

WRI Submission to COP 30 Presidency Roadmap for Halting and Reversing Deforestation and Forest Degradation by 2030 in response to the invitation from the COP30 Presidency

World Resources Institute

10 April 2026

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I. Strategic inputs to inform the Roadmap

***Note:** This section provides targeted and priority contributions based on World Resource Institute's expertise in land use, supply chains, and forest governance. Some elements of the original outline have not been fully elaborated, as this input focuses on areas where WRI can add the most value in terms of actionable recommendations, implementation pathways, and evidence-based solutions. This approach reflects WRI's commitment to providing concise, policy-relevant inputs that support decision-making and complement contributions from other stakeholders.*

COP30 Presidency Roadmap for Halting and Reversing Deforestation and Forest Degradation by 2030

Abstract: This section provides targeted inputs to support the COP30 Presidency Roadmap for Halting and Reversing Deforestation and Forest Degradation by 2030. It identifies key drivers and barriers, including agricultural expansion, misaligned economic incentives, weak governance, and limited traceability, and outlines priority policy, financial, and institutional actions to address them.

It highlights scalable solutions such as strengthened land governance, aligned financial flows, sustainable land-use systems, and integrated monitoring and traceability frameworks. The section also underscores the importance of addressing forest degradation and fire risk, while reinforcing the role of international cooperation in aligning trade, finance, and regulatory systems and ensuring equitable outcomes for Indigenous Peoples and local communities.

Executive Summary

Halting and reversing deforestation and forest degradation by 2030 is central to achieving the goals of the Paris Agreement, particularly in limiting global warming to 1.5°C. This Roadmap provides an action-oriented framework to support countries in addressing the key drivers of forest loss, strengthening implementation, and scaling solutions across governance, finance, production systems, and international cooperation.

Deforestation and forest degradation are driven by a combination of structural factors, including misaligned economic incentives, weak territorial governance, limited supply chain traceability, and global demand for commodities. In parallel, forest degradation remains under-addressed despite its significant impacts on carbon stocks, biodiversity, and ecosystem resilience. Addressing these challenges requires integrated approaches that connect domestic land-use policies with international trade and financial systems.

The roadmap outlines priority actions for countries across key areas. These include strengthening land tenure and environmental enforcement; integrating deforestation and degradation criteria into financial systems; scaling sustainable land-use models such as bioeconomy, agroforestry, and forest restoration; and enhancing Monitoring, Reporting, and Verification (MRV) systems linked to supply chain traceability. It also highlights the importance of aligning public policies, market incentives, and financial flows to make conservation and sustainable production economically viable.

Drawing on experiences from Brazil and other forest countries, the roadmap emphasizes the effectiveness of combining monitoring, enforcement, territorial governance, and economic instruments. It also identifies scalable approaches, including jurisdictional strategies, deforestation-free supply chains, restoration programs, and community-based forest management.

Finally, the Roadmap underscores the critical role of international cooperation in enabling implementation. This includes harmonizing sustainability-related trade frameworks, strengthening transnational enforcement to address environmental crimes, and scaling climate finance mechanisms such as REDD+ and the Tropical Forest Forever Facility (TFFF).

Ensuring equitable benefit-sharing and the full participation of Indigenous Peoples and local communities is a cross-cutting priority across all elements.

Part II – What Countries Can and Should Do

Halting and reversing deforestation and forest degradation requires coordinated action across policy, governance, finance, and production systems. The following elements highlight practical pathways for countries to address key drivers, strengthen implementation, and scale conservation, restoration, and sustainable land-use practices.

1. Deforestation: Drivers and Solutions

In tropical developing countries, deforestation is primarily driven by the expansion of agricultural commodities – such as cattle, soy, palm oil, and timber – often linked global demand and enabled by infrastructure development and land speculation in frontier regions. These dynamics are reinforced by weak land governance, limited supply chain traceability, and misaligned economic incentives, where forest conversion remains the most financially attractive land-use option. While these drivers are particularly visible in countries like Brazil, they reflect broader structural patterns across forest frontiers globally, requiring responses that connect domestic land-use dynamics with international trade and financial systems.

A central structural barrier is the persistence of perverse incentives embedded in fiscal, financial, and policy frameworks. Across many countries, public subsidies, tax policies, credit systems, and infrastructure investments continue to favor land conversion, including cattle expansion, monoculture agriculture, and speculative land clearing. These incentives often outweigh conservation-oriented mechanisms, effectively rewarding deforestation while underfunding sustainable alternatives. Countries should prioritize the identification, reform, and redirection of these incentives, as without systematic action, efforts to halt deforestation will remain constrained by deeply embedded economic signals that favor forest loss.

Addressing these drivers requires integrated policy, legal, institutional, and financial frameworks capable of realigning incentives, strengthening governance, and transforming production systems. Priority actions for countries include securing land tenure and enforcing environmental regulations; embedding deforestation criteria into rural credit and financial systems; and leveraging demand-side measures such as due diligence regulations and corporate commitments. Engaging financial regulators – including central banks and ministries of finance and environment – is essential to ensure that environmental compliance becomes a structural condition for access to finance and that deforestation risks are systematically integrated into lending and investment decisions. This shift is critical to redirect capital flows away from land conversion and toward sustainable production systems across different country contexts.

At the production level, realigning economic incentives is essential to drive behavior change. This involves removing or reforming incentives that favor forest conversion, while scaling mechanisms that make conservation and sustainable land use economically viable, including bioeconomy value chains, payment for ecosystem services, and deforestation-free commodity markets. Countries should also promote enabling environments that support producers' transition, including access to finance, technical assistance, and market incentives. This should be complemented by concerted action roadmaps in commodity-producing regions that align private supply chain verification systems with public land-use governance, addressing gaps in cost distribution, leakage risks, and stranded production areas. Without addressing this underlying economic asymmetry, isolated regulatory or market-based interventions are unlikely to achieve sustained impact on a scale.

Effective implementation further depends on robust and integrated Monitoring, Reporting, and Verification (MRV) systems that enable transparency, accountability, and adaptive policymaking. This requires interoperability between satellite monitoring, land registries, supply chain traceability systems, and financial data platforms. Integrated data frameworks support enforcement, inform due diligence processes, and enable continuous policy and

market adjustments – particularly in the context of increasingly interconnected global trade flows between producing and consuming countries. Strengthened traceability and monitoring systems are also essential to enable full supply chain (farm-to-market) accountability and support coordinated action between public and private actors.

Evidence from different regions shows that deforestation can be significantly reduced when these elements are combined within coherent strategies. Brazil's experience – particularly through the Action Plan for the Prevention and Control of Deforestation in the Legal Amazon (PPCDAm) - demonstrates how integrating monitoring, enforcement, and territorial governance can deliver rapid results. Jurisdictional approaches, such as the Produce, Conserve and Include (PCI) strategy in Mato Grosso, illustrate how subnational governments can align production, conservation, and social inclusion. Market-based initiatives, such as the Amazon Soy Moratorium, highlight the role of supply chain governance in restricting market access for deforestation-linked commodities, especially when aligned with public policies. Complementary programs, including low-carbon agriculture strategies (ABC+), restoration initiatives (Planaveg) and emerging green finance instruments (Greenway program - former PNCPD – EcoInvest), further show how financial, agricultural, and environmental policies can be combined to reduce and support sustainable land-use transitions.

To scale impact, countries should adapt these approaches to their national contexts while ensuring strong governance frameworks and alignment with international market and financial systems. Scaling these approaches globally requires adapting them to different national contexts while maintaining core principles of governance, transparency, traceability, and economic alignment, ensuring that both domestic policies and international market mechanisms work together to effectively control and reduce deforestation.

2. Forest Degradation: Drivers and Solutions

Forest degradation is a widespread but often under-addressed dimension of forest loss, driven by diffuse and incremental pressures such as selective logging, forest fires, fuelwood extraction, mining, and the gradual expansion of agricultural activities. Forest fires are becoming more widespread and severe¹ due to climate change, increasing forest vulnerability and accelerating degradation processes across multiple biomes. While particularly acute in tropical forest regions, forest degradation also affects other ecosystems globally—including drylands, savannahs, and temperate forests—where pressures related to smallholder use, energy demand, and land-use change similarly erode ecosystem integrity. While these dynamics are well documented in countries like Brazil, they are common across regions and are typically harder to detect and regulate than clear-cut deforestation. As a result, degradation often remains underestimated in policy frameworks despite its significant impacts on carbon stocks, biodiversity, and ecosystem resilience.

Addressing forest degradation requires strengthened monitoring systems, governance frameworks, and context-specific management approaches. Advances in satellite-based monitoring and global alert systems demonstrate the potential to improve detection of forests disturbances. However, methodological challenges and the gradual nature of degradation processes continue to limit accurate and consistent monitoring across countries. Countries should prioritize strengthening the integration of diverse data sources and improving methodologies to detect changes in forest quality—including in non-forest ecosystems—to close this gap.

Effective responses depend on policy and institutional frameworks that explicitly incorporate forest degradation into forest, climate, and land-use strategies. This includes strengthening territorial governance and enforcement of regulations related to fire management, logging practices, and land-use change, while promoting sustainable forest management as a viable economic alternative. Countries should also intensify efforts to prevent and manage forest

¹ Reference: WRI (2025). *The Latest Data Confirms: Forest Fires Are Getting Worse*. <https://www.wri.org/insights/global-trends-forest-fires>

fires, including strengthening early warning systems, regulating land-clearing fires, and supporting locally led fire management approaches. Aligning economic incentives is also critical, ensuring that sustainable forest use and restoration are more attractive than unsustainable extraction. In parallel, integrating degradation into supply chain commitments and due diligence frameworks is necessary to address current gaps, as many existing mechanisms focus primarily on deforestation.

Reducing forest degradation also requires addressing its underlying socio-economic drivers, particularly in regions where forest use is closely linked to energy access and livelihoods. Countries should expand access to clean energy alternatives, strengthen rural development policies, and support community-based forest management to reduce pressure on forest resources. At the same time, they should support Indigenous Peoples and local communities in forest stewardship, including through community-based fire management and the integration of traditional ecological knowledge, such as cultural burning practices where appropriate. Securing the rights of Indigenous Peoples and traditional communities' remains a central pillar, as these groups play a key role in maintaining forest integrity and resilience.

Experience from Brazil and other forest countries shows that progress is possible when monitoring, governance, incentives, and community-based approaches are combined. To scale these solutions, countries should adapt them to national and local contexts while strengthening international cooperation, improving data systems, and fully integrating forest degradation into climate and land-use agendas alongside deforestation.

3. Forest Restoration, Reforestation and Afforestation

Forest restoration represents a major opportunity to shift from extractive land-use models toward regenerative economic systems. We need an approach that positions restoration as a driver of productivity, resilience, and economic growth, rather than solely an environmental objective. This includes restoring degraded lands through agroforestry, assisted natural regeneration, and integrated production systems that generate both ecological and economic returns. Scaling restoration will depend on creating enabling conditions that make it economically competitive, including long-term financing mechanisms, clear land tenure, technical assistance, and market access for restoration-linked products. Without these conditions, restoration efforts risk remaining small-scale and project-based, rather than becoming a central component of national development strategies.

4. Sustainable Forest Management, Bioeconomy, Agroforestry

Sustainable forest management, bioeconomy, and agroforestry systems represent critical pathways to reconcile production and conservations, yet their expansion remains constrained by structural economic disincentives, limited technical capacity, and insufficient data integration. In many countries, these systems struggle to compete with conventional land uses due to lower short-term returns, limited access to finance, and weak integration into value chains. Additional challenges include weak technical assistance, limited market access for bioeconomy products, and fragmented data on production systems, productivity, and environmental performance. These constraints are often compounded by inadequate infrastructure and logistics — including limited access to energy, connectivity, transport, and storage — which increase costs, reduce product quality, and hinder the competitiveness of territorial value chains. While growing attention has been given to these approaches, the lack of consistent metrics and integrated data systems continues to hinder large-scale implementation and investment.

Overcoming these barriers requires coherent policy, legal, institutional, and financial frameworks that actively shift incentives toward sustainable land-use models. Priority actions for governments include targeted financial incentives for sustainable forest management and agroforestry, concessional and blended finance mechanisms, and the development of competitive bioeconomy value chains. Financial instruments must be tailored to local realities, including grants, adapted microcredit, guarantees, and patient capital, combined with

technical assistance and financial inclusion strategies that enable direct access for local enterprises and communities. Public policies should support technical assistance, innovation, and market access, while aligning agricultural, environmental, and trade policies to reduce distortions that favor unsustainable practices. This also includes strengthening demand-side mechanisms, such as public procurement programs and anchor purchasing, and ensuring fair and stable market conditions through longer-term contracts and equitable value distribution along supply chains. Strengthening land tenure security and embedding these approaches within broader rural development and climate strategies are essential to ensure long-term adoption and impact. Participatory governance mechanisms and the recognition of Indigenous Peoples and local communities as central economic actors — with direct access to resources, decision-making spaces, and benefit-sharing arrangements — are critical enabling conditions.

Scaling these systems also depends on robust monitoring, reporting, and adaptive management frameworks capable of capturing both environmental and socio-economic outcomes. Integrating geospatial monitoring with farm-level and supply chain data is key to measuring productivity, income generation, and ecosystem services. Interoperable and transparent data systems can improve decision-making, strengthen accountability, and unlock investment while iterative learning process – linking data, policy, and implementation – allow for continuous refinement and scaling across different contexts. Countries should invest in strengthening these monitoring systems and ensuring their accessibility and interoperability. This requires the integration of scientific and traditional knowledge systems, including community-based monitoring, intercultural research approaches, and data sovereignty principles that ensure local ownership and use of information.

Experience from Brazil and other countries shows that scalable and integrated production models can deliver tangible results when aligned with supportive policy and markets. Agroforestry systems, sustainable forest management initiatives, and bioeconomy value chains have demonstrated their capacity to enhance resilience, diversify livelihoods, and reduce pressure on forests. Sociobioeconomy is already a significant — though often underrecognized — component of economic activity. Evidence from the Brazilian Amazon shows that, even when considering a limited set of 13 products, sociobioeconomy value chains generate approximately BRL 12 billion (USD 2.5 billion) annually, with the potential to grow to BRL 38.5 billion (USD 8 billion) by 2050 with adequate investment². At the subnational level, projections indicate that targeted investments — such as BRL 720 million in Pará State — could generate BRL 816 million in GDP and create over 6,600 jobs³. These findings highlight both the current relevance and the untapped economic potential of sociobioeconomy, which remains largely invisible in national accounts and underrepresented in economic planning and investment strategies.

These approaches are most effective when rooted in territorial dynamics, respecting local organizational structures, cultural diversity, and the rhythms of ecosystems, as well as when combined with applied innovation to address bottlenecks in processing, quality, standardization, and traceability. Initiatives linked to low-carbon agriculture, restoration strategies, and jurisdictional approaches illustrate how these models can be embedded within broader development frameworks. Their successful scaling depends on connecting producers to markets, strengthening local capacities, and aligning public policies, financial flows, and supply chain initiatives. It also requires strengthening bioeconomy business ecosystems, including decentralized processing facilities, community-led enterprises, and the engagement of youth and new generations in value chains.

² Reference: WRI (2023). *New Economy for the Brazilian Amazon*. <https://www.wri.org/research/new-economy-brazil-amazon>

³ WRI Brasil (2025). *Impactos econômicos de investimentos em bioeconomia no Pará*. <https://www.wribrasil.org.br/publicacoes/impactos-economicos-de-investimento-em-bioeconomia-no-para>

To accelerate uptake, countries should integrate these approaches into national development strategies, align public investments and financial systems, and create enabling environments that support long-term competitiveness of sustainable land-use models. Globally, these approaches offer a strategic opportunity to transition from extractive land-use models toward productive landscapes that generate economic value while maintaining forest ecosystems, contributing simultaneously to climate, biodiversity, and development goals.

5. Forest Conservation

Forest loss continues to be driven by misaligned economic incentives, weak territorial governance, and limited supply chain transparency, dynamics that are consistent across tropical forest regions. In many countries, converting forests to agricultural use remains more profitable than conserving them, while public policies – such as credit, subsidies, and infrastructure investments – often reinforce this pattern. Additional barriers include land tenure insecurity, limited enforcement capacity, and persistent illegal activities such as land grabbing and illegal logging. These dynamics are often linked to broader networks of environmental crime, including corruption, financial crime, and labor and human rights violations embedded in supply chains. Leakage effects across regions and international supply chains further undermine progress, particularly in the absence of robust traceability systems. Despite major advances in satellite monitoring, fragmented data systems and limited interoperability between public and private platforms continue to constrain effective enforcement and decision-making.

Countries should prioritize forest conservation as a central pillar of land-use strategies, not only as an outcome of improved governance but as a deliberate policy objective supported by dedicated instruments and investments. This includes the expansion, effective management, and long-term financing of protected areas, as well as the recognition and protection of high-conservation-value ecosystems.

Addressing these challenges requires integrated policy, legal, institutional, and financial frameworks that realign incentives and strengthen governance across the entire land-use system. Priority actions include scaling economic instruments that make forest conservation financially viable – such as payments for ecosystem services, carbon finance, and bioeconomy strategies – while conditioning rural credit and financial flows on environmental compliance. Strengthening law enforcement, land-use planning, and land tenure regularization remains essential, alongside expanding traceability and monitoring systems for deforestation-free supply chains. At the same time, countries should also intensify efforts to detect, sanction, and deter forest-related crimes through strengthened coordination between environmental, financial, and judicial authorities, including integration with anti-money laundering systems and international cooperation mechanisms.

Enduring that these interventions translate into measurable outcomes depends on robust processes for monitoring, reporting, and iterative improvement. Effective implementation requires integrated Monitoring, Reporting and Verification (MRV) systems that combine satellite monitoring, geospatial analysis, and interoperable data platforms. Linking these systems to supply chain traceability is essential to ensure accountability from production to markets and financial flows. Continuous improvement should be supported by adaptive policy frameworks that incorporate data-driven decision-making, strengthen feedback loops between monitoring and enforcement, and promote supplier engagement mechanisms, including compliance, remediation, and integration pathways.

Experience from Brazil and other forest countries demonstrates that coordinated and multi-dimensional and scalable conservation approaches can deliver significant results when these elements are combined. Brazil's Action Plan for the Prevention and Control of Deforestation in the Legal Amazon (PPCDAm) illustrates how integrating monitoring, enforcement, territorial governance, and economic instruments can reduce deforestation at scale. Market-based initiatives such as the Soy Moratorium show how supply chain governance can restrict market access for non-compliant production, particularly when aligned with public policies. At the same time, conservation-focused approaches—such as protected areas and Indigenous

territories—remain among the most effective and cost-efficient strategies to prevent forest loss when adequately supported. Jurisdictional approaches, recognition of Indigenous territories, and emerging models that integrate traceability, climate risk, and supply chain governance further highlight practical and replicable pathways.

Globally, scaling these solutions requires adapting them to national contexts while reinforcing core principles of governance, transparency, traceability, and economic alignment, ensuring that domestic policies, financial systems, and international markets work together to effectively halt and reverse forest loss.

Part III – Fostering International Cooperation and Addressing Regulatory Bottlenecks

Halting and reversing deforestation and forest degradation requires strengthened international cooperation and coordinated efforts to address regulatory, financial, and institutional bottlenecks. The following elements highlight key areas for collective action across countries and stakeholders.

1. Finance, Markets, Partnerships

Halting deforestation and forest degradation demands a fundamental reorientation of financial flows away from forest-destructive activities and toward forest-positive economies. Closing this gap requires collective action across countries and stakeholders, through coordinated instruments spanning public concessional finance, results-based payment mechanisms, and reformed market incentives that internalize the true value of forests. International partnerships are essential to align producer and consumer country responsibilities, mobilize private capital at scale, and ensure that financial mechanisms respect the rights of Indigenous Peoples and local communities.

Achieving deforestation-free and restoration-positive economies will require not only mobilizing new finance but also redirecting existing financial flows. Governments, financial institutions, and international partners should jointly identify and reform subsidies, credit policies, and fiscal incentives that contribute to deforestation, while reallocating these resources toward restoration and sustainable land use.

At the same time, restoration requires financing models that reflect its long-term and multi-dimensional returns. This includes blended finance structures, public guarantees, concessional capital, and results-based payments that can crowd in private investment while reducing risk. Coordinated international support is essential to scale these instruments, particularly in high-risk jurisdictions where private capital alone is insufficient. Aligning these instruments with national development strategies can help position restoration as a core economic sector rather than a marginal activity.

The instruments and initiatives outlined below represent the core pillars of a deforestation-focused finance and markets architecture under this framework.

- **REDD+, TFFF and results-based finance**

Scaling up results-based finance under REDD+ requires strengthening national forest monitoring systems (NFMS) and ensuring the full operationalization of safeguards frameworks. Enhancing the credibility, transparency, and interoperability of these systems is essential to unlock sustained flows of climate finance.

The Tropical Forest Forever Facility (TFFF) can play a catalytic role by complementing REDD+ through predictable, long-term, performance-based payments that help address upfront investment barriers and improve the financial viability of forest conservation at scale. Scaling its impact will require capitalizing the facility through coordinated public sector contributions to attract private investment at scale and ensure long-term financial sustainability.

Advancing this agenda will depend on greater alignment of methodological approaches, particularly for reference emission levels (RELs), as well as the implementation of equitable, transparent, and inclusive benefit-sharing mechanisms that fully respect the rights and leadership of Indigenous Peoples and local communities (IPLCs). Strengthened international coordination is required to ensure consistency, avoid fragmentation, and build trust in results-based finance systems.

- **Multilateral and bilateral concessional finance**

Multilateral Development Banks (MDBs) and bilateral donors must expand and better coordinate concessional instruments, including grants, highly subsidized loans, and guarantees to de-risk forest-positive investments in high-deforestation-risk jurisdictions. This requires streamlining access modalities for forest-rich developing countries, reducing transaction costs associated with fiduciary, environmental, and social (E&S) safeguard compliance, and integrating forest conservation outcomes explicitly into Country Partnership Frameworks and national development strategies.

- **Carbon markets**

Beyond operationalizing Article 6 of the Paris Agreement, strengthening the credibility of carbon credit certification and fostering collaboration between regulated carbon markets are essential to make carbon markets a viable catalyst of finance for halting deforestation. Restoring confidence in carbon credits requires convergence around high-integrity frameworks, such as the Core Carbon Principles of the ICVCM, mandatory safeguards for indigenous peoples and local communities, including Free, Prior and Informed Consent.

The Open Coalition on Compliance Carbon Markets, launched at COP30 with the endorsement of Brazil, the EU, China, the UK, Canada, and others, signals an important shift toward greater interoperability between national emissions trading systems and an international carbon price that can meaningfully value standing forests. Efforts in this direction should be actively encouraged through coordinated international action, to foster a carbon market for forest countries that can mobilize consistent, long-term financial flows aligned with deforestation-free objectives. Maximizing the potential of carbon markets will require stronger alignment between compliance carbon markets, improved government decision-making frameworks, and the adoption of high-integrity carbon pricing approaches that fully reflect the value of standing forests and support pathways consistent with limiting warming to 1.5°C.

- **Development of international value chains for sustainable forest products**

Building international value chains for sustainable forest products demands inclusive multi-stakeholder governance, regulatory harmonization, and fit-for-purpose international financing. Effective forest value chains depend on forums where governments, private sector buyers, forest communities, and civil society can co-design and monitor rules together. Indigenous and local community participation is especially critical: these communities hold tenure over a significant share of the world's forest carbon and must be active partners in any value chain arrangement.

On the regulatory side, producers and consumer countries must work toward mutual recognition of sustainability standards, certification schemes, and import regulations, so that exporters face a coherent compliance environment rather than a fragmented patchwork of requirements. Shared digital tracking tools, including satellite monitoring and blockchain-

based timber tracing, can make legality verification more reliable and less costly, particularly for small producers.

International financial institutions and donor governments must align concessional lending and grant funding behind sustainable forest economy business models, including non-timber forest products (NTFPs). Many of these supply chains cannot attract private capital at early stages; targeted international financing is essential to help them reach commercial maturity and scale. Strengthening international cooperation across these dimensions is critical to ensure that sustainable forest value chains can compete globally and deliver both environmental and socioeconomic outcomes.

2. International Regulatory and Institutional Adjustments and Improvements

Addressing regulatory and institutional bottlenecks requires coordinated international action to align trade, financial, and governance systems with deforestation-free objectives. Countries, international organizations, and market actors should work collectively to reduce fragmentation across regulatory frameworks, strengthen enforcement mechanisms, and ensure that global rules support sustainable production, fair competition, and equitable outcomes across value chains.

Advancing forest conservation at scale requires greater alignment between international trade frameworks and sustainable production systems, moving beyond high-level commitments toward operational instruments that can be implemented across supply chains. One key opportunity lies in the development of bilateral and plurilateral sustainability protocols between producing and consuming countries – such as emerging cooperation between Brazil and China – which can define common principles, minimum criteria, and verification approaches for deforestation-free commodities (e.g., such as the European Regulation for Deforestation-free supply chains – EUDR – and the Schedule 17 of the UK Environment Act). These instruments can help bridge regulatory differences, reduce transaction costs, and provide clearer signals to markets, particularly in trade corridors where formal regulation is still evolving.

Building on this, countries can promote harmonized guidelines for sustainable procurement and sourcing, including minimum criteria for deforestation- and conversion-free supply chains. These guidelines can be adopted by both public and private actors, enabling convergence across markets and reducing fragmentation between different regulatory regimes (e.g., between regions with stricter due diligence requirements and those relying on voluntary approaches). Developing shared frameworks for traceability, risk classification, and supplier engagement can significantly enhance scalability and comparability across jurisdictions.

At the same time, addressing regulatory bottlenecks requires strengthening transnational enforcement and financial governance mechanisms to combat environmental crimes embedded in global supply chains. This includes enhancing cooperation between countries on monitoring illicit flows, integrating environmental crimes into anti-money laundering systems, and linking trade and financial data to enforcement actions. Improved interoperability between customs systems, traceability platforms, and financial institutions can help identify and restrict market access for commodities associated with illegal deforestation. Governments should strengthen cross-border enforcement cooperation and align legal frameworks to effectively address transnational environmental crimes and associated financial flows. This should include coordinated efforts to address corruption, financial crime, and human rights

violations associated with forest-related illegal activities, through partnerships across countries and with civil society and Indigenous Peoples.

Finally, advancing access and benefit-sharing mechanisms is essential to ensure that sustainability transitions are inclusive and equitable. International frameworks should support the development of benefit-sharing models linked to sustainable supply chains and ecosystem services, ensuring that producers – particularly Indigenous Peoples and local communities – are fairly compensated for conservation efforts. This can include jurisdictional finance mechanisms, preferential market access, and results-based payments tied to verified environmental performance.

Together, these approaches point to a shift from fragmented regulatory responses toward coordinated, system-level solutions, where trade, finance, and governance frameworks are jointly designed to support deforestation-free production, strengthen enforcement, and ensure equitable distribution of benefits across global supply chains. Scaling these efforts will require sustained international collaboration, institutional alignment, and shared accountability among producing and consuming countries.

Conclusions and Recommendations

Reversing deforestation and forest degradation at the speed and scale required to meet 2030 targets demands an immediate transition from extractive models toward standing-forest economies and regenerative landscapes. This transition must be anchored in strong territorial governance that secures land tenure and the rights of Indigenous Peoples and local communities. Integrating interoperable Monitoring, Reporting, and Verification (MRV) systems with command-and-control policies and intersectoral action plans is essential to ensure that environmental compliance becomes the structural foundation for all land use. Scaling large-scale forest restoration in priority areas should serve not only ecological recovery, but also as a pathway for producer remediation and reintegration, contributing to a continuous and enforceable landscape approach that reduces leakage, eliminates impunity, and protects critical ecosystems.

Correcting current economic asymmetries requires a systemic shift in financial flows. Governments and financial institutions must condition rural credit and investment on environmental compliance, embedding deforestation risks into lending and portfolio management decisions. The long-term viability of conservation and restoration depends on strengthening bioeconomy, agroforestry, and sustainable forest management systems, supported by transition finance and risk mitigation instruments that make sustainable land use and recovery more profitable than conversion. Aligning these efforts with deforestation-free supply chains and global market incentives is critical. Redirecting perverse subsidies toward regenerative activities should be treated as an immediate priority to support inclusive socioeconomic development, food security, and climate resilience.

International cooperation must move toward operational alignment across trade, finance, and governance systems. This includes advancing harmonized bilateral and plurilateral sustainability protocols, ensuring end-to-end traceability across global value chains, and strengthening transnational enforcement and financial oversight to address environmental crimes. Scaling results-based climate finance – such as the Tropical Forest Forever Facility (TFFF) – and establishing equitable benefit-sharing mechanisms are essential to ensure that conservation generates tangible economic returns for producers and local communities. In

parallel, countries should strengthen collective action on forest fire prevention and response, including early warning systems and community-led fire management.

Together, these actions enable a transition integrated production system that combines high-productivity landscapes with ecosystem preservation, ensuring that forests are valued as critical economic and climate assets within a resilient and inclusive global economy.

II. Response to the COP30 Presidency's call for contributions

A. Barriers

Question: What are the most critical barriers — whether physical, economic, financial, institutional, technological or social — preventing the halting and reversing of deforestation and forest degradation?

A cross-cutting insight emerging from country experiences is that deforestation is less a technological constraint than a governance and political economy challenge. While policy instruments and monitoring systems are, in many cases, already in place, their effectiveness is undermined by fragmented institutional arrangements, weak enforcement, and perverse economic incentives. As its core, deforestation persists because forest conversion remains an economically rational choice for many producers. If this asymmetry in incentives is not addressed, isolated interventions are unlikely to succeed at scale. Reversing this dynamic requires a systemic approach that simultaneously: i) removes or redirects incentives that actively reward forest conversion; ii) creates and scales mechanisms that make conservation and sustainable production economically competitive; and iii) engages financial system actors to ensure that deforestation risks are properly priced and reflected in credit and investment conditions.

As a result, a set of persistent structural barriers continue to hinder progress in halting and reversing deforestation and forest degradation, particularly in tropical forest countries.

1. Economic and financial barriers

One of the most critical barriers in developing tropical forest countries, such as Brazil, is the lack of adequate economic valuation and remuneration for standing forests and the ecosystem services they provide. In many regions, converting forests into agriculture, cattle ranching, and land speculation remains significantly more profitable than maintaining forest cover or preserving legal forest reserves beyond regulatory requirements. Even where regulatory frameworks are in place, strong economic incentives for forest degradation and conversion, combined with weak enforcement, allow illegal deforestation to persist, undermining compliance and enforcement efforts.

Public policies often reinforce this imbalance. Agricultural subsidies, rural credit, and infrastructure investments frequently incentivize agricultural expansion over forest conservation or bioeconomy approaches—understood here as economic activities based on the sustainable use of biological resources that generate value and wellbeing while maintaining ecosystem functions, standing forests and respecting cultural identity of local communities. In doing so, they perpetuate perverse incentives that favor land conversion.

Products or commodities that are deforestation and conversion free are not yet economically valued by buyers and consumers in the trade process.

There is also a structural financing gap between activities that drive forest conversion and those that support conservation, restoration, and sustainable land use. Financial flows toward sustainable land use and forest protection remain insufficient when compared to investments that incentivize land conversion. Moreover, beyond individual instruments, a critical gap lies in the absence of a coherent, large-scale economic strategy to value standing forests and

scale ⁴. Current approaches remain fragmented and fail to compete with the economic returns associated with forest conversion.

A critical but often overlooked barrier is the structural invisibility of Indigenous Peoples' and local communities' economic systems within national accounts, financial systems, and policy frameworks. Despite managing or holding tenure over significant portions of the world's forests, these actors are rarely recognized as economic agents, limiting their access to finance, markets, and policy support. This invisibility reinforces extractive models and prevents the scaling of forest-based economies that maintain standing forests.

In addition, in regions characterized by more fragmented landscapes and a strong presence of smallholder production systems — including both dryland and semi-arid ecosystems (e.g. the Caatinga biome) and parts of tropical forest regions such as the Amazon— the challenge takes on a distinct but related form. These territories often combine limited access to technical assistance, finance, and markets for sustainable production models. In some cases, such as in Caatinga, this is compounded by lower levels of remaining native vegetation and high dependence on natural systems for water regulation. In other regions, such as the Amazon, structural barriers such as limited logistics, energy access, and connectivity, constrain the development of bioeconomy. As a result, the economic and institutional incentives to maintain or restore native vegetation remain insufficient, even where it plays a critical role as natural infrastructure for water regulation, soil fertility, climate resilience, and local livelihoods.

In these contexts, forest use and degradation are not only linked to immediate productive needs, but also to the absence of viable, scalable alternatives that integrate conservation with income generation. Addressing these dynamics therefore requires expanding incentive structures, strengthening technical knowledge and extension systems, and embedding restoration and sustainable land use within broader territorial development strategies, rather than treating them as isolated environmental objectives. This must be coupled with the recognition and integration of Indigenous and traditional knowledge systems, which are critical for sustaining resilient ecosystems and locally adapted production practices.

2. Institutional and governance barriers

Weak territorial governance and limited law enforcement capacity remain key obstacles. Key governance challenges in Brazil include:

- limited analyses, validation, and operationalization of the Rural Environmental Registry (CAR) as an effective instrument for environmental monitoring and enforcement;
- insufficient state capacity to monitor and enforce environmental laws, particularly in remote frontier regions;
- persistent land tenure insecurity and unresolved land conflicts, especially affecting Indigenous Peoples and traditional communities;

⁴ Bioeconomy solutions refer to economic models and value chains based on the sustainable use, restoration, and management of biological resources—such as forest products, agroforestry systems, and ecosystem services—aimed at generating income while maintaining or enhancing ecological integrity. These approaches are inherently people-centered, recognizing the role of Indigenous Peoples and local communities, their cultural identities, knowledge systems, and governance structures. In many contexts, this also includes sociobioeconomy approaches that explicitly promote local livelihoods, social inclusion, and equitable benefit-sharing.

- fragmented and poorly coordinated public policies across sectors (e.g., environment, agriculture, infrastructure) and levels of government, leading to inconsistent incentives and implementation gaps;
- recurring environmental crimes such as land grabbing, illegal logging, illegal mining, and supply chain laundering mechanisms that allow illegally produced commodities to enter formal markets.

3. Technological and data integration barriers

Despite significant advances in satellite monitoring systems such as those developed by the National Institute for Space Research, including PRODES and DETER, as well as independent monitoring initiatives such as MapBiomas, important challenges remain.

Key technological barriers include:

- monitoring land-use change in non-forest ecosystems, which often receive less policy attention despite high conversion rates;
- limited interoperability between public and private datasets;
- challenges in implementing full supply chain traceability, particularly tracing commodities back to farm-level origin and indirect suppliers;
- limited capacity to monitor biodiversity and ecosystem services at scale, which constrains efforts to quantify, value, and integrate these assets into economic and financial decision-making.

4. Fragmented supply chain governance and limited traceability

A major barrier to eliminating deforestation and ecosystem degradation linked to commodity production is the fragmented governance of global supply chains. In sectors such as soy and cattle, supply chains often involve multiple intermediaries, aggregation points, and indirect suppliers, which makes it difficult to ensure that sustainability commitments effectively reach production at the source level. Mining – particularly gold extraction – also represents a significant driver of deforestation and ecosystem degradation. Both legal and illegal mining activities are frequently associated with governance and enforcement gaps, especially in frontier regions, enabling environmentally non-compliant production to enter formal markets. Illegal gold mining is often linked to transnational flows, financial opacity, and severe social and environmental impacts, reinforcing the need for stronger traceability, monitoring, and enforcement mechanisms adapted to this sector.

The lack of comprehensive official traceability systems capable of linking traded commodities to production areas limits the ability of governments, companies, and financial institutions to manage deforestation risks.

Moreover, absence of harmonized standards, clear indicators, and accountability mechanisms across global supply chains limit the effectiveness of both public and private commitments and allow deforestation risks to persist within complex, multi-tiered commodity systems.

Finally, the potential weakening of flagship voluntary agreements, such as the Soy Moratorium in Brazil, illustrates a broader systemic risk. These initiatives have played a critical role in reducing deforestation in key commodity sectors, but remain vulnerable to political, legal, and market pressures. A rollback or erosion of such agreements could trigger cascading effects across other voluntary and hybrid governance mechanisms (mainly public-private ones),

undermining trust, and collective efforts, reducing accountability, and weakening the overall architecture of deforestation-free supply chains globally.

Environmental restrictions or stronger monitoring in a specific region may lead to leakage effects, shifting production to areas with weaker regulations, lower monitoring capacity, or less stringent sustainability standards.

Limited traceability across commodity supply chains allows products associated with deforestation to continue accessing international markets.

B. Levers

Question: What potential levers, whether economic, financial, institutional, social, or technological, exist for accelerating the implementation of the commitment to halt and reverse deforestation and forest degradation?

Accelerating the implementation of commitments to halt and reverse deforestation requires coordinated economic, institutional, and technological interventions.

1. Strengthening land tenure and territorial governance as an enabling condition

Secure land tenure and effective territorial governance are foundational to the success of all efforts to halt and reverse deforestation. Without clear and enforceable land rights, key interventions, such as environmental compliance, supply chain traceability, and financial incentives cannot be effectively implemented or sustained. Potential mechanisms include:

- land tenure regularization and clarification of property rights, particularly in frontier and high-risk areas;
- strengthening land registries and their validation (e.g., integration and verification of environmental registries);
- spatial planning and land-use zoning to guide sustainable land allocation;
- enhanced coordination across national and subnational institutions responsible for land governance;
- recognition and strengthening of the role of Indigenous Peoples and local communities as territorial stewards, including support for community-based monitoring, governance systems, and collective protection of their territories;
- strengthening enforcement systems to address illegal land occupation and associated environmental crimes.

2. Realigning economic incentives

Creating economic models where standing forests generate competitive economic returns is essential. This requires not only scaling and standardizing existing instruments but also diversifying and tailoring financial mechanisms to reach different actor profiles, particularly smallholders and local communities that are often excluded from traditional finance.

Potential mechanisms can be grouped into three complementary categories:

- (i) **Instruments already operational at scale that require strengthening and integrity and social safeguards:**
 - payments for ecosystem services (PES);

- jurisdictional or project-based carbon markets;
- markets for non-timber forest products.

(ii) Instruments under development that require consolidation and scaling:

- bioeconomy development and sustainable forest value chains;
- risk mitigation instruments for smallholders (e.g., climate insurance, blended finance);
- transition finance instruments to support producers in shifting toward sustainable production systems;

(iii) Emerging mechanisms requiring further structuring and international coordination:

- Large-scale financing mechanisms such as the Tropical Forest Forever Facility (TFFF)

In parallel, expanding financial inclusion is critical to ensure that Indigenous peoples, small-scale producers, and local communities can participate in forest-based economies. This includes:

- Microcredit and tailored financial instruments adapted to local realities;
- Public procurement policies for sociobioeconomy products;
- Strengthening value chains for forest-based products through public procurement, local processing infrastructure, fair pricing mechanisms, and regulatory frameworks that enable communities to retain value rather than act solely as raw material suppliers;
- Blended finance vehicles, guarantees, and simplified access modalities within existing climate and biodiversity finance.

Together, these approaches can help shift land-use incentives away from conversion toward conservation and sustainable production systems.

Beyond protecting existing forests, there is a critical opportunity to position restoration as a core pillar of economic development. A New Restoration Economy reframes restoration as a productive land-use strategy that generates multiple value streams, including improved agricultural productivity, climate resilience, biodiversity recovery, and rural livelihoods.

Realizing this opportunity requires:

- Treating restoration as capital formation, integrating it into national accounting systems, development planning, and investment strategies;
- Scaling finance for restoration, including blended finance, results-based payments, and long-term investment vehicles that recognize the delayed but substantial returns of restoration;
- Aligning incentives across sectors, ensuring that agricultural, infrastructure, and financial policies support restoration alongside production;
- Developing restoration-linked value chains, including timber, non-timber forest products, and regenerative agriculture systems that generate income while restoring ecosystems.

When embedded within broader territorial economies, restoration can shift landscapes from extractive trajectories toward regenerative systems that sustain both people and nature.

3. Aligning and engaging financial systems

Rural credit and financial services should increasingly be conditioned on environmental compliance, while offering technical assistance to support producers in achieving legal and environmental regularization. Moving beyond voluntary approaches, compliance with key environmental requirements—such as land registries, protection of native vegetation, and adherence to conservation set-asides—should become a condition of eligibility for access to credit, rather than solely a basis for preferential terms.

Achieving this shift requires stronger coordination between financial regulators and sectoral authorities, including central banks, ministries of finance, and environmental ministries. These institutions play a critical role in establishing mandatory socio-environmental criteria, aligning regulatory frameworks, and ensuring that environmental compliance is embedded in credit policies, financial supervision, and risk management systems.

Financial institutions, in turn, should integrate deforestation risk into lending and investment decisions, incorporating it into credit assessments, portfolio allocation, and due diligence processes. Aligning financial flows with deforestation-free objectives depends on both regulatory action and market practices, ensuring that capital is systematically redirected away from activities linked to forest conversion and toward sustainable land-use models.

Such coordinated engagement across financial systems can help transform environmental compliance from a marginal criterion into a structural condition for accessing finance, thereby driving the transition toward deforestation-free economies at scale.

4. Market demand and supply chain governance

Growing demand for deforestation-free commodities in international markets and the economic value of these products represents a major lever for change. Emerging regulations (e.g., EUDR) and corporate commitments can incentivize companies to adopt robust deforestation- and conversion-free sourcing policies, strengthen monitoring systems, and engage suppliers in compliance processes.

However, the effectiveness of these mechanisms depends on their ability to shift underlying economic incentives at the production level. As mentioned previously, there remains a structural imbalance whereby activities linked to land conversion are more financially attractive than those associated with conservation and sustainable land use. To address this, supply chain interventions must be complemented by efforts to internalize environmental costs and reward deforestation-free production, including through price premiums, preferential market access, technical assistance, and financial incentives.

Supply chain transparency and accountability will be critical to align international trade flows with forest protection goals. In parallel, fiscal frameworks should be adjusted to better support sociobioeconomy value chains, including reducing tax burdens and barriers on aggregated and value-added biodiversity products.

5. Strengthening transparency and data systems

Improving transparency and interoperability between key public databases can significantly enhance monitoring and enforcement in developing tropical forest countries, such as Brazil.

Relevant systems include environmental registries, embargo lists, satellite monitoring platforms, and livestock movement records. Integration across these systems can strengthen Monitoring, Reporting and Verification (MRV) frameworks for deforestation-free supply chains.

Monitoring systems should be treated as a cross-cutting backbone of forest governance, enabling enforcement, informing supply chain due diligence, and supporting financial decision-making. Their effectiveness depends not only on technological capacity but also on integration across institutions and stakeholders.

At the same time, expanding data systems to better capture and represent bioeconomy and sociobioeconomy activities is essential. Dedicated platforms and integrated databases can help generate consistent, high-quality information on sustainable land-use practices, production systems, and value chains that are often underrepresented in existing datasets. Strengthening the visibility, standardization, and interoperability of these data can improve monitoring frameworks, support evidence-based policymaking, and enhance the integration of forest-based economies into broader land-use and climate strategies.

6. Supplier engagement, remediation and reintegration pathways

Achieving deforestation-free supply chains requires effective engagement with producers, including technical, financial, and institutional mechanisms to support compliance and continuous improvement.

Beyond monitoring and exclusion mechanisms, supply chains should incorporate remediation and reintegration pathways for producers who were previously identified as non-compliant. These can include targeted technical assistance; access to credit and financial instruments for environmental regularization; restoration of illegally deforested or degraded areas; compensation or offsetting mechanisms where appropriate and legally applicable; and structured improvement plans with clear milestones and time-bound compliance frameworks.

Clear criteria and transparent processes for re-entry into supply chains are essential to ensure credibility, while enabling producers to transition toward deforestation-free production systems. Such approaches can improve both environmental outcomes and social inclusion, particularly among small and medium-sized producers.

7. International cooperation and forest finance

Scaling up international climate finance remains critical. Mechanisms such as multilateral forest funds (e.g. Amazon Fund), bilateral partnerships (e.g. Mercosur-EU, Brazil-China agreements), territorial funds led by Indigenous peoples and local communities (e.g. Podáali), and emerging proposals such as the Tropical Forest Forever Facility (TFFF) can help close financing gaps and reward countries that successfully conserve forests.

Moreover, strengthening cooperation among producer countries represents a critical opportunity to coordinate approaches across major commodity-producing regions, which can help prevent a “race to the bottom” in environmental standards and support the transition toward deforestation-free global supply chains.

8. Sustainable intensification and integrated production systems

Technological and management innovations that increase productivity on already converted land can play a significant role in reducing pressure for agricultural expansion into native ecosystems. In particular, integrated systems that combine agricultural production with the restoration or incorporation of tree cover — such as Integrated Crop-Livestock-Forestry (ICLF/ILPF) systems, agroforestry systems, and the recovery of degraded pastures — offer significant potential to enhance productivity while delivering environmental co-benefits, including improved soil health, water regulation, carbon sequestration, and climate resilience.

However, the contribution of these approaches to halting deforestation is not automatic. Productivity gains alone do not guarantee reduced land conversion and may, under certain conditions, lead to rebound effects, leakage, or the expansion of agricultural frontiers if not accompanied by strong governance frameworks.

For sustainable intensification to effectively support deforestation-free objectives, it must be embedded within a broader enabling environment that includes:

- robust monitoring and enforcement systems to prevent illegal deforestation and ensure compliance with land-use regulations;
- clear land-use planning and territorial governance to direct productivity gains toward already consolidated areas;
- aligned economic and financial incentives — including access to credit, risk mitigation instruments, and results-based payments — that make sustainable intensification financially viable and discourage expansion into native vegetation;
- technical assistance and extension services to support adoption, particularly among small and medium-sized producers.

Empirical evidence⁵ from Brazil shows that closing existing productivity gaps in livestock systems — particularly through the recovery of degraded pastures — could substantially increase production under current, widely adopted practices, without the need for expanding pasture areas, while also enabling restoration and compliance with environmental regulations.

In this sense, sustainable intensification should not be treated as a standalone solution, but as part of a wider strategy to realign incentives and financial flows, ensuring that productivity gains translate into reduced deforestation rather than increased pressure on remaining forests.

C. Country, regional, and sectoral experiences

Question: What country, regional or sector experiences, best practices, and lessons learned can be shared regarding forest conservation and restoration?

Several experiences provide valuable lessons for reducing deforestation and strengthening forest governance.

1. Integrated policy approaches

Brazil's Action Plan for the Prevention and Control of Deforestation in the Legal Amazon demonstrated the effectiveness of combining multiple policy instruments to reduce deforestation at scale. Key elements of this integrated approach included:

- satellite monitoring systems combined with strategies for sustainable land use, land-use planning, and territorial governance;
- strengthened environmental enforcement and improved coordination across government agencies;

⁵ Reference: WRI Brasil (2021). *Brasil pode expandir a produção da pecuária e ao mesmo tempo restaurar florestas*. <https://www.wribrasil.org.br/noticias/brasil-pode-expandir-producao-da-pecuaria-e-ao-mesmo-tempo-restaurar-florestas>

- expansion of protected areas and the promotion of sustainable productive activities, including bioeconomy initiatives;
- implementation of economic and regulatory instruments aimed at protecting the rights and livelihoods of Indigenous Peoples and traditional communities.

Together, these measures contributed to reducing deforestation while promoting more sustainable development pathways in the Amazon region, supporting Brazil's broader objective of achieving zero deforestation by 2030.

2. Market-based and multistakeholder initiatives

Private sector and multistakeholder initiatives have played a significant role in reducing deforestation risks in key commodity supply chains. Examples include the Soy Moratorium (currently at risk) and the Beef Agreement in the Brazilian Amazon (TAC Agreement), which helped restrict market access for commodities linked to illegal deforestation in Brazil.

These initiatives demonstrate the potential of supply chain governance when combined with transparency, monitoring systems, and clear accountability mechanisms. They also highlight the role of coordinated action among governments, the private sector, and civil society in driving change at scale.

However, their effectiveness ultimately depends on making compliance economically viable for producers. This can include differentiated access to rural credit and insurance for compliant producers, reinforcing the role of conditionality in financial systems; the development of credible and verifiable market premiums for deforestation-free commodities, which remain limited across most supply chains; and transition finance mechanisms to support producers who need to adapt their production systems but lack the capital to do so.

It is essential to reinforce, institutionalize, and align these mechanisms with stronger public policy frameworks to ensure their long-term impact and avoid the rollback of such initiatives.

Public procurement mechanisms — such as Brazil's Food Acquisition Program (PAA) and National School Feeding Program (PNAE) — demonstrate the potential of stable, demand-side policies to create guaranteed markets for sociobioeconomy products; scaling and adapting these instruments, including through longer-term contracts, can provide predictable revenue streams that strengthen local enterprises, support local food security and reduce pressures for land conversion.

3. Indigenous territories, community governance, and protected areas

Indigenous territories consistently show lower deforestation rates compared to surrounding areas. Recognizing and securing the territorial rights of Indigenous Peoples and traditional communities, alongside ensuring access to finance, payments for ecosystem services, and governance autonomy, has proven to be one of the most effective strategies for protecting forests.

However, significant barriers persist in enabling these groups to access financial resources. Conventional financial instruments are often not suited to collective land tenure systems, community-based governance structures, or the absence of formal credit histories. Addressing these constraints requires the development of tailored financial mechanisms that reflect the specific realities of Indigenous Peoples and local communities.

This may include community-based funds with locally governed structures, payment for ecosystem services schemes that recognize collective tenure, and dedicated credit lines for community-based bioeconomy initiatives. Emerging financial architectures—such as initiatives under development to mobilize blended finance and scale investment in sustainable land use (e.g., Brazil Climate and Ecological Transformation Investment Platform (BIP) and EcoInvest Brazil)—illustrate how blended finance and innovative investment platforms can help mobilize capital at scale while addressing structural barriers to access for forest-dependent communities.

In addition, the expansion and effective management of protected areas remain among the most robust and cost-effective strategies for reducing deforestation, particularly when combined with enforcement, sustainable financing, and local governance mechanisms.

4. Jurisdictional approaches

Jurisdictional strategies that integrate subnational governments, the private sector, and civil society have also shown promise.

Initiatives such as Produce, Conserve, Include (PCI) in Mato Grosso, Brazil, demonstrate how regional governance frameworks can align agricultural production with conservation goals.

5. Data-driven monitoring and decision-support systems

Advances in geospatial monitoring and territorial intelligence have significantly improved the capacity to detect deforestation and inform public policies.

High-resolution satellite monitoring systems and land-use data platforms are increasingly being used to support risk assessments, supply chain monitoring, and climate policy design, enabling more targeted interventions in deforestation hotspots.

D. Inclusive, differentiated and rights-based forest pathways

Question: How can forest conservation, sustainable management, and restoration best reflect the diverse realities of countries at different stages of development, the rights and knowledge of indigenous peoples and local communities, and different degrees of forest cover?

Policies to halt and reverse deforestation must account for the diverse economic, social, and ecological contexts across countries.

Many tropical developing countries face significant trade-offs between economic development and forest conservation. Addressing these trade-offs requires increased international forest and climate finance, technology transfer, compensation mechanisms for ecosystem services, and development models that integrate sustainable and low-carbon agriculture with forest-based economies. At the same time, countries in the Global North also have a critical role to play, including scaling up forest restoration, reducing domestic degradation, and aligning consumption patterns, trade policies, and financial flows with global forest protection goals.

1. Recognition of Indigenous Peoples and local communities

Effective forest and climate policies must place Indigenous Peoples and local communities at the center of conservation strategies. This includes:

- recognition of territorial rights;
- support for community-based governance systems;

- direct access to finance;
- integrating traditional ecological knowledge into forest management and restoration strategies.

2. Differentiated policy pathways

Countries with different levels of forest cover and degradation require differentiated policy approaches. For example:

- countries with large areas of degraded land may prioritize restoration and landscape recovery;
- countries with high forest cover should prioritize conservation and prevention of frontier expansion.

Furthermore, forest-related strategies should be understood as part of an integrated landscape continuum, encompassing conservation, sustainable management, restoration, and forest-based production systems. Moving beyond a binary “conservation versus production” framing enables the development of integrated land-use models that align environmental and economic objectives.

3. Aligning international trade with forest protection goals

International trade policies and market regulations increasingly shape land-use decisions in producer countries. Greater alignment between importing-country sustainability requirements and producer-country policies can help accelerate the transition toward deforestation-free commodity production while avoiding unintended leakage effects. This alignment will be particularly important in the context of global agricultural trade flows involving major producing and consuming countries.