

Declaration on Zero Deforestation in International Finance and Development

We, representing international finance and development institutions,

- Sharing concern for the health of our planet and its people,
- Committed to sustainable economic growth for all,
- Building on the work of our institutions and trust funds which seek to reduce deforestation and forest degradationⁱ and manage forests in a sustainable way,
- Recognizing the risks that further loss of forestsⁱⁱ and other natural ecosystems pose for sustainable developmentⁱⁱⁱ, and recognizing the benefits of Intact forest landscapes' (IFL)^{iv} protection,
- Recognizing that more than 125 million hectares of degraded, low carbon density landscapes provide an alternative for land use to avoid forest loss,^v
- Recognizing and appreciating the important contribution of indigenous and community forest management^{vi} to sustainable forests and ecosystems, and recognizing indigenous and forest peoples' rights to own, use, develop and control their lands, territories and resources^{vii}, as well as indigenous peoples' right of free, prior, and informed consent in decisions affecting them or their lands, territories and resources,
- Welcoming and supporting the Sustainable Development Goals (SDGs), with particular reference to Goal 15 [especially 15.2 "By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally"] and to the role that forests and other natural ecosystems play in achieving many other SDGs^{viii},
- Welcoming and supporting the commitments and progress made by governments and others in implementing the Aichi Targets of the Convention on Biological Diversity, with particular reference to Targets 5 and 7^{ix};
- Welcoming and supporting the commitments and progress^x made by governments, companies, CSOs, and Indigenous Peoples via the New York Declaration on Forests, as well as the voluntary commitments by the Tropical Forest Alliance 2020 and the Resolution of the Consumer Goods Forum and the Soft Commodities Compact^{xi} to help achieve zero net deforestation,

Declare our commitment

- not to finance deforestation,
- to address drivers of deforestation, and
- where consistent with our mandates, to provide increased financing for community-based forest management, and the conservation, protection, ecological restoration, and sustainable management of natural forests.

It is our intent that this commitment will promote zero deforestation and enhance indigenous peoples' and forest peoples' rights to their forests.

To fulfill this commitment, we have set the following goals:

1. Immediately, to avoid and help prevent any financing of illegal deforestation, or of trafficking in illegally harvested timber, and where consistent with our mandates, to support further efforts to combat illegal deforestation and trafficking of timber;
2. Immediately, to cease approval of new projects that directly result in deforestation or degradation of primary, old growth,^{xii} intact, high conservation value,^{xiii} or high carbon stock^{xiv} forests, and by 2020, to achieve zero financing of deforestation or degradation of such forests;
3. Immediately, to ensure availability of finance^{xv} to support achievement of the goals of the NY Declaration on Forests^{xvi} and SDG 15, including, where consistent with our mandates, to support governments' work on the clarification of land tenure systems to improve land security, strengthen community management of natural resources, and resolve overlapping forest-clearing concessions;
4. By 2018, to measure, monitor, report^{xvii}, and make publicly available the direct and directly induced impacts^{xviii} of all our financing on forests;
5. By 2018, to mobilize and significantly increase financial resources to conserve and sustainably use biodiversity and ecosystems, and to ensure availability of finance for community-based forestry, forest protected areas, forest indigenous reserves, forest conservation, forest restoration, and sustainable management of forests, in furtherance of SDG 15.a and b, and for achieving SDGs 15.1, 15.2, 15.9^{xix}, the Aichi Targets of the Convention on Biological Diversity, the NY Declaration on Forests, and Forest Stewardship Council General Assembly Motion 65^{xx}.
6. By 2020, to cease approval of new projects that directly result in deforestation or degradation of secondary natural forests (that do not meet the definitions in goal 2) except under rare circumstances for socially beneficial projects that do not result in or overall loss of biodiversity or forest carbon^{xxi};
7. By 2020, to ensure that all financing of key commodities – including soy, palm oil, paper and pulp, rubber, cocoa, and beef – will only go to entities financing, producing, trading, sourcing or selling commodities who are implementing responsible sourcing so that the sourcing of these key commodities will not result in deforestation or forest degradation^{xxii}, will respect the rights of forest peoples and forest dependent communities, and will promote the participation of local communities in forest and land use management;
8. By 2020, to ensure availability of finance to support REDD+ and all intended nationally determined contributions (INDCs) relating to forests^{xxiii} under the UN Framework Convention for Climate Change, provided these adhere to robust environmental and social safeguards^{xxiv}, and are consistent with the other goals of this declaration;
9. By 2022, to achieve zero financing of activities that normally (a) lead to or induce^{xxv} deforestation or degradation of primary, old growth, high carbon stock or high conservation value forests, or (b) cause loss of other biomes that fulfill climate, water, and biodiversity functions similar in function and importance to forests^{xxvi}; and
10. By 2022, to ensure that any financial intermediary receiving our financial support^{xxvii} also adheres to the foregoing commitments.

ⁱ Including, inter alia, the [Forest Carbon Partnership Facility](#), the [Forest Investment Program](#), and the [BioCarbon Fund](#).

ⁱⁱ Consistent with the UN Convention on Biological Diversity (CBD) and Food & Agriculture Organization, in this document, a **forest** is a land area of more than 0.5 ha, with a tree canopy cover of more than 10%, which is not primarily under agricultural or other specific non-forest land use. The trees should be capable of reaching a height of 5 m in situ. Excluded from the definition of forests here are tree farms and monoculture tree plantations. See CBD website: <https://www.cbd.int/forest/definitions.shtml>.

ⁱⁱⁱ According to the [UN](#): “Forests cover 30 per cent of the Earth’s surface and in addition to providing food security and shelter, **forests are key to combating climate change, protecting biodiversity and the homes of the indigenous population**. Thirteen million hectares of forests are being lost every year while the persistent degradation of drylands has led to the desertification of 3.6 billion hectares. **Deforestation and desertification** – caused by human activities and climate change – **pose major challenges to sustainable development** and have affected the lives and livelihoods of millions of people in the fight against poverty.” [emphasis added] Further, the UN [Commission for Sustainable Development](#) states that “Actions are needed to...(xi) Promote the conservation and sustainable use of biological diversity as well as sustainable forest management as an integral part of sustainable land management and combating deforestation and forest degradation.”

^{iv} An Intact Forest Landscape (IFL) is an unbroken expanse of natural ecosystems within the zone of current forest extent, showing no signs of significant human activity, and large enough that all native biodiversity, including viable populations of wide-ranging species, could be maintained. See <http://www.intactforests.org/concept.html>.

^v See Dinerstein, Eric et al. Guiding Agricultural Expansion to Spare Forests. *Conservation Letters*. Vol. 8, Iss. 4 p. 262–271, July/August 2015; here is the Abstract:

“Commodity crop expansion in the tropics presents the challenge of preserving tropical moist forest (TMF) ecosystems and their role in carbon sequestration. We propose an algorithm, specific to the TMF biome, which identifies 125 million ha of degraded, low-carbon density land (LCDL) in the Pan-tropical TMF belt for agricultural expansion. About 65 million ha of LCDL are in contiguous tracts >5,000 ha and <500 m elevation, meeting the prerequisites for commercial-scale oil palm production, the fastest-expanding industrialized commodity crop in the TMF. These areas could support expansion of commercial agriculture for another 25–50 years without further conversion of TMF. Confining agricultural expansion to the LCDL can avoid the release of approximately 13 billion tons of CO₂ while saving valuable tropical biodiversity. The simplicity and transparency of this easily monitored metric could prove useful to producers, governments, investors, environmental stewards, and consumers and enhance good governance in tropical regions.”
N.B.: The 125M ha. is a measurement only of degraded, low-carbon density tropical moist forest. This is not intended to justify agricultural expansion in other biomes, such as undeveloped portions of [Brazil’s cerrado](#) or peatlands in Indonesia, that have carbon-rich soils and/or high biodiversity, even though they may lack significant forests.

^{vi} This includes evidence that indigenous peoples and communities with legally secure rights over forests have reduced deforestation in many parts of the world. See e.g. “[New Analysis Reveals Substantial Economic Benefits of Securing Community Rights to Rainforests in Brazil and Guatemala](#)” [Gray, Erin, Peter G. Veit, Juan Carlos Altamirano, Helen Ding, Piotr Rozwalka, Ivan Zuniga, Matthew Witkin, Fernanda Gabriela Borger, Paula Pereda, Andrea Lucchesi, Keyi Ussami, 2015, “The Economic Costs and Benefits of Securing Community Forest Tenure: Evidence from Brazil and Guatemala,” Washington, DC: World Resources Institute. Available online at <http://www.wri.org/forestcostsandbenefits>].

Documented benefits of community managed forest include poverty alleviation and in some places a decrease in the rate of deforestation. Although some community-managed forests do not satisfy the IUCN definition of a protected area, they provide valuable long term sustainability of forest products; many are also rich in biodiversity and support landscape conservation strategies. See Sirima, Agnes, “[The Contribution of Indigenous Ecological Knowledge in Conservation of Enguserosambu Community Forest, Tanzania](#)” (2015), Clemson University (All Dissertations. Paper 1537).

^{vii} As stated in the United Nations Declaration on the Rights of Indigenous Peoples, and as legally protected under related human rights instruments.

^{viii} Examples of *forests' contribution* to six key (of the other 16) SDGs, provided by Frances Seymour, Center for Global Development:

- Forests contribute to ending poverty (Goal 1) by reducing vulnerability to natural disasters.
- Forests contribute to achieving food security (Goal 2) and water and sanitation (Goal 6) by regulating rainfall and hydrology.
- Forests contribute to healthy lives (Goal 3) by providing clean water and reducing disease.
- Forests contribute to access to modern energy (Goal 7) by protecting the watersheds that fill the reservoirs behind hydroelectric dams, and controlling erosion to keep them from silting up.
- Forests contribute to combating climate change (Goal 13) and staving off ocean acidification (under Goal 14) by serving as a natural carbon capture and storage system.

See "[SDG Fifteen: Four Observations on Forests](#)," 4/6/15. See also "[Protecting Tropical Forests, Global Prosperity, and Climatic Stability](#)," 7/20/15.

^{ix} Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced. Target 7: By 2020, areas under agriculture, aquaculture, and forestry are managed sustainably, ensuring conservation of biodiversity.

^x See Climate Focus, 2015: [Progress on the New York Declaration on Forests – An Assessment Framework and Initial Report](#). Prepared by Climate Focus, in collaboration with Environmental Defense Fund, Forest Trends, The Global Alliance for Clean Cookstoves, and The Global Canopy Program.

^{xi} Standard Chartered Bank became on 3 July 2015 the tenth bank to formally adopt the [Soft Commodities Compact](#), which aligns the banking industry with The Consumer Goods Forum's resolution to help achieve zero net deforestation in their supply chains by 2020. - See more at: <http://www.cisl.cam.ac.uk/business-action/sustainable-finance/banking-environment-initiative/news/ten-international-banks-commit-to-finance-sustainable-agricultural-commodities#sthash.Pf4tFeJi.dpuf>.

^{xii} A **primary** forest is a forest that has never been logged and has developed under natural processes, regardless of its age. Also included as primary are forests that are used inconsequentially by indigenous and local communities living traditional lifestyles relevant for the conservation and sustainable use of biological diversity. **Old growth** forest stands are those stands in primary or secondary forests that have developed the structures and species normally associated with old primary forest of that type and have sufficiently accumulated to act as a forest ecosystem distinct from any younger age class. (CBD, op. cit.)

^{xiii} **High conservation value** forests are those natural forests that possess inherent conservation values, including the presence of rare or endemic species, or provision of important ecosystem services. Specifically, high conservation value forests are those that possess one or more of the following attributes:

1. forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g. [endemism](#), [endangered species](#), [refugia](#)); and/or large landscape-level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance
2. forest areas that are in or contain [rare](#), threatened or endangered [ecosystems](#);
3. forest areas that provide basic services of nature in critical situations (e.g. [watershed](#) protection, [erosion control](#)); or
4. forest areas fundamental to meeting basic needs of local communities (e.g. [subsistence](#), health) and/or critical to local communities' traditional [cultural identity](#) (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

^{xiv} As defined by the multi-stakeholder High Carbon Stock Steering Group's High Carbon Stock Working Group (www.highcarbonstock.org), and detailed in *The High Carbon Stock Approach Toolkit: No Deforestation in Practice*. Kuala Lumpur: HCS Approach Steering Group. March, 2015.

^{xv} **Ensuring the availability of finance**, as used herein, means offering finance at least as favorable as offered for other uses by the same borrowers or consistent with terms for our prime borrowers, and at a level responsive to their demand. Thus, World Bank IDA-eligible borrowers should have available WB financing for these purposes on IDA terms, IBRD borrowers on IBRD terms, etc.

^{xvi} These goals are:

- At least halve the rate of loss of natural forests globally by 2020 and to end natural forest loss by 2030.
 - Support and help meet the private-sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper and beef products by no later than 2020, recognizing that many companies have even more ambitious targets.
 - Significantly reduce deforestation derived from other economic sectors by 2020.
 - Support alternatives to deforestation driven by basic needs (such as subsistence farming and reliance on fuel wood for energy) in ways that alleviate poverty and promote sustainable and equitable development.
 - Restore 150 million hectares of degraded landscapes and forestlands by 2020 and significantly increase the rate of global restoration thereafter, which would restore at least an additional 200 million hectares by 2030. • Include ambitious, quantitative forest conservation and restoration targets for 2030 in the post-2015 global development framework, as part of new international sustainable development goals.
 - Agree in 2015 to reduce emissions from deforestation and forest degradation as part of a post-2020 global climate agreement, in accordance with internationally agreed rules and consistent with the goal of not exceeding 2°C warming.
 - Provide support for the development and implementation of strategies to reduce forest emissions.
 - Reward countries and jurisdictions that, by taking action, reduce forest emissions— particularly through public policies to scale-up payments for verified emission reductions and private-sector sourcing of commodities.
 - Strengthen forest governance, transparency and the rule of law, while also empowering communities and recognizing the rights of indigenous peoples, especially those pertaining to their lands and resources.
- [Source: UN Climate Summit [New York Declaration on Forests](#), Section 1, Action Agenda, pp. 3-4.]

^{xvii} Such reporting should include geo-location/[geo-references](#), i.e. geographic coordinates.

^{xviii} Directly induced or secondary impacts, rather than resulting directly from project activities, are usually triggered by project operations, but may reach outside project or concession boundaries and may begin before or extend beyond a project's life cycle. Such induced or secondary impacts may be predicted with a thorough ESIA process that explicitly links environmental and social issues, although in some cases, such impacts may not be identified or realized until much later in the project cycle, or even after the project has been completed. Also, while primary impacts result from operational decisions and the activities of project personnel, induced or secondary impacts tend to reflect government policies or decisions and the actions and practices of nearby communities or migrants, in response to the presence of the project or the infrastructure it puts in place. [Source: The Energy & Biodiversity Initiative, [Negative Secondary Impacts from Oil and Gas Development](#).]

^{xix} For reference, **SDG 15 targets** incorporated here are:

- a. Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.
- b. Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.
 1. By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
 2. By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

9. By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

^{xx} [FSC Motion 65](#) provides policy language related to Intact Forest Landscapes within FSC Certification. The policy language requires the creation of indicators within national standards and certification bodies to project intact forest landscapes. Noting respect for the “the activities, customary and legal rights of traditional forest communities,” nine criteria are enumerated for the process of creating standards, including: based on independent, peer-reviewed science; taking into consideration the degradation of IFLs since 2000, respecting FPIC of indigenous peoples and forest dependent communities; implementing protection measures in order to manage for intactness; undertake a comparative assessment of land use options for maintain IFLs; only allow for limited development IFLs in the case of clear, substantial, additional, long-term conservation and social benefits; reducing overall timber harvesting rates to reflect removal of IFL from timber production; prioritizing development of low-impact/small scale forest management; and promoting alternative models for forest management/conservation.

^{xxi} In exceptional circumstances, socially beneficial projects that propose deforestation or degradation of secondary natural forests may be considered only with the free prior and informed consent of impacted communities, transparent public consultation with environmental stakeholders to affirm that the project will not result in biodiversity loss, as well as restoration or expansion of natural forests equal to at least the area and carbon value impacted. In addition, there shall be no financing of conversion of natural forests into monoculture or similar commercial plantations, industrial mining areas, and fossil fuel infrastructure.

^{xxii} Consistent with, supporting and building on the zero deforestation commitments of the Consumer Goods Forum and affiliated bodies and members.

^{xxiii} By this, we intend to support

- (a) Reducing greenhouse gas (GHG) emissions from deforestation;
- (b) Reducing GHG emissions from forest degradation;
- (c) Conservation of forest carbon stocks;
- (d) Sustainable management of forests; and
- (e) Enhancement of forest carbon stocks

as well as supporting the role of forests in agriculture and other land uses, provided that such activities observe full environmental and social safeguards and do *not* include or promote subsidies to industrial-scale commercial logging operations or conversion of natural forests to industrial tree plantations.

^{xxiv} Including or requiring similar standards and processes as the [REDD + Social & Environmental Standards Version 2](#), 10th September 2012 of the [Climate, Community, and Biodiversity Alliance](#), and the [VCS Quality Assurance Principles](#) to ensure that REDD climate benefits are additional, real, measurable, conservative, permanent and Independently verified and are not used, i.e. via offsets, to enable further new fossil fuel infrastructure investments.

^{xxv} See endnote xvi above for definition of induced impacts.

^{xxvi} This includes, *inter alia*, peatlands, wetlands, free-running freshwater systems, and coastal ecosystems such as mangroves and seagrasses, that are important for carbon storage, freshwater quality, storm protection, and/or biodiversity habitat.

^{xxvii} Financial support here includes equity, debt, guarantees, or any form of co-financing or credit enhancement.