

Aligning Financial Flows with the Goal of Halting and Reversing Deforestation & Forest Degradation by 2030

October 2026

SUMMARY

Ecosystems such as forests are vital to global stability and national security, sustaining the rainfall and water cycles that are essential for food production and food security, supporting the freshwater systems critical to clean energy and trade, buffering people from the worst impacts of rising extreme weather, and underpinning the livelihoods of billions of people.

This summary captures the key insights from the **High Level Dialogue**[1] with ministers, senior officials, Indigenous Peoples leaders and finance and multilateral partners that took place at **Climate Week NYC 2026** on closing the implementation gap toward the global goal of halting and reversing deforestation and forest degradation by 2030 (2030 forest goal) agreed by all Parties at UNFCCC COP28 in the first Global Stocktake. Participants shared practical priorities for international cooperation and finance, including how finance ministries and central banks can strengthen economic enabling conditions, and factor forest-related risks and opportunities into fiscal and financial systems to enhance resilience and sustainable development. Discussants recognised that the 2030 goal is not solely for forests, but relevant for food, water, and global security, systemic resilience, development and prosperity, and financial stability and economic growth that underpins the global economy, making it an issue for finance ministries and central banks just as much as environment ministries.



1 Implementation of existing forest commitments through **country-led policies for protection, restoration and sustainable management** supported by effective monitoring and enforcement.



2 **Predictable, accessible finance** that rewards verified results from reducing deforestation and forest degradation and supports prevention, community stewardship and long-term development.



3 **Indigenous Peoples and local communities** were recognised as rights holders and partners whose territorial rights, participation, solutions, and direct access to finance **must be supported**.



4 Accelerating delivery of the 2030 forest goal, in particular the **COP30 Presidency's Forest Roadmap**, was discussed as a process to connect existing national experience, international cooperation and action through 2030.



5 The incoming United Kingdom **G20 Presidency** and the meetings of the International Monetary Fund and World Bank Group were discussed as key forums that can help advance understanding of how forests are a key factor in **macroeconomic resilience**.

[1] The High Level Dialogue "Closing the Gap Towards the Paris Agreement Global Stocktake Goal of Halting and Reversing Deforestation and Forest Degradation by 2030" was convened on September 24, 2026 by the **United Nations Development Programme** (UNDP), **Global Optimism** and **Igarapé Institute** in partnership with the **Central African Forest Initiative**, the **UN-REDD Programme**, **Earth Capital Nexus**; in collaboration with the **Forest Climate Leadership Partnership**, TIERRA; and with support of the **FAIRR Initiative** and **Climate Land Use Alliance**. This dialogue brought together ministerial and high-level government representatives from Brazil, Colombia, Costa Rica, Ecuador, Gabon, Indonesia, Ecuador, the Republic of Congo, the United Kingdom and the COP30 President and Indigenous and territorial organizations such as the **Global Alliance of Territorial Communities**. It also convened multilateral and international organizations, development and finance actors, and civil-society partners, including the **Food and Agriculture Organization, United Nations Environment Programme** and other forest and climate initiatives to advance implementation of the 2030 forest goal.



KEY INSIGHTS

Why this matters

The 2030 goal to halt and reverse deforestation and forest degradation is three years away. Political commitment is in place; the gap now is implementation. Forests are a source of fiscal and economic stability — and they are too big to fail. Protecting and restoring them is fundamental to tackling the climate and nature crises and sustaining resilient economies. Put simply, forests are macro critical, not only to forest nations, but their benefits are global and critical to economic resilience and stability.

An actionable roadmap process can bring together the tools we already possess to redirect counterproductive financial flows, build resilient supply chains, address debt and fiscal pressures, and support resilient growth and development while maintaining and restoring forests by investing in the people that hold the solutions.

While some countries have demonstrated that it is possible to reduce deforestation and better align the forestry and agricultural sectors, global trends have not shifted at the scale required, as environment and agriculture ministries cannot close this gap on their own. Finance ministries, central banks, regulators and the private sector have critical levers at their disposal to accelerate implementation. Ministers of Finance can align fiscal policy, financial oversight, and international finance with global goals to halt and reverse deforestation and ecosystem conversion as well as playing a critical role in coordinating whole-of-government and whole-of-economy responses that shift the incentives in the real economy to which capital allocation responds. Central banks can embed deforestation and ecosystem conversion risks into financial oversight to safeguard systemic stability and accelerate transitions that help reverse biodiversity loss. They also have a crucial role in recognising the inflationary impacts that forest degradation and deforestation can generate through supply-chain disruptions and increased food and water insecurity, reducing fiscal space, increasing the costs of investment and productive activity, and affecting prosperity and the cost of living. Regulators can ensure that investments that enhance resilience and reduce systemic risk, including those supporting forest protection, sustainable management and restoration are rewarded in regulatory frameworks.

All have a key role in the coordinated, international and system-wide response that accelerating implementation of the 2030 forest goal demands and that supports a resilient and stable ecological and financial system.

1. Bring forest risks and opportunities into the financial system

Put climate, forests, and other nature-related risks into macroeconomic and financial frameworks
Some central banks already include climate-related financial risk in national accounts and in financial-system oversight. Others are measuring how forest investment affects national accounts and what it returns for each dollar spent.

Improve disclosure and risk management
Within their mandates, central banks and regulators can help financial institutions disclose, assess and manage climate and nature-related risk. This makes those institutions more resilient and moves capital toward activities that don't drive deforestation.

Track risk along value chains
Tools that map links between sectors and the carbon footprint of supply chains help lenders see forest risks and opportunities early.

Turn the narrative into practice
Participants said forests' systemic importance to financial stability is still mostly talked about, not acted on. The country-level work currently underway aligning REDD+, deforestation-free supply chains and new financial incentives, provides a strong foundation to build collective action.



2. Use fiscal policy and public finance

Build forest goals into fiscal planning
This covers public investment appraisal, budget incentives and risk frameworks, so that conservation becomes a sound development choice.

Recognise forests as investments in economic resilience
Recognise investments in the protection and restoration of forests as essential to long term resilience and growth, and therefore give them appropriate consideration in IMF monitoring and debt-sustainability frameworks and sovereign credit ratings.



Image credit: COP30

Align all financial flows
Public budgets, development finance, agriculture and infrastructure spending, economic incentives driven by policy and planning frameworks, trade and supply chains should all support sustainable land use.

Use proven tools
Countries cited earmarked fuel taxes that have funded payments for environmental services for decades and paid for themselves many times over through tourism. Other examples include sustainable sovereign bonds, concessional national climate funds, REDD+ result-based payments, currency-hedging programs to attract foreign capital, forest concessions, high integrity carbon markets, green taxonomies and credit lines for deforestation-free production.

Coordinate finance around country priorities
Bring public, private and international partners together through country platforms (or Packages) to align finance behind nationally determined policies and strategies including NDCs and NBSAPs, create a coherent pipeline for investment and accelerate implementation.

3. Treat forests as a security issue

Restore state presence in forest areas
Deforestation and forest degradation are often linked to illegal economies and organized crime. Forest finance can support the rule of law and reinforce state presence and territorial control in forest landscapes.

Cooperate across borders
Priorities include addressing environmental crime and its proceeds and illicit financial flows linked to international criminal networks, building demand for sustainable commodities, and managing fire risk, which is growing as climate change exacerbates forest fires.

Pair enforcement with economic opportunity
Monitoring and enforcement are essential, but they cannot make conservation pay on their own.



4. Unlock economic opportunity and build macroeconomic resilience through finance at scale

Recognise the economic opportunity
Forest investment can support rural prosperity, sustainable production and the bioeconomy, while strengthening water, food and energy security and creating more resilient economies. Finance ministries and investors can help turn these benefits into investable opportunities and stronger development outcomes.

Make finance predictable, long-term and concessional
Scale up payments for rewarding verified results, including through the continued capitalization of the Green Climate Fund for REDD+ result-based payments, while also removing barriers that prevent countries from meeting standards requirements, including the TREES standard, to access high-integrity carbon markets. This requires covering upfront costs of prevention, including forest protection, restoration, monitoring, and land-tenure security.

Adopt a whole-of-government approach
Investors have significant exposure to deforestation risks through their investments in companies, banks and sovereigns. The systemic importance of forests to global ecological and environmental stability also mean that all investors and their clients have exposure, whether direct or system-wide and the impacts cannot be fully mitigated or avoided solely through avoidance or diversification. They are calling for a whole-of-government approach that includes integrating targets and incentives for reducing deforestation and forest degradation into Nationally Determined Contributions, National Biodiversity Strategy and Action Plans, National Adaptation Plans, and sector-level transition plans, as relevant.

Get finance to forest stewards
Secure Indigenous Peoples' and local communities rights, secure land tenure and direct access to finance, and scale up investment in indigenous led bioeconomy territorial economies.

TFFF and REDD+
Fully capitalize the Tropical Forest Forever Facility (TFFF), a permanent global facility that uses investment returns to value the global public services provided by tropical forests and reward countries for their conservation, complementing REDD+ and other initiatives to tackle deforestation and forest degradation.

Strengthen carbon markets
Advance high-integrity carbon markets by operationalising robust Article 6 and CORSIA requirements, including transparency accounting, MRV systems, avoidance of double counting and strong social and environmental safeguards. This requires expanding readiness support for less advanced countries to build the governance, institutional capacity and safeguards needed to participate in high integrity carbon markets.





OPPORTUNITIES ON THE PATH FORWARD

IMF/World Bank Annual Meetings (2026)

An opportunity to spark attention on the relevance of forests to economic and financial resilience.

CBD COP17 (2026)

An opportunity to further build the evidence and understanding of why the 2030 forest goal matters to Finance Ministries and central banks, including for country-level investment in resilience.

COP30 Presidency Forest Roadmap (2026)

A living document that can connect national experiences and lessons and support countries in shaping their own national approaches to implementation.

UNFCCC COP31 (2026)

A potential leaders' moment to heighten political attention, encourage Parties to renew their commitment to the 2030 forest goal and explore a "2027 moment" focussed on processes to address structural gaps and accelerate implementation through 2030.

IMF/World Bank Spring Meetings (2027)

An opportunity to bring forest issues to financial and economic stakeholders, creating an ongoing space to convene, discuss priorities and drive collective progress.

G20 (2027)

Incoming UK presidency has an opportunity to explore forests as natural infrastructure for resilience and prosperity, and to bring forest-related risks and opportunities into broader economic and financial discussions, building on G20 work on food security and hunger, resilient food systems, sustainable agriculture, carbon markets, the bioeconomy and sustainable finance.

UNFCCC COP32 (2027) & Second Global Stocktake (2028)

Opportunities to demonstrate concrete progress and signal next steps toward 2030 and the delivery of the Paris Agreement goals.