Political will and company pledges are insufficient to curb tropical deforestation: Deforestation remains at record highs

Summary of the 2018 Progress Assessment of the New York Declaration on Forests

The New York Declaration on Forests (NYDF) is a voluntary and non-binding international declaration to take action to halt global deforestation. The NYDF outlines 10 ambitious goals related to protecting and restoring forests.

Unsustainable activities are driving increased forest loss

Forests have the potential to provide at least 30 percent of the solution to keep global temperature rise below 2 degrees, yet our forests are disappearing faster than ever (Goal 1). Forests, if well managed and protected, absorb huge amounts of carbon dioxide to produce the oxygen we need to survive.[i] While there are signals that the international community understands the mitigation value of forests, current efforts to stop forest loss are not enough. In 2017, tropical forests emitted 4.6 gigatons of CO_2 into the atmosphere – more than four times the average annual value between 1990 and 2010 – and the second highest loss on record after 2016.[ii] From 2014-17, average annual emissions from gross tree cover loss increased in over 70 tropical forested countries compared with a 2001-13 baseline. Among the highest rates of forest loss occurred in West Africa.[iii] However, there were also positive developments: deforestation rates have gone down in Paraguay, and tree cover loss in Indonesia's primary forests decreased by 60 percent in 2017 relative to 2016, corresponding to a decrease of 0.2 gigatons of CO_2.[iv]

Unsustainable consumption, increased wealth, growing populations and changing diets put increasing pressure on natural ecosystems. Agricultural expansion (Goal 2) accounts for about 80 percent of global deforestation, mostly due to the production of commercial goods such as palm oil, soy, beef, and timber products.[v] Resource-based economic development (Goal 3) also threatens the forest frontier. Worldwide, almost a fifth of deforestation is caused by infrastructure development, mining, and oil and gas extraction.[vi] These activities work synergistically to threaten forests and other ecosystems and the Indigenous Peoples and local communities who protect them: investing in roads and energy infrastructure enables access to previously untapped natural resources, while the financial returns of mining and extraction provide justification for more infrastructure development.[vii] At the community level, basic needs activities (Goal 4) such as subsistence agriculture, fuelwood collection, and other activities may contribute to forest loss and degradation.

Achievement of high-level pledges is lagging

Commitments to stop deforestation and eliminate it from supply chains have reached significant shares of agricultural commodity markets, but major gaps remain. Many multinational corporations have recognized that protecting forests is a smart growth strategy, with the number of corporate commitments to reduce or halt deforestation driven by agricultural commodity supply chains reaching 797 in 2018, compared to 187 in 2011 and 489 in 2014. An increasing number of companies report that they are adopting policies and procurement standards and engaging with suppliers to implement their forest commitments. In Brazil and Indonesia, sectoral efforts such soy and palm moratoria and cattle agreements have been directly linked to reduced deforestation. Commitments cover large shares of production in international palm oil markets (65 percent) as well as the largest paper and pulp players operating in tropical regions (70 percent), but the shares remain low in the global soy and beef markets (11 percent). Almost half of the most influential forest-risk companies remain without a commitment.

Implementation of commitments varies by commodity: many companies report having adopted production and procurement standards, but only a third of companies in the cattle and soy sectors can trace their products to the point of origin, compared to more than half of palm and timber and pulp companies. Jurisdictional approaches to landscape management (Goal 9) are emerging, which bring multiple stakeholders together to enact positive change throughout a whole region. Efforts to assist cocoa farmers in Côte d'Ivoire, coffee growers in Peru, and others provide support such as education funding, improved technologies, and secure land rights. As of 2017, there were 34 jurisdictions with active programs spread evenly among Asia, Latin America, and Africa. However, many are still in nascent stages and information on implementation is often unavailable, making progress difficult to assess.

Government recognition of indigenous and local community forest rights has remained slow since 2008, despite their proven role in protecting forests and mitigating climate change (Goal 10). Indigenous Peoples and local communities across 41 countries legally own or have more limited rights to 15 percent (521 million hectares) of forests, despite holding, using and claiming much more. Indigenous Peoples and local communities manage nearly 300,000 million metric tons of carbon in their trees and soil across 64 countries—33 times energy emissions from 2017.[viii] At least a third of the carbon managed by communities in tropical and sub-tropical countries (72,079 MtC) lies in lands that lack formal legal recognition. This lack of recognition, as well as growing violence and criminalization against Indigenous Peoples and local communities, puts both people and the planet at risk.

In non-agricultral economic sectors, close to 97 million hectares (19 percent) of intact forest landscapes in the Amazon, Central Africa, and the Asia Pacific overlap with commercial concessions for oil and gas and mining. Industries based on natural resource extraction are just beginning to take new action to encourage sustainable practices through the launch of sector-based voluntary initiatives such as the Standard for Responsible Mining, an additional planned global standard and certification for steel production, and an effort to track the sustainability risks of all materials used in the auto industry. In the public sector, while many countries push forward on resource-based economic development plans that threaten forests, some are passing policies that will help to offset that damage, and still others are pushing back against extraction as a development model. Most countries with deforestation hotspots have adopted regulatory requirements for biodiversity offsets for certain projects (e.g., Brazil, Indonesia, Colombia, and Papua New Guinea).

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As a part of their contributions to the Paris Agreement, 49 countries have expressed the intent to restore a total of 57 million hectares of forest landscapes – an area larger than France (Goal 5). Under the Bonn Challenge, a range of actors have pledged to restore 168.9 million hectares. However, evidence on implementation to date has only been reported for six jurisdictions, in which 23.2 million hectares have been brought into restoration: Brazil; El Salvador; the Mexican states of Campeche, Quintana Roo, and Yucatan; Rwanda; the United States; and India. Additionally, opportunities for leveraging indigenous and community-led solutions to forest landscape restoration have yet to be mainstreamed by governments and key climate financing institutions.

Financial resources for forests (Goal 8) are insufficient to realize their full mitigation potential. Just 2 percent of international climate finance goes to forests. While results-based payments for REDD+ should incentivize forest protection, tropical forest countries struggle to meet program requirements and resources remain severely limited. Subsidies and investments in sectors driving deforestation (e.g., agriculture) amount to 40 times more than investments in protecting forests. While this points to a significant opportunity to shift finance from activities with a potentially negative impact on forests to activities with sustainable approaches, few financial institutions have lending safeguards around forest-risk commodities, and most are not mandatory. Nevertheless, individual banks are emerging as leaders in the adoption of forest-risk policies, public disclosure, and divestment. In 2018, several banks, such as the Government Pension Fund Global, managed by Norges Bank Investment Management, and the AXA Group, have publicly disclosed and divested from companies with a risk of high deforestation.

Better data is needed to protect forests

Across sectors, lack of data is a major limitation to understanding the location-specific drivers of deforestation and the effectiveness of measures taken to protect forests. Major constraints and uncertainties include small sample sizes, lack of appropriate proxy data, and lack of verification of self-reported data. While countries are adopting new policies and strengthening implementation capacities for bringing degraded forests and land into restoration, aligning international commitments and measuring implementation remains challenging. With companies, it is often unclear to what extent commitments are exposed to deforestation risks because available data do not distinguish between supply from risk and non-risk geographies. Despite some progress, many companies remain reluctant to share data, and the information they provide is often vaguely defined, incomplete, or buried in sustainability reports.

Tools and data sets are continuously under development that may address gaps in our understanding of where deforestation is happening and how to address it and should accelerate our efforts to protect forests. For example:

- o Global Forest Watch (globalforestwatch.org) is compiling and synthesizing the best available spatial information on the extent and geographic location of the world's planted forests and agricultural tree crops, allowing forests to be monitored in real-time.
- o Trase (trase.earth) maps the supply chains of globally traded agricultural commodities, linking regions of production to importing countries via the individual companies that export and import these commodities.
- o The Accountability Framework (accountability-framework.org), being developed by a coalition of leading environmental and social NGOs in close consultation with companies, governments, and other stakeholders, aims to provide clear and consistent guidance on definitions, implementation, monitoring, verification, and reporting on supply-chain commitments.

We have a long way to go, but together we can meet our promise to stop global forest loss.

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About the NYDF Progress Assessment

With the endorsement of the NYDF in 2014, over 190 national and subnational governments, multinational companies, groups representing indigenous communities, and nongovernmental organizations pledged to work toward ending forest loss by 2030. Every year, the NYDF Assessment Partners, an independent network of civil society groups and research institutions, publish a general and goal-specific progress assessment towards the 10 goals formulated by the NYDF. This summary outlines the findings from the general progress assessment. The goal-specific progress assessment this year will focus on forest governance (Goal 10). It will be launched at the end of November 2018.

The NYDF Assessment Partners include: CDP, Center for International Forestry Research (CIFOR), Chatham House, Climate Focus, Conservation International (CI), Environmental Defense Fund (EDF), Forest Foundation Philippines, Forest Trends, Global Alliance for Clean Cookstoves (the Alliance), GCP, Instituto de Manejo e Certificação Florestal e Agrícola (Imaflora), the International Center for Tropical Agriculture (CIAT), International Union for Conservation of Nature (IUCN), National Wildlife Federation (NWF), Overseas Development Institute (ODI), Rainforest Alliance, Stockholm Environment Institute (SEI), The Nature Conservancy (TNC), The Sustainability Consortium (TSC), Woods Hole Research Center (WHRC), World Resources Institute (WRI), World Wildlife Fund (WWF-US), and the Zoological Society of London's (ZSL) Sustainability Policy Transparency Toolkit (SPOTT) initiative.

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[iii] Considering only countries with an annual tree cover loss average of more than 60 hectares per year between 2001 and 2013.
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[viii] Countries were classified as tropical, subtropical, temperate and boreal according to the ecological domain classifications used in the FAO Global Forest Resources Assessment 2015. FAO. 2016. FRA 2015 Process Document. Forest Resources Assessment Working paper 186, Food and Agriculture Organization of the United Nations, Rome, 12-21. Available at: http://www.fao.org/3/a-br632e.pdf.