



PROGRESS ON THE NEW YORK DECLARATION ON FORESTS



# Reduce forest impacts from infrastructure and extractive industries

February 2022



# Goal 3

Significantly reduce deforestation and degradation derived from infrastructure development and extractive industries well before 2030.

**Large-scale infrastructure projects and rising demand for mined materials threaten intact forests, Indigenous territories, and protected areas.**

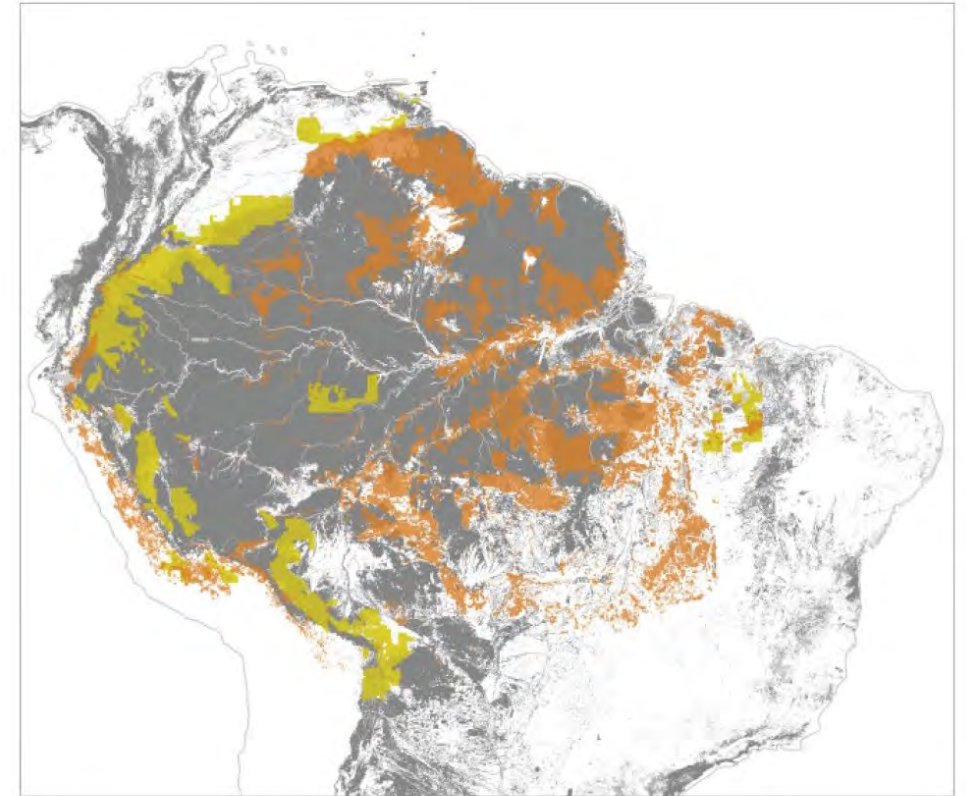
**Infrastructure and extractive industries** both act as “**drivers of drivers,**” opening access to forest areas and making other deforesting activities more economically viable.

Even though each sector directly drives less deforestation than agriculture (10% and 7% of tropical forest loss, respectively, compared to over 70% for agriculture) the **indirect deforestation and forest degradation** caused by infrastructure and extractives can be vast.

The **pace of large-scale infrastructure development and natural resource extraction** is increasing across many tropical forest regions, while **demand for mined materials and oil and gas** is expected to grow rapidly. These trends put increased pressure on intact and biodiverse forests, Indigenous territories, and protected areas.

Large-scale **infrastructure corridors** are planned or under construction across all major tropical forest regions.

### Amazon



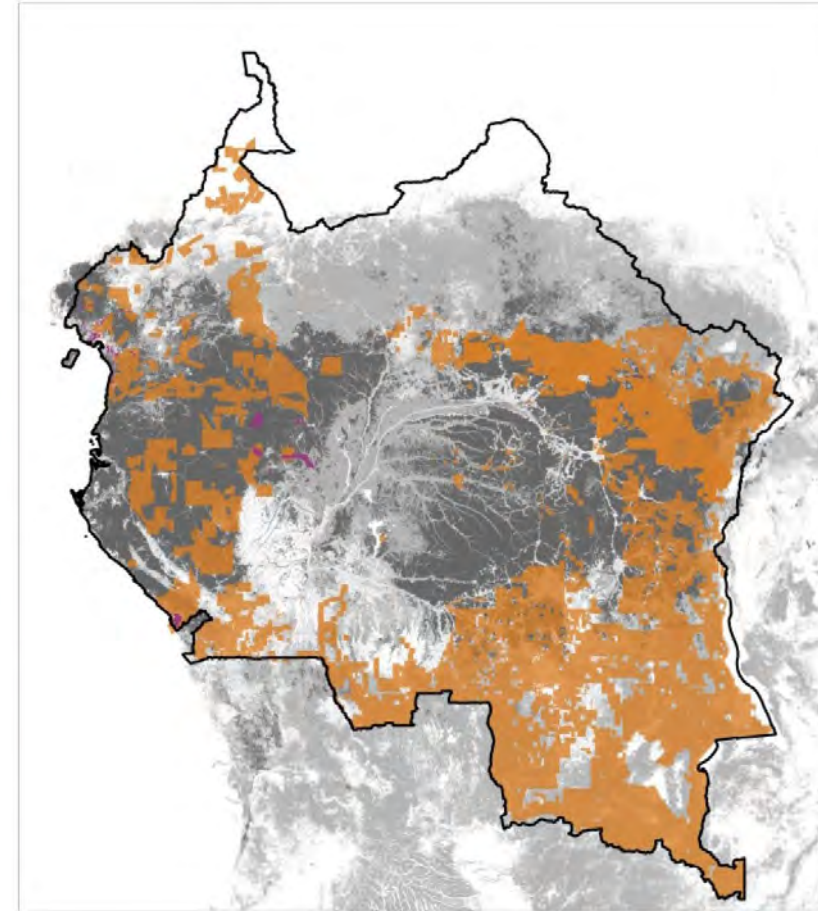
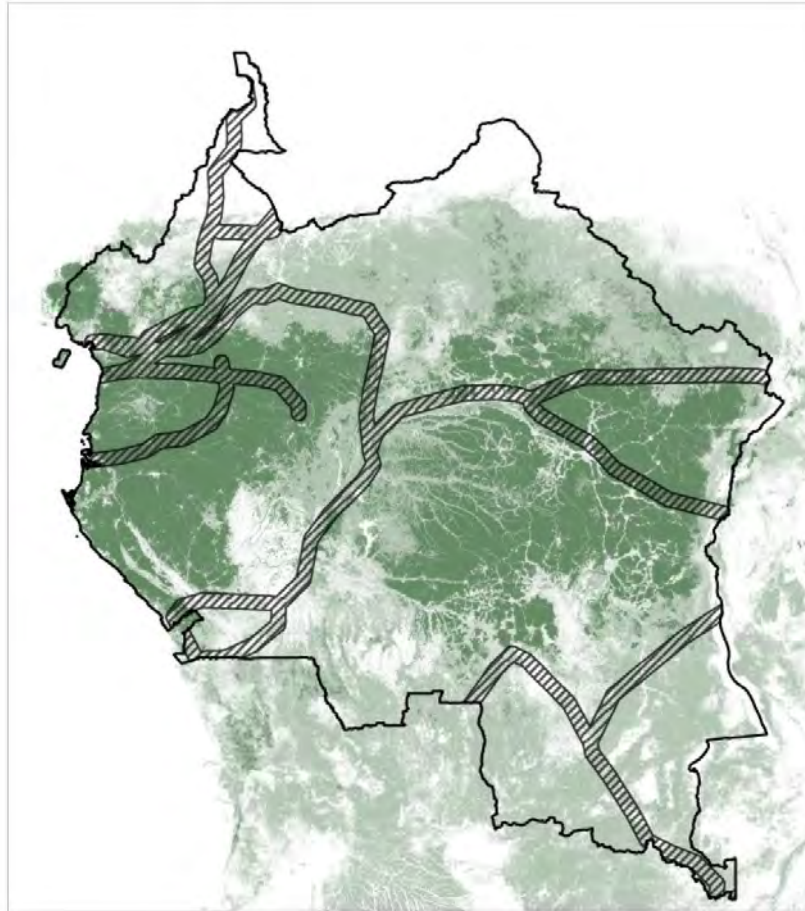
- ▨ Corridors (IIRSA/COSIPLAN)
- Forest

- Oil Blocks
- Mining



These “economic corridors” – linking mines and energy generation to railways, highways, expanded waterways, and ports – threaten to **fragment remaining intact forests** and accelerate deforestation.

### Congo Basin



▨ Corridors (planned corridors with 25-kilometer buffer)

□ Study Area

■ Forest (Evergreen)

■ Forest (Deciduous)

■ Oil Palm

■ Mining

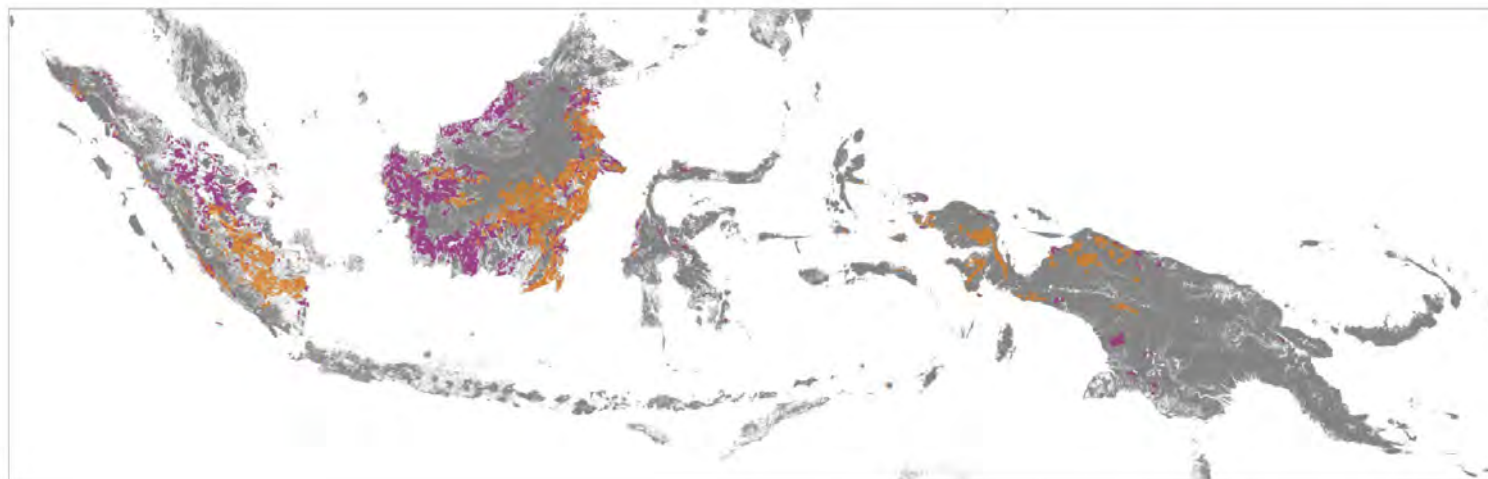


**USD 78.8 trillion** is expected to be invested in infrastructure by 2040, and **25 million kilometers** of new roads could be built by 2050.

### Southeast Asia



- ▨ Corridors (planned corridors with 25-kilometer buffer)
- Forest



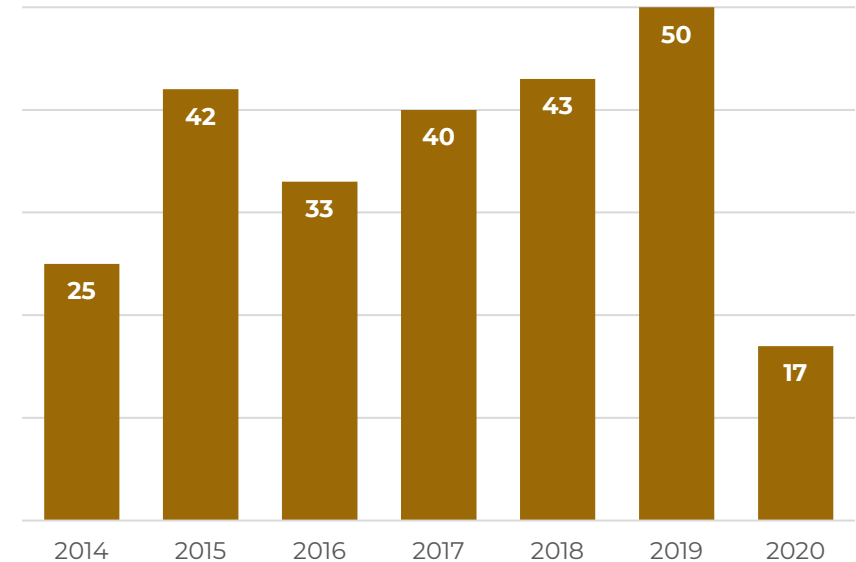
- Oil Palm
- Mining (Coal)



# Most countries' economic development models rely on infrastructure development and resource extraction without **placing due value** on the benefits of standing forests.

- **Power imbalances** lock stakeholders like Indigenous peoples and local communities (IPLCs) and civil society out of decision-making.
- **A lack of transparency** impairs accountability of governments, companies, international donors, and other financial actors.
- **Increasing violence** threatens IPLCs while their rights to free, prior, and informed consent and territorial sovereignty are often not respected.
- **Weak enforcement** of policies and regulations is caused by underfunding relevant agencies, an imbalance of power or poor coordination between government agencies, as well as corporate influence or corruption.
- **Finance still flows to destructive activities** without sufficient forest safeguards.

## Killings of environmental defenders associated with mining & extractives



Source: Global Witness





# Even as threats grow, **awareness** of the need to address mining and infrastructure's impacts on forests and biodiversity is growing.

- In May 2021, **G7 Climate and Environment Ministers** issued a Communiqué committing to urgent action on forests, recognizing mining and infrastructure as deforestation drivers.
- Multisector initiatives, such as the **Green Investment Principles** and the **Taskforce on Nature-related Financial Disclosures**, are seeking to increase understanding and disclosure of nature- and forest- related risks of project investments.
- In November 2018, the UN Biodiversity Conference: in Nov 2018 adopted a long-term strategy to **mainstream biodiversity** management into economic sectors such as mining, energy, and infrastructure.
- The World Bank has developed a **Forest-Smart Mining** initiative and, in May 2019, announced a Climate-Smart Mining Facility to promote best practices in forest-friendly extraction.

## Strategies to achieve NYDF Goal 3



### Strategy 1

**Embrace alternative development pathways** that reduce over-exploitation, inefficient production, and excessive consumption of resources



### Strategy 2

**Align macro-economic and strategic planning with forest goals**



### Strategy 3

**Apply the 'mitigation hierarchy'** to effectively reduce forest impacts from infrastructure projects and extractive industries

# Signs of progress give some hope... but **none of these actions yet provide robust forest protection** from these drivers.

## High-level planning is in some cases being aligned with forest goals.

- A~18% of global forests are designated as protected areas.
- More than 50 countries are preparing national-scale REDD+ programs.
- Companies are signing on to mining and infrastructure sector sustainability initiatives.
- Financial institutions are adopting high-level principles to manage social & environment risk.

## Forest policies, regulations, and safeguards are increasingly being adopted.

- Most governments regulate extractive industries and infrastructure through policies like requiring ESIA's, mine site rehabilitation, and community consultations.
- Some companies have adopted biodiversity policies and mine site sustainability certifications.
- Many financial institutions and donors have adopted forest safeguards, and investors are calling for increased transparency.

## IPLCs, youth, and civil society have been waging a fight for their rights and participation.

- IPLCs have leveraged international support and awareness to gain access to decision-making spaces.
- IPLCs and youth have also been taking battles to the courts, winning some important victories, while other fights continue.







# A fundamental realignment of economic pathways and incentives is needed.



## Governments must

- **Implement alternative development pathways** that are less dependent on resource exploitation in natural ecosystems
- **Ensure** that land use planning processes are **transparent and inclusive**
- **Strengthen and enforce** environmental regulations for these sectors

## Companies must

- **Collaborate** within and across sectors to address **direct, indirect, and cumulative risks** for forests and IPLCs
- **Establish and report** against **timebound and specific** forest commitments
- **Fully respect IPLC rights** in line with international best practice

## Financial actors and institutions must

- **Align financing and investments** with forest goals
- **Adopt, respect, and report on safeguards** that consider direct, indirect, and cumulative risks for forests and IPLCs.
- **Divest from projects** in contention with sustainable development goals