

**Contribution by NatureFinance
to the COP 30 Presidency Roadmap on Halting and Reversing
Deforestation and Forest Degradation by 2030**

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NatureFinance is an international think tank, solutions laboratory, and global catalyst that designs, tests, and scales financial instruments and partnerships aimed at aligning the global economy with planetary boundaries — spanning from sovereign finance to the bioeconomy — placing finance at the service of nature, climate, and people. This submission addresses Part II of the Presidency’s call, focusing on **forest conservation** (the protection of pristine, standing forests) and **deforestation drivers and solutions**, drawing on our direct experience structuring financial mechanisms for state managed protected areas in the Brazilian Amazon and our institutional work on the design of high-integrity biodiversity credit markets (NatureFinance 2023). We recommend that the Roadmap:

1. **Recognise intact, standing forests as a distinct financing priority.** The global forest-finance architecture rewards avoided deforestation and restoration but provides no dedicated, sustained funding for the maintenance of pristine ecosystems within strict-protection areas. These areas safeguard a “nature bundle” of biodiversity, carbon storage, hydrological regulation, ecological connectivity, and resilience values that cannot be reduced to a single outcome or revenue stream.
2. **Promote high-integrity, blended and stacked finance approaches.** Combining carbon credits, biodiversity credits, and payments for ecosystem services under robust integrity frameworks can generate diversified, resilient revenue for forest conservation at scale. Spatial prioritization can further improve the efficiency of these investments by directing finance to areas with the highest combined biodiversity, carbon, and ecosystem-service value. (Strassburg et al. 2020).
3. **Support state-level, inter-jurisdictional, and community-inclusive governance arrangements for forest finance.** Effective forest conservation depends on adequately resourced subnational institutions and the meaningful participation of Indigenous Peoples and local communities. Financial mechanisms must reinforce — not bypass — territorial governance and community stewardship.

PART II: Halting and Reversing Deforestation and Forest Degradation by 2030

(a) Critical Barriers Preventing Halting and Reversing Deforestation and Forest Degradation

Structural Underfinancing of Standing Forests

Strict-protection areas deliver irreplaceable ecosystem services (climate regulation, genetic reservoirs, hydrological stability), yet their legal regime prohibits extractive economic use, leaving them without sustainable revenue streams. The global biodiversity financing gap is estimated at USD 700–900 billion per year (Deutz et al. 2020). Within this, the maintenance

of already-protected intact ecosystems is among the most neglected categories. These pristine areas are not interchangeable with restored forest. They embody mature ecological conditions and biodiversity values that restoration cannot fully recreate within policy-relevant timeframes. (Gibson et al. 2011).

Subnational Governance Deficits

In major tropical forest countries, protected-area management is often a subnational responsibility carried out under chronic budget constraints, high staff turnover, and vulnerability to political cycles. Without adequate financial resources tied to conservation outcomes, formally protected areas face a downward spiral of degradation.

Connectivity Loss as Systemic Risk

Deforestation fragments landscapes. When protected areas lose ecological connectivity, they become isolated refugia in which gene flow is disrupted and ecosystems approach tipping points (Hajdu et al. 2025). The Amazon still holds globally exceptional levels of protected-area connectivity (Saura et al. 2017), but this asset is under direct threat from the advancing deforestation arc.

(b) Existing Levers to Accelerate Halting and Reversing Deforestation and Forest Degradation

Diversified Financial Instruments for Intact Forests

A range of emerging tools, including biodiversity credits, enhanced REDD+ approaches, and payments for ecosystem services (PES), can direct capital toward standing-forest conservation. Among these, biodiversity credits are a particularly promising instrument for capturing the multidimensional value of intact ecosystems (species richness, ecological integrity, connectivity) in ways that carbon-only instruments cannot (NatureFinance, 2023). However, no single tool will suffice. What is needed is an enabling framework that allows practitioners and jurisdictions to combine instruments in stacked or blended structures, with clear guidance on additionality and avoidance of double-counting. Global analyses confirm that jointly optimizing for biodiversity, carbon, and water can deliver substantial co-benefits: conserving the top-ranked 30% of land areas could protect over 60% of total carbon stocks and meet conservation targets for the majority of assessed species (Jung et al. 2021; Strassburg et al. 2020).

Inter-Jurisdictional Cooperation

Subnational cooperation mechanisms, such as multi-state consortia or regional compacts, can create the scale, shared standards, and political weight necessary to attract institutional investors and reduce transaction costs. These governance models enable portfolio diversification across ecologies and risk profiles, making conservation-finance products more attractive to mainstream capital.

Private-Sector Incentives Linked to Supply-Chain Resilience

Targeted tax incentives can encourage sectors and companies whose operations depend directly or indirectly on forest ecosystem services to contribute financially to the maintenance of intact forests. Standing forests function as natural infrastructure, supporting supply-chain resilience through rainfall recycling, water regulation, climate stability, and other ecological conditions essential to production systems.

Rights, Safeguards, and Inclusive Governance

Any financing mechanism to support forest conservation should be designed with robust social and environmental safeguards, including respect for the rights, knowledge, and participation of Indigenous Peoples and local communities (IPLCs), transparent governance, and fair benefit-sharing arrangements. Financial innovation should reinforce, not undermine, territorial governance and community stewardship. In the specific context of strict-protection areas, where legislation may exclude permanent human settlement, safeguard frameworks must still address the rights of neighbouring and traditionally associated communities, ensure that revenues support local livelihoods, and provide accessible grievance mechanisms.

(c) Experiences, Best Practices, and Lessons Learned

Brazil's Biodiversity Credit Policy for Strict-Protection Areas in the Amazon

NatureFinance, in partnership with the Consórcio Interestadual da Amazônia Legal (a consortium of nine Amazonian state governments), is developing a common biodiversity credit policy for strict-protection conservation units across the Brazilian Amazon. The mechanism is a PSA instrument grounded in Federal Law 14.119/2021, targeting Parques Estaduais, Reservas Biológicas, and Estações Ecológicas. Key design features include:

- **Parametric, data-driven methodology:** Credit generation is linked to four verifiable ecological attributes: stable natural remnants (MapBiomas satellite time series), management effectiveness (SAMGe), protected-area connectivity (ProtConn/JRC-DOPA), and threatened-species presence; ensuring credits reward measurable conservation outcomes.
- **Revenue stacking:** The initiative layers biodiversity credits with REDD+ carbon and PSA revenues under a unified financial structure, demonstrating the blended approach recommended above.
- **Multi-state governance:** The consortium model enables shared standards across nine states while respecting local governance realities, creating portfolio scale and political coherence.

Key lesson: Parametric methodologies anchored in publicly auditable data (satellite monitoring, official management assessments) can build market confidence and reduce verification costs, while inter-jurisdictional governance creates the scale needed to attract institutional capital.

(d) How Forest Conservation Can Reflect Diverse Realities

Forest-rich developing countries bear a disproportionate custodial burden for globally significant ecosystems. Conservation of pristine forests generates planetary public goods — climate stability, biodiversity preservation, hydrological regulation — whose benefits are diffuse but whose costs are concentrated in the jurisdictions that maintain them. Financial mechanisms must reflect this asymmetry. We recommend that the Roadmap:

1. Include the effective management and financing of intact, standing forests as a distinct pillar alongside avoided deforestation and restoration, with dedicated targets and indicators for capital flows to strict-protection areas;

2. Provide operational guidance on high-integrity revenue-stacking approaches that combine carbon, biodiversity, and ecosystem-service payments, with criteria for additionality, avoidance of double-counting, and alignment with the Kunming-Montreal Framework and the Paris Agreement;
3. Require that all endorsed forest finance mechanisms incorporate robust social and environmental safeguards, including FPIC, transparent governance, and equitable benefit-sharing with Indigenous Peoples, local communities, and subnational authorities;
4. Establish a technical workstream or expert dialogue on state-level and inter-jurisdictional governance arrangements for forest finance, recognising cooperation across subnational authorities as a key enabler of scale, standardisation, and accountability

References

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