

Executive Summary NYDF Goal 7 Progress Report (2021)

Goal 7 of New York Declaration on Forests (NYDF) has been met: the Paris Agreement confirms forests' pivotal role in the international climate agenda. However, in spite of international recognition that forests are essential to mitigate the climate crisis, deforestation and forest degradation continues all over the world. The protection, restoration and sustainable management of forests globally has never been more urgent. The NYDF Progress Assessment Partners therefore consider it timely to take stock of governments' efforts to increase the protection, restoration and enhancement of the world's forests.

The 2021 NYDF Progress Assessment report looks at three aspects of government efforts: how ambitious are countries in terms of their forest climate pledges; how much are governments investing in forest climate mitigation activities; and to what extent are countries implementing the strategies to advance forest mitigation goals at the national level. We outline recommendations on what governments can do in each of these three aspects.

How ambitious are countries' climate pledges for forests? Our analysis finds that countries' targets fall short of forests' potential. We assessed the nationally determined contributions (NDCs) of the 32 countries with the largest mitigation potential in three forest mitigation activities – reducing deforestation, improving forest management and afforestation/ reforestation. Collectively, the share of those countries' targets is only 50% of the mitigation potential of their forests. Excluding India's large target for afforestation/reforestation, the share of combined targets represents just 16% of potential. Half of NDCs assessed recognize the role of Indigenous Peoples and local communities (IPLCs) in achieving forest goals, however it is unclear how governments will involve IPLCs in NDC implementation, and whether IPLC rights will be strengthened.

How much are governments investing in forest climate goals? Since 2010, governments globally have committed an average of USD\$2.4 billion per year to forest mitigation as both international and domestic investments. This represents a miniscule fraction (0.5-5 %) of what is needed to protect, restore and sustainably manage forests. Investments in forests ("green investments") remain significantly lower than the massive "grey" finance flows into activities that may drive forest loss. To realize the mitigation potential of forests, governments need to massively increase their domestic and international support for strategies that keep forests standing, including

securing the rights of IPLCs over their customary lands. In addition, governments need to support the greening business-as-usual grey finance flows, which can include channeling existing finance that shift deforestation-driver activities from forest areas to non-forest lands.

Have governments made progress in advancing forest climate goals? It is still too early to assess the progress of NDCs, as countries only report their progress under the Paris Agreement in a few years from now. In the meantime, we take stock of governments' existing domestic efforts and policies, and offer recommendations on what governments can do to accelerate outcomes. We identify seven strategies that governments pursue to advance forest goals. We have found many indications that governments have made progress across the strategies for reducing forest loss and enhancing forest sinks. There are promising examples where deforestation rates have declined, and where necessary policies and institutions have been put in place. Nevertheless, efforts have been insufficient to address the complex problems of deforestation and unsustainable land use. Consequently, forest loss and degradation continue globally.

What can governments do? Ways forward. This chapter outlines concrete recommendations for governments across strategies. More generally, governments need to put forest climate goals front and center of their macroeconomic and development policy-making processes. Upholding forest climate goals in policy making does not mean all deforestation can or should be stopped. It means that forests' contributions and services for current and future generations are carefully valued and regenerated. Any forest loss needs to be justified by sustainable development efforts that benefit the broader public, rather than a small elite. To support forests being central in overall macroeconomic and development policy-making in the long term, governments need to support and foster constituencies of citizens, civil society and IPLC groups that mobilize around forest climate goals.

There is no silver bullet for delivering on forests' potential to mitigate climate change. Multiple strategies that work complementarily are required to protect, restore and sustainably manage forests. Implementing these and other emerging solutions will require a whole-of-society approach. Governments need to embrace and implement a combination of the strategies in this report, ensuring the necessary enabling conditions while providing incentives as well as disincentives to stakeholders that influence the use of forests, land, and resources.