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STATEMENT: Forests can be a third of the climate solution, but international support does not add up

Forests are a critically underfunded climate solution. Keeping forests standing and restoring those which have been lost and degraded, could absorb up to 5.5 billion tons of carbon pollution each year, as much as 80% of direct emissions from the world's transport sector. Forest and land-use could contribute 30% of the climate mitigation needed to achieve the goals of the Paris Agreement. Yet, forests receive only a fraction - 2% - of international development finance to mitigate climate change.

More funds are needed to protect and restore forests, as well as to revert the widespread tropical forest degradation. An estimated \$200 billion per year is required for a global transformation to deforestation-free agriculture. According to the Tropical Forest Alliance 2020, approximately \$50-100 billion annually could be invested in sustainable agricultural intensification, restoration of degraded lands and livestock management. Countries also need support to strengthen their institutions, policies and forest governance.

It is essential to shift existing finance toward sustainable land use. Over \$777 billion has been spent on agriculture and land-intensive development since 2010, in the form of investments and subsidies from governments, the private sector and international donors. This number dwarfs finance in support of forests: \$2.7 billion investment in green commodities, or \$8.1 billion in international public finance to support countries that seek to reduce tropical deforestation. To stop the loss of forest protection has to be factored into agricultural, infrastructure, and other investments. Redirecting finance toward sustainable land use promotes healthier and more productive landscapes in producer countries while reducing deforestation.

Redirecting existing financial flows could be achieved with the targeted and strategic use of public funds. A public-private dialogue that helps to redirect subsidies and supports deforestation-free commodities could help deploy finance strategically with the goal of leveraging private investments. New financial instruments could help to support farmers, de-risk investments and promote integrated landscape investments that combine an increase in agricultural productivity with the protection of forests and other ecosystems.

There is wide societal support for the protection of forests, but more needs to be done. The nearly 200 companies, governments, civil society organizations and indigenous peoples' groups that have endorsed the New York Declaration on Forests (NYDF), which aims to halt global forest loss by 2030, provide a starting point for further mobilization and the proposed dialogue.

We call on the One Planet Summit to publicly elevate the importance of forests as a climate solution and agree on a concrete plan to mobilize green finance for a sustainable and inclusive transition to a deforestation-free economy.

