1
54	Solomon Islands	0.06	8
55	Zimbabwe	0.06	0
56	Guinea-Bissau	0.06	0
57	Costa Rica	0.06	1
58	Mongolia	0.06	12

	Country	Gross tree cover loss[1] (million ha)	Mitigation-related development finance commitments targeted at the forestry sector[2] (USD million)
59	Cuba	0.05	0
60	Equatorial Guinea	0.05	1
61	Bangladesh	0.05	4
62	Algeria	0.04	0
63	Swaziland	0.02	0
64	Haiti	0.02	3
65	Serbia	0.02	1
66	El Salvador	0.02	1
67	Kazakhstan	0.02	0
68	Jamaica	0.01	0
69	Nepal	0.01	34
70	Fiji	0.01	1
71	Chad	0.01	12
72	Rwanda	0.01	19
73	Albania	0.01	6
74	Syria	0.01	0
75	Brunei	0.01	0
76	Togo	0.01	7
77	Tunisia	0.01	2
78	Morocco	0.01	48
79	Bosnia and Herzegovina	0.01	0
80	Bhutan	0.01	3
81	Burundi	0.01	0
82	Trinidad and Tobago	0.01	0

	Country	Gross tree cover loss[1] (million ha)	Mitigation-related development finance commitments targeted at the forestry sector[2] (USD million)
83	Benin	0.01	0
84	Montenegro	0.01	2
85	Comoros	0.00	0
86	Moldova	0.00	0
87	Georgia	0.00	8
88	Azerbaijan	0.00	0
89	Pakistan	0.00	9
90	Israel	0.00	0
91	Mauritius	0.00	0
92	Senegal	0.00	4
93	Mali	0.00	18
94	Somalia	0.00	0
95	Iran	0.00	6
96	Lebanon	0.00	2
97	Egypt	0.00	0
98	Armenia	0.00	4
99	Singapore	0.00	0
100	Kyrgyzstan	0.00	4
101	Sudan	0.00	0
102	Afghanistan	0.00	0
103	Uzbekistan	0.00	3
104	Gambia	0.00	0
105	Namibia	0.00	1
106	Libya	0.00	0
107	Botswana	0.00	3

	Country	Gross tree cover loss[1] (million ha)	Mitigation-related development finance commitments targeted at the forestry sector[2] (USD million)
108	Tajikistan	0.00	0
109	Cape Verde	0.00	0
110	Turkmenistan	0.00	0
111	Lesotho	0.00	0
112	Iraq	0.00	0
113	Burkina Faso	0.00	18
114	Jordan	0.00	0

[1] Source: Hansen, M. C., Potapov, P. V., Moore, R., Hancher, M., Turubanova, S. A., Tyukavina, A., et al. (2013). High-resolution global maps of 21st-century forest cover change [Data file and codebook]. Retrieved from the Global Forest Watch website. Updated by Global Forest Watch.

[2] Source: Climate Focus analysis based on climate-related development finance dataset retrieved from retrieved from the Organisation for Economic Co-operation and Development (OECD) website.

[3] Sources: Estimate combines multilateral and bilateral finance. Multilateral: Climate Focus compilation based on Climatefundsupdate.org data. Cumulative commitments since 2010. Bilateral finance: Climate Focus analysis based on FCPF Annual Report (2017) presenting the results of a survey conducted in 2017 with countries participating in the FCPF readiness process. FCPF Carbon Fund Emission Reduction Program Documents retrieved from the FCPF website: https://www.forestcarbonpartnership.org/redd-countries-1. Assumed to be cumulative.

[4] Sources: Climate Focus analysis based on data shared by Norway's International Climate and Forest Initiative and the German REDD Early Mover Program, the BioCarbon Fund Initiative for Sustainable Forest Landscapes and the Forest Carbon Partnership Facility Carbon Fund retrieved from funds' official websites. Cumulative since 2010.

[1] While commitments refer to a firm obligation expressed by a donor country or multilateral finance institutions to provide a specific amount of financial support to a recipient country or another multilateral organization, disbursements are actual transfers of financial resources to the recipient. The disbursement of committed financial resources can take several years. In this assessment, international climate finance to the forestry sectors is reflected by presenting bilateral and multilateral ODA commitments.

[2] Developing countries with high deforestation (>30,000 hectare of gross forest loss during 2010-15).

[3] Green Climate Fund (GCF). (2018). Projects + programmes: sustainable landscapes in Eastern Madagascar. GCF.

[4] Watts, J. (2018, June 29). Norway pledges £12m to global fight against forest crime. *The Guardian;* Interpol. (2018). Project Leaf. Interpol.

[5] Soft Commodity Risk Platform (SCRIPT). (2018). *Policy benchmarking tool: methodology*. Oxford, UK: Global Canopy; SCRIPT. (2018). *Portfolio risk tool: methodology*. Oxford, UK: Global Canopy.

[6] Rogerson, S. (2017). *Achieving 2020: How can the private sector meet global goals of eliminating commodity-driven deforestation?* Forest 500 Annual Report. Oxford, UK: Global Canopy.

[7] Rogerson, S., & Burley, H. (2018, August 1). Investors add their voices to calls to protect the Cerrado. *Forest 500, Our insights.*

[8] Norges Bank Investment Management (NBIM). (2017). *Responsible investment 2017: government pension fund global*. Oslo, Norway: NBIM.

[9] AXA Group. (2018). *Climate-related investment & insurance report*. Paris, France: AXA Group.

[10] Both Norges Bank Investment Management and the AXA Group are proponents of the Task Force on Climate-Related Financial Disclosures.

[11] Chain Reaction Research. (2018, July 13). CalPERS approves updated investment policy including material risks from deforestation. *The Chain.*

[12] Christopoulou, A., Steinweg, T., & Thoumi, G. (2018). *The financing of leakage refiners: Shareholders and loan issuers include international financial institutions with palm oil policies.* Washington, DC: Chain Reaction Research.

[13]Tuk Indonesia & Profundo. (2018). *Maybank: The single largest palm oil financier*. Jakarta, Indonesia: Tuk Indonesia.

[14] The full list of criteria used for policy evaluations can be found on the *Forestsandfinance.org* website for each financial institution.

[15] Boerner, H. (2018, April 30). As the global demand for palm oil rises, there is more focus on the growing areas – and on industry behaviors such as deforestation. *Governance and Accountability Institute's Sustainability Update*.

[16] Althelia. (2018). *White paper: The role of private capital in conservation*. Luxembourg: Althelia Funds.

[17] ImpactAssets. (2018). ImpactAssets 50: EcoEnterprises Fund.

[18] EcoEnterprises Fund. (2016). Impact.

[19] ImpactAssets. (2018). ImpactAssets 50: EcoEnterprises Fund.

[20] Poulsen, M., Bourguignon, H., el Hachem, J., & Perrier, M. (2013, August 19). The Moringa SCA (SICAR), a pioneering agroforestry sector investment vehicle, achieves first closing. Press Release.

[21] Moringa Partnership. (2017). Funds.

[22] Moringa Partnership. (2018, May 14). Moringa invests in Jus Délice S.A., and Organic juice processing company in Togo. Press Release.

[23] Parternships for Forests. (2018, March 26). Procurement for an auditor. *Partnerships for Forests, News & Events*.

[24] UN Environment. (2016, October 26). Tropical Landscapes Finance Facility unlocks private sector finance for climate, biodiversity and jobs. Press Release.

[25] At the level of a state or biome or otherwise defined area.

[26] Conservation International. (n.d.). Forests Bond: Forest conservation through financial innovation.