

# Forest Declaration Assessment

Are we on track for 2030?

## Executive Summary

October 2022



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The Forest Declaration Assessment (formerly the New York Declaration on Forests (NYDF) Progress Assessment) is an independent, civil society-led initiative to assess progress toward the global goals of halting deforestation and restoring 350 million hectares of degraded land by 2030 as set out in international declarations such as the New York Declaration on Forests (2014) and the Glasgow Leaders' Declaration on Forests and Land Use (2021). Globally, terrestrial and coastal ecosystems including savannas, grasslands, scrublands, and wetlands are all under threat of conversion and degradation. Countering this threat for all ecosystems is essential to meeting global climate and biodiversity goals. This annual assessment of global progress for 2022, however, focuses specifically on forest ecosystems. It is published as a set of four reports covering different themes: [Overarching forest goals](#), [Sustainable production and development](#), [Finance for forests](#), and [Forest governance](#).

Global conservation goals include limiting global temperature rise to 1.5°C, as articulated in the Paris Agreement and reducing the loss of biodiversity per the Convention on Biological Diversity's Aichi targets. Achieving these results will require a drastic reduction in the conversion and degradation of all natural ecosystems and a very large increase in restoration and reforestation activities, which must be pursued through equitable and inclusive measures. This assessment focuses on forests as a prominent subset of these ecosystems. Nothing less than a radical transformation of development pathways, finance flows, and governance effectiveness and enforcement will be required to shift the world's forest trajectory to attain the 2030 goals. The 2022 Forest Declaration Assessment evaluates recent progress toward the 2030 goals and answers the question: **"Are we on track?"**

# Progress toward 2030 forest goals

Forests are fundamental to regulating and stabilizing the global climate. Meeting the Paris Agreement's ambition of limiting global warming to no more than 1.5°C will require global greenhouse gas (GHG) emissions to reach net-zero by the second half of this century. Eliminating deforestation by 2030 is a major milestone towards achieving the 2050 net zero target. Land use change, including deforestation and degradation, accounts for 10-12 percent of global GHG emissions.<sup>a</sup> Protecting forests also comes with clear benefits for people, biodiversity, and sustainable development.<sup>b</sup>

Halting deforestation and forest degradation as soon as possible, and no later than 2030, will substantially reduce the release of terrestrial GHG emissions to the atmosphere. Restoring forests and other ecosystems will also return significant amounts of carbon to stored biomass and help us realize our collective 2030 targets.

Only eight years remain to achieve the twin global goals of halting and reversing deforestation by 2030. Despite encouraging signs, not a single global indicator is on track to meet these 2030 goals of stopping forest loss and degradation and restoring 350 million hectares of forest landscape.

To be on course to halt deforestation completely by 2030, a 10 percent annual reduction is needed. However, deforestation rates around the world declined only modestly, in 2021, by 6.3 percent compared to the 2018-20 baseline. In the humid tropics, loss of irreplaceable primary forest decreased by only 3.1 percent. Globally, forests became more degraded in 2021, but more slowly than during the 2018-20 baseline period; if continued, this slowdown may in time put the world on track to meet the 2030 target. There is also a significant year-to-year fluctuation in both deforestation and degradation metrics, which makes it difficult to detect trends over short periods of time. Future Assessments will continue to monitor these processes to confirm the limited progress detected in 2021.

Tropical Asia is the only region currently on track to halt deforestation by 2030 (**Figure ES1**). While deforestation rates in Tropical Latin America and Africa decreased in 2021 relative to the 2018-20 baseline, those reductions are still insufficient to meet the 2030 goal. Each year that passes without sufficient

## OVERARCHING FOREST GOALS

The overarching forest goals of: 1) ending the loss and degradation of natural forests by 2030, and 2) restoring 350 million hectares of degraded landscapes and forestlands by 2030 are the guide stars against which all deforestation, forest degradation, and restoration efforts will be measured over the coming decade. This assessment builds on previous New York Declaration on Forests Goal 1 and Goal 5 progress reports, providing updates using the latest available data.

### THEME 1:

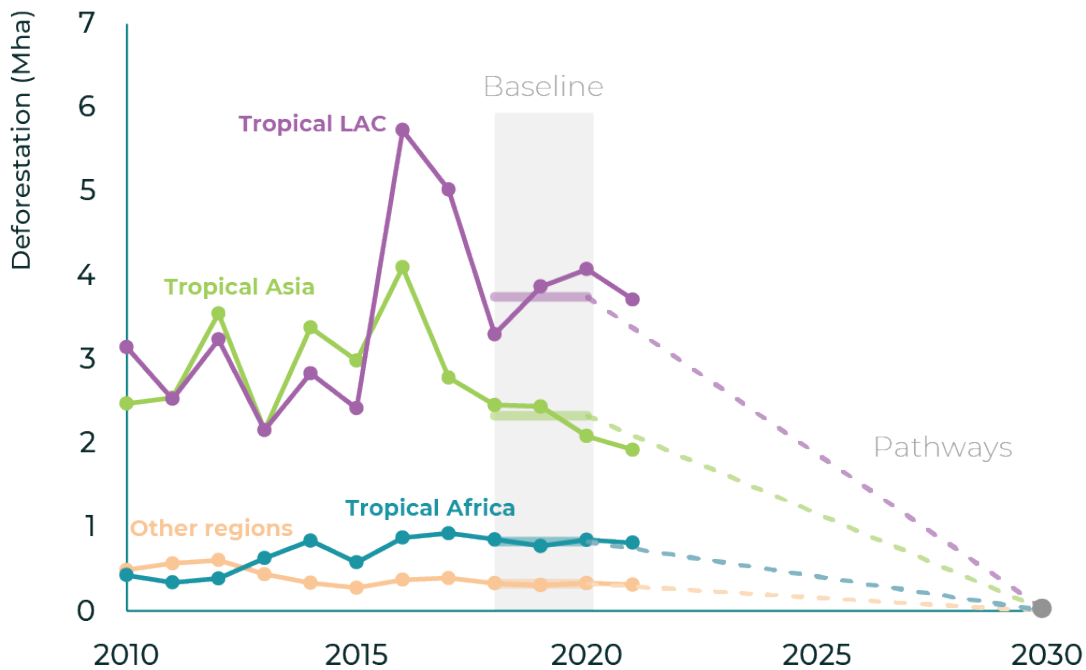
<sup>a</sup> IPCC. (2014). *Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. <https://www.ipcc.ch/report/ar5/syr/>; IPCC. (2019). *Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems*. <https://www.ipcc.ch/srcc/>.

<sup>b</sup> Chao, S. (2012). *Forest Peoples: Numbers across the world*. [https://www.forestpeoples.org/sites/fpp/files/publication/2012/05/forest-peoples-numbers-across-world-final\\_0.pdf](https://www.forestpeoples.org/sites/fpp/files/publication/2012/05/forest-peoples-numbers-across-world-final_0.pdf); World Resources Institute & Climate Focus. (2022). *Sink or swim: How Indigenous and community lands can make or break nationally determined contributions* (p. 22). <https://forestdeclaration.org/resources/sink-or-swim>; Gibson, L., Lee, T.M., Koh, L.P., Brook, B.W., Gardner, T.A., Barlow, J., Peres, C.A., Bradshaw, C.J., Laurance, W.F., Lovejoy, T.E. & Sodhi, N.S. (2011). Primary forests are irreplaceable for sustaining tropical biodiversity. *Nature*, 478(7369), 378-381. <https://doi.org/10.1038/nature10425>

progress makes it increasingly difficult to meet global forest protection goals—and increases the annual reductions required in future years.

Notable progress in afforestation and reforestation efforts over the last two decades have resulted in new forest new forest areas the size of Peru, with net gains of forest cover in 36 countries. However, overall losses exceeded gains over the same period, resulting in a net loss of 100 million hectares globally. It should be noted that forest cover gains, through reforestation and afforestation activities, do not compensate for forest loss in terms of carbon storage, biodiversity, or ecosystem services. Therefore, highest priority efforts should be directed towards safeguarding primary forests from losses in the first place.

**Figure ES1. Global deforestation rate by region over the 2010-2021 period, in million hectares, and the pathway to reach the 2030 gross zero target from the 2018-2020 baseline**



Source: Figure based on original analysis for this report using data from Hansen et al. 2013.  
 Note: The data referring to other regions are used here for reference, to highlight that the bulk of deforestation takes place in only two global regions. The data before and after 2015 are not directly comparable, as the methodology to detect the tree cover loss has been improved and may result in higher estimates of loss for recent years compared to earlier years, although this does not affect the assessment of progress since 2020.

# Sustainable production and development

Global demand for soft commodities like food and timber, and for mined commodities like fossil fuels and mined materials, continues to drive expansion of agriculture, extractive industries, and other land uses into forests. Deforestation is often enabled by the establishment of infrastructure, intentionally or unintentionally opening access to forests. The gravest forest risk comes from so-called megaprojects, which combine multiple types of transportation and energy infrastructure, along with sites of agricultural commodity production, natural resource extraction, and planned urbanization. Such projects are currently underway or planned in all major tropical forest regions.

Forests are under threat not only from global markets, but also from growing demand due to populations in forest areas and urban centers. Billions of people, particularly Indigenous Peoples and local communities (IPs and LCs), rely on forests for their subsistence or pursue small-scale commercial activities that sustain livelihoods. These activities, too, can lead to deforestation or permanent degradation when demand pressure outpaces the rate of regeneration.

## Findings

We are not on track to achieve the private sector goal to eliminate deforestation from agricultural supply chains by 2025. Commodity-driven tree cover loss declined by 6 percent in 2021 compared to previous years (2018-20), but deforestation rates are still higher than in any year before 2016 and are far from the trajectory (20% reduction per year) needed to reach the 2025 target (**Figure ES2**).

Almost all national governments have adopted ambitious forest goals under the Sustainable Development Agenda 2030 indicating broad alignment with the aim of achieving sustainable production and development. Dozens of developing countries have forest strategies in the context of REDD+ (reducing emissions from deforestation and forest degradation), laying the groundwork for important reforms—and, in some cases, driving important policy changes. In most cases, however, these programs have not yet yielded a reduction in deforestation, and only a handful of countries have received payments for forest emission reductions.

In most countries, governments have yet to make the bold sectoral reforms needed to protect forests. There is limited transparency on how policymakers integrate forest goals into their decision-making, and how they seek to avoid and mitigate forest risks across economic sectors. Land use policies – such as

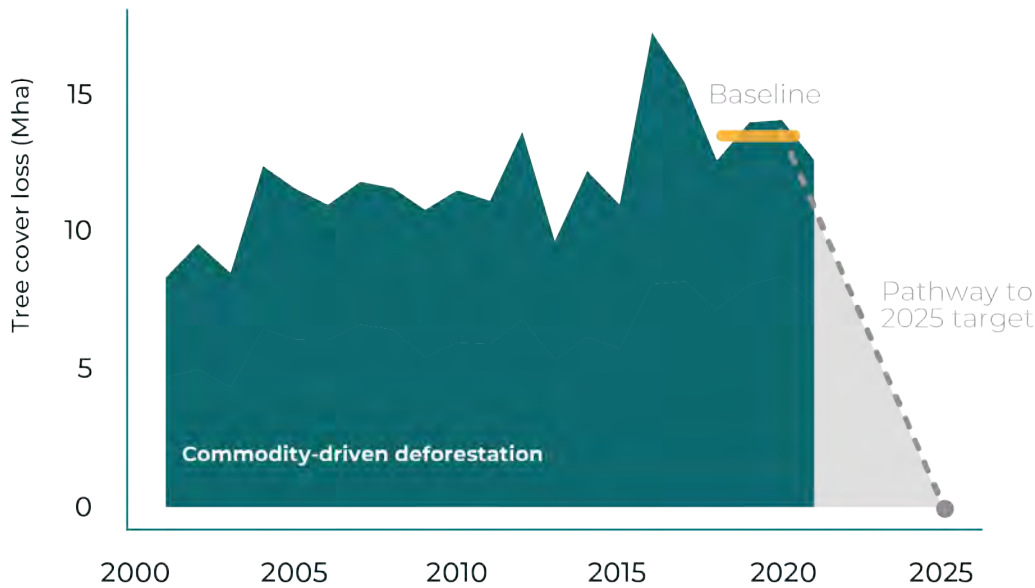
### SUSTAINABLE PRODUCTION AND DEVELOPMENT

#### THEME 2:

The sustainable production and development assessment explores the economic sectors and activities that contribute to and drive deforestation and forest degradation, including agriculture, extractive industries, infrastructure, and other aspects of economic development. This report builds on previous NYDF Progress Assessment reports on NYDF Goal 2 (agricultural commodities), Goal 3 (extractive industries and infrastructure), and Goal 4 (sustainable livelihoods). This review aligns with corporate targets to end deforestation from agricultural commodity production by 2025, a crucial milestone for limiting temperature rise to below 1.5°C.

fiscal incentives, environmental and social impact assessments, and protected area regulations – often fail to integrate forest concerns, have loopholes in their design, or are weakly enforced. Even governments that have adopted “green growth” agendas still struggle to invest in economic growth that is aligned with forest goals.

**Figure ES2. Commodity driven deforestation, in million hectares, and the pathway toward 2025**



Source: GFW, Hansen et al. 2013, and Curtis et al. 2018, and Climate Focus projection of the pathway from 2021 to 2025 based on a target of zero gross deforestation from commodity production by 2025  
 Note: Commodity driven deforestation includes conversion to non-forest use primarily for commercial agriculture, but also mining or energy infrastructure.

Encouragingly, development interventions such as community forestry, payments for environmental services schemes, and extension services for farmers can address both poverty reduction and deforestation and forest degradation. However, there are very few examples of government-led poverty reduction programs that both prioritize forest impacts and are implemented at scale. An analysis of 23 countries found that most have community or collective forestry schemes in place, but only a few provide robust land tenure or promote economic development.

Similarly, the agriculture sector has not made sufficient progress in reducing deforestation from agricultural commodity production. Since the first NYDF Progress Assessment report in 2016, we have seen little progress removing deforestation from supply chains (NYDF Goal 2), and the transformative potential of voluntary company action has not yet been realized. To date, only a quarter of major global companies in the sector have announced a clear, comprehensive, and ambitious policy to eliminate deforestation from their supply chains; of those, only a few have made significant progress on implementation. Less than 20 percent of companies disclosing to CDP report near complete compliance with their zero deforestation commitments.

Corporate action in the extractives sector also remains limited. In response to investor demand, most mining companies have now adopted some form of corporate social responsibility or environmental, social, and governance approach, but these frameworks rarely include an explicit focus on forests. The pace of implementing responsible mining practices" by leading companies has slowed since 2020 compared to the preceding years. Few companies have adopted voluntary mining sector sustainability

standards that require them to address direct, indirect, and cumulative forest impacts. The mining sector recently made positive strides by adopting policies and standards that address biodiversity impacts, but overall transparency and actions to address forest impacts still lag significantly behind the agriculture sector.

IPs and LCs stand at the forefront of grassroots environmentalism despite significant risks. IPs and LCs often work together with civil society organizations, smallholder farmer coalitions, and women's networks to combat threats to forests from development projects, extractives, or agricultural expansion. These actors employ various forms of social resistance, but with limited success – only 1 in 10 bottom-up mobilizations against environmentally destructive and socially conflictive projects are successful in stopping their target project. These successes come at a cost: 200 land and environmental defenders were killed in 2021, and the mining and extractives sector is consistently ranked as one of the deadliest for defenders.

## Recommendations

To ensure that 2025 and 2030 do not pass as 2020 did – with limited progress toward global forest goals – governments, companies, and civil society must collaborate to accelerate forest action, supported by transparency and accountability.

The Forest Declaration Assessment Partners urge the endorsers of the Glasgow Leaders' Declaration, as well as other pledgers, to ensure full transparency on the implementation of pledges, so that progress can be tracked and pledgers held accountable. Pledgers must all set clear interim milestones and provide publicly accessible reporting.

Public, private, and grassroots actors must prioritize collaboration to leverage relative roles and strengths to meet the 2025 target for commodity-driven deforestation. Where certain geographies and supply chains have achieved reductions, the credit can usually be shared between government mandates, company action, and civil society and grassroots initiatives. All actors should accelerate implementation of multifunctional landscape and jurisdictional programs that take an integrative, inclusive, and collaborative approach to addressing forest risks and impacts while driving sustainable economic growth.

Governments must carefully consider whether voluntary action is a viable foundation to achieve the 2030 forest goals, and how the role of mandatory action, disclosure, and accountability should be increased. Despite the exceptional success of a few privately led initiatives—notably the Amazon Soy Moratorium, which has led to lasting and substantial deforestation reductions—voluntary actions alone have not sufficiently shifted the trajectory of forest loss.

- To meet their own voluntary pledges and targets, governments should adopt and enforce stronger mandates for forest protection and sustainable management. Interventions could include binding due diligence regulations and mandatory disclosure, moratoria, increased regulation of protected areas, and recognition and respect for Indigenous territories including mandatory Free, Prior and Informed Consent (FPIC). These mandates should be robust and science-based, covering all forest-risk commodities, legal and illegal deforestation, and addressing human rights and IPs and LCs' rights.

- The critical role of global commodity trading companies, which source and trade a disproportionate volume of forest-risk commodities, must be recognized and leveraged to achieve concrete progress at scale. Governments should implement regulations and legislation targeting these actors, complemented by clear conditions for and from financial institutions.
- Governments should apply a forest lens to interventions designed to increase prosperity and reduce poverty; “greening” poverty interventions can increase their effectiveness by maintaining and improving the contribution of forest ecosystem services to rural livelihoods.
- Across the extractive, infrastructure, and agricultural sectors, regulations should mandate that forest risks identified for any development project must be managed by applying the mitigation hierarchy, with the first step – avoidance – applied as much as possible, accounting for other priorities for sustainable development. Governments should also enforce strict “no-go” zones for extractive industries and infrastructure in high-value forest ecosystems.
- For extractive industries, governments should also strengthen the regulatory processes for prospecting, exploration, and licensing mining activities. Environmental and social impact assessments should be required to be conducted early in the mining life cycle and to assess indirect and cumulative project impacts.
- Across all sectors, governments must empower civil society, smallholders, and, in particular, IPs and LCs, who have traditionally been the strongest constituencies for forests. Governments need to ensure meaningful participation in decision-making, design, and implementation processes by affected rights-holders, including ensuring the right to FPIC. Affected rights-holders include those whose customary forest lands and livelihoods are affected and organizations who advocate for the rights of nature.

Companies need to urgently increase the scope and stringency of corporate action, whether voluntary or mandated. Companies who wish to lead the charge toward the 2025 and 2030 forest goals should advocate at local, national, and international levels for holistic approaches to addressing deforestation; approaches where corporate action is enabled and supported by appropriate legislative and policy frameworks, trade standards, and financial instruments and incentive structures.

- Agricultural companies should strive to follow the best available guidance for removing deforestation from their supply chains and should adopt best practices set by sustainability standards.
- Sectoral bodies like trade and commodity associations should expand their efforts to include domestic markets and small- and medium enterprises into the zero-deforestation and zero-conversion supply chain movement to reach a critical share of market coverage for all forest-risk commodities.
- Extractive companies, and those sourcing from them, should adopt biodiversity commitments and policies that explicitly state that forest impacts from company operations at and beyond the mine site, and company-wide, must be addressed using the mitigation hierarchy. They must then embed the necessary processes and mechanisms in their standard operations to realize these commitments, including monitoring and reporting systems.



- Mining sector sustainability schemes should require site operators and downstream purchasers to assess and manage not just the direct forest impacts of extraction, but the indirect and cumulative as well.
- Companies in the extractives supply chain should also consider the opportunities of conducting forest conservation and restoration activities, through a nature-based solutions lens, to mitigate business risks, achieve company climate and biodiversity targets, and provide benefits to affected stakeholders.

# Forest finance

Achieving international forest goals requires substantial public and private investments to address the drivers of deforestation, and to manage and restore forests sustainably. Improving the environmental impact of our industrial and agricultural systems requires profound changes to economic and legal systems. Without both enforcement and compensation mechanisms, forests will continue to be worth more to users cleared than standing – especially in the short term.

Reaching forest goals requires more finance to be earmarked for forest activities, and existing finance to be shifted away from harmful activities towards sustainable actions.

## FOREST FINANCE

### THEME 3

The assessment of forest finance and forest goals provides updates on available data and recent policies to channel finance to the forest sector, and an assessment of the role of public and private finance, and carbon markets for forest finance. It assesses how progress in the past year has advanced the 2030 global forest goals; the extent to which current finance is sufficient for meeting these goals, and where gaps remain. It also explores new forest finance-related areas, including public sector governance mechanisms, direct finance mechanisms for IPs and LCs, the role of the voluntary carbon market.

## Findings

Finance for forests is not on track to meet global goals to halt and reverse deforestation by 2030. It will cost up to USD 460 billion per year to protect, restore, and enhance forests on a global scale. Currently, domestic and international mitigation finance for forests averages USD 2.3 billion per year – less than 1 percent of the necessary total. For comparison, total finance for climate, from both public and private sources, reached USD 632 billion in 2019-20.

Funding for forests will need to increase by up to 200 times to meet 2030 goals. This funding does not need to come just from philanthropic donations or public sector development assistance—a wide range of financial mechanisms can support forest goals if they are properly designed, including domestic budgets and fiscal policies, private investments, blended and de-risked finance, grants or loans, readiness and capacity building support, and results-based payments.

Finance pledges made in 2021 demonstrate a substantial increase in ambition to meet 2030 forest goals. If they are fully delivered, they would quadruple annual finance for forests from 2021-25 to USD 9.5 billion. Yet, funding would still need to increase by up to 50 times to meet investment needs. One year on from these pledges, it is not yet possible to directly assess their progress because most have yet to publicly disclose on their implementation efforts. However, available data does not yet show an increase in funding corresponding to pledges made at COP26 in November 2021.

From 2010-20, governments committed USD 25.3 billion of domestic and international public funding to protect and conserve forests—financing committed with a stated forest objective, or under REDD+ strategies. Flows have increased since 2010, with a significant period of growth between 2016-19. In 2020, however, finance flows fell by almost half, likely due to countries' changing budget priorities in the COVID-19 pandemic. Even at its height, finance aligned with forest goals paled in comparison to

domestic and international "grey" (potentially harmful) finance flows to agriculture and forest sectors). From 2010-20, grey investments by the public sector totaled at least USD 257 billion in domestic finance and USD 13 billion in international finance.

IPs and LCs, who are the most effective stewards and guardians of their forest territories, receive far less funding than their estimated finance needs for securing tenure rights and preserving forest ecosystems. Only 1.4 percent of total public climate finance in 2019-20 was targeted toward IPs and LC's needs, and only 3 percent of the financial need for transformational tenure reform is being met annually.

Private sector actors—companies, financial institutions, and philanthropies—have not yet leveraged their significant power to steer development and commodity production onto a sustainable trajectory in line with forest goals. Most financial institutions still fail to have any deforestation safeguards for their investments. Almost two thirds of the 150 major financial players most exposed to deforestation do not yet have a single deforestation policy covering their forest-risk investments, leaving USD 2.6 trillion in investments in high deforestation-risk commodities without appropriate safeguards.

Demand for nature-based carbon credits in the voluntary carbon market has grown significantly, driven primarily by interest from companies. The volume of carbon credits traded in the voluntary carbon markets grew by 89 percent in 2021, with 45 percent of all credits issued coming from forestry and land use projects. On the other hand, only 10 percent of the carbon credits issued in compliance markets in 2021 came from schemes that allow carbon credit use from forests. The average price of forest carbon credits in 2021 was between USD 4.7 and 15 per ton of CO<sub>2</sub>, well below the price needed to meet the Paris Agreement's target of limiting global warming to 1.5 °C. Overall, the contribution of carbon market finance is still minor compared to other green finance sources.

## Recommendations

Despite the price tag for protecting and restoring forests on a global scale—up to USD 460 billion per year—this is an investment that we cannot afford not to make. Achieving the 2030 forest goals is essential for ensuring a livable world in line with the Paris Agreement. Governments, financial institutions, companies, and philanthropies must step up to increase and align their spending and investments with forest maintenance and restoration goals.

The Forest Declaration Assessment Partners call on governments, companies, and financial institutions to utilize all tools at hand to substantially increase their investments in forests, while also shifting finance away from harmful activities.

The Assessment Partners urge those who make forest finance commitments—including endorsers of the Glasgow Leaders' Declaration—to collaborate with impacted communities to design their pledges, and to pair these pledges with transparent and timebound interim milestones and public reporting on disbursements, effectiveness of funding, and alignment of finance flows with forest goals. Commitment makers should detail what share of the pledged finance is additional versus preexisting planned funding and should clarify how, when, and where this finance will be spent. Evaluation mechanisms must be put in place to enable donors and communities to assess the impacts of disbursed finance and allow for needed adjustments. Inclusive and transparent processes are essential to understand how pledged finance compares to needs and can help guide and improve the impact of future investments, as well as help hold actors to account on their commitments. The management and governance of finance for

forests must be developed in partnership with local implementing organizations to ensure that disbursed finance achieves its objectives.

All financial actors, including governments, financial institutions, companies, and philanthropies, must make every effort to support the involvement of IPs and LCs in forest and finance decision-making. Public and private actors must facilitate the flow of finance to IPs and LCs to better enable them to carry out forest-protection and conservation activities. Governments, multilateral institutions, and private foundations should prioritize the establishment of new and direct finance mechanisms for these activities and should codesign these mechanisms with IP and LC groups. Increased coordination and cooperation between donors, NGOs, and IPs and LCs can help to build trust and guide the most appropriate interventions. Public and private financiers must also reduce administrative and technical burdens and provide capacity building for IP and LC groups to receive and manage funds directly. Where intermediaries are necessary, organizations trusted by IPs and LCs should be prioritized.

Public sector actors must take concrete and far-reaching steps to implement and expand their finance commitments and align fiscal and financial policies with forest goals, including:

- Incorporate forest risks and impacts into public budgeting frameworks. Governments must assess the potential impact of public financial and fiscal decisions on forests and direct finance toward activities that present the least risk and most benefits to forests. Safeguard measures must be put in place when needed.
- Seize every opportunity to redirect harmful agricultural subsidies and other incentives (domestic and international) that drive deforestation and forest degradation. Governments should work to identify which subsidies lead to adverse forest impacts and, to the maximum extent possible while ensuring just and equitable outcomes, redirect and repurpose these subsidies, either by making financial support conditional upon achieving environmental objectives, or by channeling finance directly into deforestation-free incentive programs.
- Employ blended financing tools to leverage private sector finance for the protection of forests. Implement policies and instruments which can help to de-risk private investments to create an enabling environment for private finance.

Financial institutions and companies across sectors must recognize and act on the inherent business risks presented by deforestation and forest degradation and put in place measures and policies to combat this risk, including:

- Develop a full understanding of the company's or institution's exposure and contribution to climate- and forest-related risks and impacts (in the short, medium, and long term).
- Incorporate processes for assessing climate- and forest-related risks into existing risk management processes. This includes processes for identifying, managing, and mitigating risks.
- Move from voluntary to mandatory disclosure of forest-related risks and progress against pledges to increase transparency and allow investors to reconsider their capital allocation decisions.
- Implement standards and policies that actively promote green investments and lending to forest conservation-oriented land sector businesses.
- Prioritize investments that are aligned with and synergetic with forest goals, applying the mitigation hierarchy to all investment decisions. Limit the volume of private finance flowing to activities that have a detrimental impact on forests.

Where private sector actors choose to invest in nature conservation and restoration, they must ensure that they are supporting high-quality and high-integrity interventions in line with the mitigation hierarchy and science-based targets. This could include market-based options, such as participation in carbon markets with forest- and land-based credits, or non-market-based options such as support for implementation of jurisdictional or landscape scale sustainability activities. Actions to achieve this goal include:

- Invest in landscape finance for forest protection activities that holistically address the major drivers of deforestation, conversion and land degradation, both market and non-market based. One such example is support of multi-stakeholder platforms that can promote constituency building, strategic planning, mapping, and project development.
- When using forest-based carbon credits to meet one's internal climate mitigation targets, use forest-based carbon credits to compensate for residual emissions only after first prioritizing emissions reductions within the actor's internal operations. In addition, consider investing in forest-based carbon credits as part of strategies to achieve societal decarbonization beyond companies' own value chains.
- In making purchasing decisions, prioritize 1) crediting standards that meet essential social and environmental integrity criteria, 2) high-quality credits from jurisdictional REDD+ programs 3) projects that are nested within high-quality jurisdictional REDD+ programs, and 4) credits from other high-quality projects and programs that reduce threats to standing tropical forests.
- Develop, scale up, and adopt governance frameworks which establish rules for public and private use of, and claims about, carbon credits.

# Forest governance

Effective forest governance results in clear policy and legal frameworks that are conducive to meaningful participation of all groups, holds governments accountable and promotes action toward the achievement of shared goals, such as forest protection and improved land tenure and access to natural resources.

The evidence shows that weak forest governance results in negative impacts, not just on forest landscapes and their ecosystems, but also on societies, and, in particular, those who are most dependent on forest lands, including IPs and LCs, poor people, and other marginalized groups. Where countries have successfully reduced deforestation, this success has resulted from robust governance systems.

In a world where voluntary pledges are increasingly used to communicate intent to work collectively toward the 2030 forest goals, effective forest governance remains the foundation to ensure that actions are aligned toward a common objective.

## Findings

With only eight years left to reach the 2030 goals, governance of forests and forest lands is not yet strong enough to curb deforestation and degradation in line with those goals. Robust legal and policy instruments such as moratoria, strengthened enforcement capacity, smart conservation policies, and improved transparency and accountability are effective in protecting forests—as evidenced by remarkable reductions in deforestation in various periods since 2004 when these tools have been employed in Indonesia, Ghana, Côte d'Ivoire, Gabon, Guyana, and Brazil. Yet, some of these achievements have been reversed—notably in Brazil—or are at risk of being reversed as countries phase out or roll back policy gains through recent or proposed amendments.

In some countries, reforms and new initiatives have strengthened legal and policy frameworks governing forests and land use. Jurisdictions such as the Republic of the Congo and the United States have recently developed laws and policies to protect and sustainably manage their forests more effectively. Others, like the European Union (EU), Australia, Vietnam, and China are expanding on their demand-side regulations by developing laws addressing import of forest-risk commodities and enhancing traceability in the forest sector. However, most of these proposals lack sufficient detail, are in early stages of development, or have yet to be implemented at a sufficient scale to curb deforestation in line with the 2030 goal.

### FOREST GOVERNANCE

This assessment covers forest governance systems and the extent to which they support the goal of halting and reversing forest loss and land degradation by 2030. Elements of forest governance assessed include legal, policy, and institutional frameworks on sustainable management and protection of forests; demand-side measures and international engagement; law enforcement; tenure security, rights protection, and empowering Indigenous Peoples and local communities; and transparency, public participation, and access to justice. This report builds on previous NYDF Progress Assessment reports on NYDF Goal 10.

### THEME 4

More inclusive approaches to policy development, implementation and enforcement have been adopted by a growing number of countries, reflecting both growing capacity and expertise within civil society and government recognition of the value of forest protection. This has resulted in improvements in policies and laws, and enhanced accountability of government and the private sector in, for example, the Republic of the Congo, Ghana, and Cameroon.

Law enforcement has also improved in a few tropical forest countries, for example contributing to reducing illegal timber exports from Lao People's Democratic Republic, and reduced deforestation in Indonesia. But there has also been a weakening of enforcement in some other countries and gaps in the existing legal frameworks, preventing effective enforcement. Furthermore, corruption is widespread in many forest areas, facilitating illegalities in forests and illegal trade in timber.

Finally, tenure insecurity is persistent in many countries, with at least 50 percent of the lands and territories held by IPs and LCs still not legally recognized. Reforms in Congo Basin countries such as the Republic of the Congo and Democratic Republic of the Congo (DRC) have strengthened IPs and LCs rights' recognition and protection. However, some other major tropical forest countries have weakened the legal protection of IPs and LCs' rights through regulatory and legislative changes, or have not accelerated implementation of relevant policies and laws so that IPs and LCs still face violations of their territorial rights, as well as violence and marginalization.

## Recommendations

Governments must take urgent steps to strengthen forest governance, including:

- Address weaknesses, overlaps, and ambiguities in forest legal frameworks; clarify unclear and overlapping laws, regulations, and institutional mandates; streamline legal frameworks in the forest and non-forest sectors; and improving the enforcement authorities' capacity to understand the law.
- Halt and reverse the weakening of legal frameworks and institutional capacities. Governments should carefully assess the long-term implications of recent rollbacks for sustainable development and forests. This includes recent amendments and introduction of laws that undermine forest protection and reforms weakening environmental and social protections in the wake of COVID-19.
- Secure IPs and LCs' land tenure rights by developing and implementing clear and coherent laws that formally recognize and protect these rights.
- Implement inclusive processes for forest governance, including by embedding the participation and inclusion of forest-dependent communities in forest decision-making into the legal frameworks, ensuring that IPs and LCs are consulted on and have consented to decisions around their forest lands through a process of FPIC. More broadly, ensure participation of non-state actors in policy and law-making and implementation; land-use planning; law enforcement; and forest monitoring.
- Address regulatory weaknesses and ensure the proper implementation of environmental and social impact assessments (ESIAs) and of legislations on protected areas. Proper implementation of ESIAs includes, considering all direct, indirect, and cumulative negative impacts on forests and the people dependent on them, and prioritizing their avoidance in accordance with the mitigation hierarchy.

- Increase checks and balances to combat corruption in the land and forest sector. This requires, for example, limiting government officials' discretion in approving concessions; adopting robust rules to avoid conflicts of interest; implementing robust timber legality assurance systems and due diligence requirements; and ensuring compliance with or the strengthening of transparency laws.
- Strengthen enforcement by allocating sufficient resources to enforcement agencies, strengthening international cooperation, and empowering civil society and communities in monitoring.
- Strengthen land-use planning, including evidence-based spatial planning analyses and processes for allocation of concessions and ESIA's, in alignment with forest goals.



## ABOUT

The Forest Declaration Assessment is a continual and collaborative process achieved collectively by civil society organizations and researchers, known as the Forest Declaration Assessment Partners. Previously the NYDF Progress Assessment, the Forest Declaration Assessment has since 2015 published annual updates on progress toward global forest goals. All assessment findings undergo a rigorous peer review process conducted by experts across the globe. To learn more about the Forest Declaration Assessment, please visit [www.forestdeclaration.org/about/assessment](http://www.forestdeclaration.org/about/assessment).

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Forest Declaration Assessment Partners. (2022). Forest Declaration Assessment: Are we on track for 2030? Executive summary. Climate Focus (coordinator and editor). Accessible at [www.forestdeclaration.org](http://www.forestdeclaration.org).

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Accountability Framework



CONSERVATION INTERNATIONAL



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Forest Declaration Assessment

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