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The COP 30 Presidency Roadmap on Halting and Reversing Deforestation and Forest Degradation by 2030: Response from the Investor Policy Dialogue on Deforestation

The Investor Policy Dialogue on Deforestation (IPDD) is an investor-led sovereign engagement initiative representing 86 institutional investors from 21 countries, with approximately US\$13.5 trillion in assets under management.

The IPDD remains in full support of the development of a robust Roadmap for Halting and Reversing Deforestation and Forest Degradation by 2030. Forests are indispensable to our societies and economies, sustaining over 80% of terrestrial biodiversity and providing food and fuel for 1.6 billion people. They deliver essential ecosystem services on which global economic stability depends: clean air and water, climate regulation, carbon sequestration and natural-disaster mitigation. With an estimated value of US\$150 trillion, forests are not an environmental concern separate from economic interests: they are a foundation of long-term investment, resilience, security and prosperity.

Global forest loss creates material financial and economic risks through biodiversity loss and increased physical risks, threatens supply chain and food security, increases the risk for human rights violations and jeopardizes the viability of key economic sectors. Cumulatively, these risks of continued deforestation could lead to macroeconomic financial instability. Investors have a fiduciary duty to consider such risks to the financial interests of their clients and beneficiaries. To quantify the risk, regulations and incentives that fail to prevent deforestation expose approximately US\$8.9 trillion in private capital to high deforestation risk.

Against an increasingly uncertain regulatory and geopolitical backdrop, global stakeholders need policy certainty, clarity and continuity to make decisions from the short to long term. Additionally, the roadmap can serve as both a compass and an accelerator to navigate the complexities of global supply chains that span several commodities linked to deforested land, such as beef, soy, palm oil, timber, pulp and transition minerals. By leveraging existing commitments and agreements, the roadmap will help global stakeholders to identify priorities and enable economic, financial, institutional and social levers to halt deforestation and its effects in a coherent and agreed upon approach. The benefits of a global roadmap serve multiple stakeholders, by creating a stable environment to enable capital for sustainable investment, advocating for stronger corporate transparency and disclosure, aligning public finance with nature-positive and social goals and reinforcing the importance of regional and international cooperation.

While the global macroeconomic backdrop may have changed since the roadmap was introduced, its role remains critical as global trade and supply chains are reassessed. Public and private sector commitments to halting and reversing deforestation and forest degradation by 2030 send a strong signal that economically material risks are being addressed and should be mainstays in the global financial system.