

Forest-Related Outcomes from Brazil's G20 Presidency:

Synergies and challenges to leverage
these efforts

May 2025



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CHAPTER 1

Executive Summary

Key Points

- When Brazil picked its motto for the 2024 G20: "Building a Just World and a Sustainable Planet", it hinted at the intention to make forests a central role in its discussions. By building on the initiatives of previous G20 presidencies, Brazil placed sustainable development among the main priorities of its agenda. Brazil's G20 presidency made notable progress in promoting the maintenance and enhancement of forests and launched the G20 Initiative on Bioeconomy (G20 GIB), introducing this topic to the forum's discussions for the first time.
- Forest-related outcomes were not restrained to specific forums and were led by a diverse set of working groups, initiatives, and task forces within the Sherpa and Finance Tracks, working in a complementary manner and supported by engagement groups.
- The G20 Rio de Janeiro Leaders' Declaration recognizes the importance of forests in providing ecosystem services and limiting climate change, the need to scale up efforts to its protection, the countries' commitment to mobilizing finance, including tackling Nature-based Solutions (NbS) financing challenges, fostering new mechanisms and acknowledging the Tropical Forest Forever Facility (TFFF) as an innovative tool for tropical forest conservation worldwide.
- A major achievement of Brazil's G20 presidency is the establishment of the G20 High-Level Principles on Bioeconomy, a set of ten voluntary and non-binding principles which outline how this innovative complementary productive paradigm can and should be economically, socially, and environmentally sustainable. This effort was led by the G20 Initiative on Bioeconomy (G20 GIB), which will continue under the next G20 presidency.

CHAPTER 2

Introduction

Forests play a pivotal role in mitigating the impacts of climate change and fostering adaptation, as they act as major carbon sinks. Intrinsically linked to climate change, biodiversity, sustainable development, and the global economy, forests are pivotal in addressing these interconnected challenges. They support the livelihoods of over one billion people, provide habitat for 80% of terrestrial plant and animal species, generate 1% of global jobs,¹ and contribute over US\$1.5 trillion annually to the global economy.²

Although there have been significant reductions in deforestation in some countries, such as Brazil and Indonesia,³ the world remains off track to eliminate deforestation by 2030. Alongside forest degradation, deforestation remains one of the largest contributors to global greenhouse gas (GHG) emissions, accounting for up to a fifth of global emissions⁴. In 2023, 6.37 million hectares of forest were permanently lost, with over 96% occurring in tropical regions.⁵ Forest crimes, including illegal deforestation, account for an estimated US\$ 51-152 billion annually.⁶

Combating deforestation and preserving standing forests require substantial investments to scale up sustainable practices, strengthen conservation and restoration efforts, and provide financial incentives to those safeguarding these vital ecosystems. UNEP (2021)⁷ estimates an annual global expenditure of US\$203 billion per year to effectively manage, conserve, and restore forests, a figure expected to quadruple over the next three decades, corresponding to half of the estimated financing needs for Nature Based Solutions (NbS) until 2050. The Forest Declaration Assessment (2023)⁸ estimates that US\$ 460 billion annually is needed until 2050 to effectively combat deforestation and support sustainable forest management. However, current international forest finance commitments total just US\$30.03 billion for 2021-25, with only about one-third disbursed by August 2024.⁹

Beyond significant financial investment, achieving climate and biodiversity goals demands cross-sector coordination and robust international collaboration. Besides representing 80% of the world economy and almost 80% of global GHG emissions, the G20 forum, hosts biodiversity-rich nations, including eight out of the ten countries with the largest forest areas (Russia, Brazil, Canada, United States, China, Australia, Democratic Republic of Congo - which is part of the African Union, Indonesia and India).¹⁰ This positions the G20 as a pivotal forum for driving nature-related impactful initiatives and supporting its member

¹ World Bank (2023). Forests for healthy people, economies, and ecosystems. [Link](#).

² FAO (2022). The State of World's Forests. [Link](#).

³ FAO (2024). The State of the World. [Link](#).

⁴ Intergovernmental Panel on Climate Change - IPCC (2022). [Link](#).

⁵ Climate Focus (2024). Forest Declaration Assessment. [Link](#).

⁶ World Atlas of Illicit Flows (2018). Interpol, RHIPTO, and The Global Initiative against Transnational Organized Crime. [Link](#).

⁷ UNEP (2021). State of Finance for Nature 2021. [Link](#).

⁸ Climate Focus (2023). Forest Declaration Assessment - Finance for Forests. [Link](#).

⁹ Climate Focus (2024). Forest Declaration Assessment. [Link](#).

¹⁰ FAO (2020). The State of World's Forest - Forest, Biodiversity and People. [Link](#).

countries in transitioning to a sustainable economy. This transition encompasses efforts to reduce GHG emissions, increase adaptation and resilience in response to the climate emergency, as well as promote conservation, sustainable use and restoration of natural resources, such as forests and other ecosystems.¹¹

Building on the initiatives of previous G20 presidencies and placing sustainable development at the core of its agenda, Brazil's G20 Presidency achieved significant milestones, particularly in advancing climate finance, fostering NbS, and promoting the bioeconomy, which encompasses forest-related solutions, and the importance of social inclusion. The G20 Rio de Janeiro Leaders' Declaration¹² reflects Brazil's efforts to drive progress on these fronts. In the final declaration, the G20 leaders recognized the importance of forests and the need to scale up efforts to its protection and preservation. This included a commitment to mobilizing finance, especially for developing countries, involving tackling NbS financing challenges, fostering new financial mechanisms and recognizing the Tropical Forest Forever Facility (TFFF) as an innovative tool for forest conservation worldwide.

This policy brief (1) compiles the main outcomes of the G20 Brazil's Presidency regarding forest-related outcomes, (2) explores the synergies and challenges for G20 countries to leverage G20 forest-related outcomes to advance national policy goals and its international forest-related commitments and (3) provides recommendations to leverage these efforts.

¹¹ G20 Environmental and Climate Sustainability (2024). Technical paper on adaptation finance, oceans, payment for ecosystem services and water and circular economy. [Link](#).

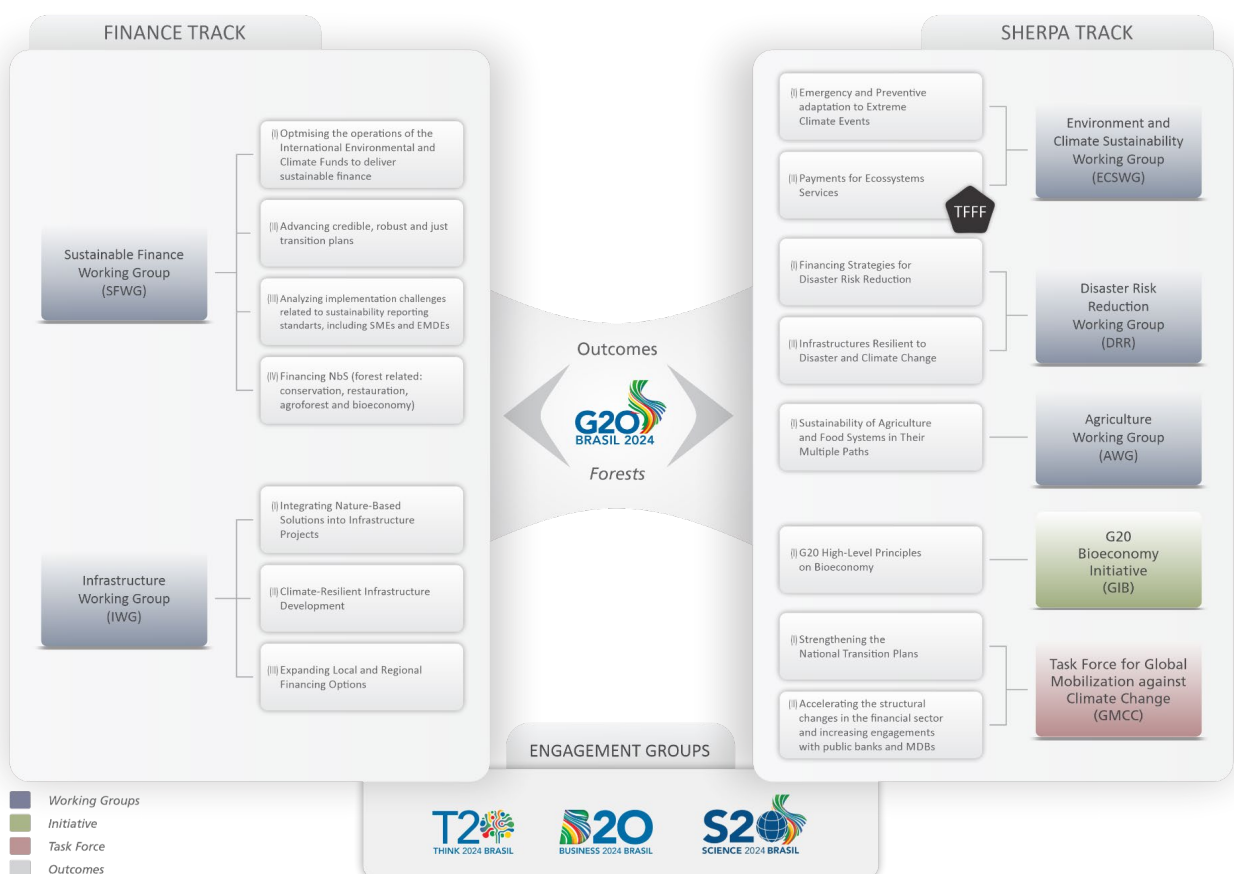
¹² G20 Rio de Janeiro Leaders' Declaration (2024). [Link](#).

CHAPTER 3

Key forest-related outcomes of the G20 Brazil's Presidency

Under Brazil's G20 Presidency, sustainable development was central to the agenda, guiding the priorities of working groups across both the Sherpa and Finance Tracks, which operated in a complementary manner. In addition, the G20 Social encompassed several engagement groups, providing non-governmental participants with the opportunities to contribute. Figure 1 presents the working groups, engagement groups and the respective main forest-related outcomes under Brazil's G20 Presidency, which are further detailed below.

Figure 1
Forest-related outcomes under Brazil's G20 Presidency



Finance Track

G20 Sustainable Finance Working Group (G20 SFWG)

The G20 SFWG established four priorities to accelerate the global sustainable finance agenda.¹³ The most relevant outcomes to forest-related aspects are as follows:

(I) Optimizing the operations of the International Environmental and Climate Funds¹⁴ to deliver sustainable finance

The Vertical Climate and Environmental Funds (VCEFs), which collectively commit around US\$ 4–5 billion annually, play a catalytic role in mobilizing additional public and private finance, vital for advancing climate mitigation and adaptation initiatives, including forest conservation, restoration, and payment for ecosystem services (PES). This is especially critical for emerging economies with tropical forests, which still attract limited climate finance. An independent high-level expert group convened by the G20 SFWG provided a set of recommendations for VCEFs to achieve this goal, including: (1) enhancing efficiency for accreditation processes and project approval times, (2) harmonizing procedures to reduce costs, (3) leveraging public and private climate finance, (4) supporting country-driven strategies and (5) collaborating on upstream programming and pipeline development.¹⁵ These measures align with efforts to advance financing for NbS, which was also a priority of this working group.

(II) Advancing credible, robust and just transition plans

The G20 SFWG developed a set of high-level principles for “credible, robust, and just” transition plans, enabling financial and non-financial corporates to manage risks, mobilize financing for the transition to low-GHG economies and to transparently communicate their strategies to market participants. These principles enhance the credibility of voluntary net-zero commitments, by integrating forest-related aspects and deforestation reduction targets whenever applicable. Forests play a critical role in promoting a just transition by addressing both environmental and social dimensions, particularly for vulnerable forest-dependent communities.

(III) Analyzing implementation challenges related to sustainability reporting standards, including for small and medium-sized enterprises (SMEs) and emerging markets and developing economies (EMDEs)

Companies that produce or source agricultural or forestry commodities face growing demands from buyers, investors, and regulators to eliminate deforestation and human rights abuses from their supply chains while transparently reporting on their progress.¹⁶ Consequently, SMEs and EMDEs may need to adopt sustainable practices and report on them, even in the absence of legal requirements. The G20 SFWG has identified several challenges faced by SMEs and EMDE in implementing sustainability reporting standards, especially on the (1) high costs associated, (2) lack of reliable data and alignment of reporting requirements, (3) limited technical capacity. Among the recommendations provided to overcome these challenges, the G20 SFWG calls country authorities and standard setters to consider the particularities of these actors regarding data-related requirements, integrate technology and facilitate capacity building.¹⁷

¹³2024 G20 Sustainable Finance Report. [Link](#).

¹⁴Green Climate Fund (GCF), the Climate Investment Funds (CIF), the Adaptation Fund (AF), the Global Environment Facility (GEF) and its associated funds.

¹⁵ Accelerating Sustainable Finance for Emerging Markets and Developing Economies: Independent Review of the Vertical Climate and Environmental Funds. G20 Independent High-Level Expert Group (G20 IHLEG, 2024). [Link](#).

¹⁶ CDP (2024). Time for Transparency - Deforestation- and conversion-free supply chains. [Link](#).

¹⁷ 2024 G20 Sustainable Finance Report. [Link](#).

(IV) Financing Nature-Based Solutions (NbS)

To enhance financing NbS in G20 nations, the G20 SFWG focused on innovative financial instruments to maximize private sector participation and identified barriers limiting their scalability and effectiveness. An analysis of 12 NbS case studies using blended finance to NbS investments was conducted, including forest-based solutions (see Box 1)¹⁸. The major challenges to scale up forest-based mechanisms include: (1) market and financial barriers, (2) regulatory and policy frameworks and (3) social and community engagement. Among the recommendations provided, are: (1) the need to create an enabling environment that incentivizes and facilitates investment in NbS, lowers financial barriers and de-risk investments, (2) capacity building and technical assistance, (3) stakeholder engagement, (4) the need to engage Indigenous Peoples and Local Communities (IPLCs) in NbS financing, etc.¹⁹

Box 1 - Toolbox on Financing Nature-Based Solutions

In partnership with the G20 Brazil's Presidency and the Institute of Climate and Society (iCS), Climate Policy Initiative (CPI) developed a report featuring 12 case studies of successful capital mobilization for NbS through blended finance, assessing their potential for replication and scaling across other G20 countries. Over 60 active financial instruments were mapped and analyzed in relation to the priority themes, their target, their stage of implementation, and geographic focus. A total of 12 instruments were selected, focusing on the following activities: restoration, conservation, oceans and water, bioeconomy, and agroforestry. Certain strategies observed across these instruments include: (1) the use of concessional capital, (2) the provision of technical assistance, and (3) engagement with local stakeholders. The 12 case studies showcase key tools for scaling investment in NbS: (1) ecosystem building, (2) engaging beneficiaries, and (3) the use of guarantees as de-risking agents. A detailed summary, including key information, context, an explanation of how each instrument works, and a concise analysis, is available in the "[Toolbox on Financing Nature-Based Solutions](#)."

G20 Infrastructure Working Group (G20 IWG)

The G20 IWG focuses on identifying innovative instruments to secure financial resources for infrastructure projects.²⁰ With growing challenges stemming from climate change and energy transitions, the IWG has prioritized strategies to enhance infrastructure's resilience and inclusivity. The most relevant outcomes for forest-related aspects are:

(I) Integrating NbS into infrastructure projects

Forest-based solutions offer sustainable alternatives for managing climate risks, conserving biodiversity, and supporting local economies. A critical aspect of this approach is treating "nature as infrastructure,"²¹ to deliver essential services. Key outcomes include:

¹⁸ CPI (2024). Toolbox on Financing Nature-Based Solutions. [Link](#).

¹⁹ 2024 G20 Sustainable Finance Report. [Link](#).

²⁰ G20 IWG (2024). G20 Website. [Link](#).

²¹ Asian Infrastructure Investment Bank, Asian Infrastructure Finance 2023, Chapter 4: "Nature as Infrastructure," (2023). [Link](#)

- Promoting forests as natural infrastructure assets, such as using reforestation for flood management or mangrove restoration for coastal protection.
- Advocating for financial instruments like green bonds and blended finance mechanisms to enhance private sector investment in NbS-linked infrastructure.

(II) Climate-resilient infrastructure development

To address the escalating impacts of climate change, the G20 IWG prioritized integrating resilience into all stages of infrastructure planning. Forests play a pivotal role in these efforts by acting as natural buffers against extreme weather and providing ecosystem services. The IWG has:

- Encouraged the use of National Adaptation Plans (NAPs) to mainstream forest conservation into infrastructure strategies.
- Supported the development of climate-resilient debt instruments and insurance products, such as catastrophe bonds, to mitigate risks associated with forest-dependent infrastructure.

(III) Expanding local and regional financing options

Recognizing the funding gap for EMDEs, the G20 IWG proposed solutions to diversify financing sources and reduce reliance on foreign currency loans. These efforts are particularly beneficial for forest-rich nations. Specific actions include:

- Strengthening local currency bond markets to finance infrastructure projects linked to forest conservation.
- Facilitating cross-border projects like biodiversity corridors, leveraging regional cooperation and shared financial mechanisms.

Sherpa Track

G20 Environment and Climate Sustainability Working Group (G20 ECSWG)

Coordinated by the Brazilian Ministry of Environment and Ministry of Foreign Affairs, the G20 ECSWG focuses on encouraging cooperation between G20 members and guests on concrete and innovative solutions on the environmental and climate sustainability agenda, including adaptation finance and PES. The G20 ECSWG issued a Ministerial Declaration²² which: (1) emphasizes the importance of enhancing efforts towards halting and reversing deforestation and forest degradation by 2030, (2) reaffirms commitment to the Kunming-Montreal Global Biodiversity Framework (KM-GBF), (3) encourages incorporating the value of the wide range of ecosystem services, opportunity costs and negative externalities into decision making and (4) mentions efforts to mainstreaming natural capital accounting, considering national contexts. The forest-related outcomes are the following:

²² G20 ECSWG (2024). Ministerial Declaration. [Link](#).

(I) Preventive and emergency adaptation to extreme weather events

The G20 ECSWG agreed on recommendations to advance adaptation action and financing, including: (i) increase institutional, policy and project preparation capacity; (ii) align adaptation policies and economic and fiscal policies; (iii) increase access to adaptation financing, (iv) attract private capital and innovative adaptation financing mechanisms. These recommendations are crucial for advancing forest-related adaptation efforts, as forests play a vital role in climate resilience by mitigating extreme weather impacts and increasing overall climate resilience.

(II) Payments for Ecosystem Services (PES)

The G20 ECSWG recognized PES as a powerful mechanism to drive the conservation and restoration of ecosystem services and tropical forests, advocating for its large-scale implementation through robust national public policies. The G20 ECSWG Ministerial Declaration recognizes (1) the importance of PES to provide fair and equitable benefits to those contributing to the provision of ecosystem services, (2) the need to develop PES schemes inclusively and transparently, with active participation from relevant stakeholders, (3) the importance of increasing reliable long-term funding, promoting capacity building and technical cooperation to advance innovative financial mechanisms for nature, and (4) encourage innovative mechanisms that seek to mobilize new and diverse sources of funding to pay for ecosystem services, such as the TFFF (Box 2).

While the PES was one of the key priorities of the G20 ECSWG, it was also featured in discussions across other G20 working groups, which collectively emphasized the cross-cutting potential of the PES to address conservation, climate resilience and economic sustainability. The G20 SFWG underscored the role of the PES in mobilizing private and public finance to scale forest conservation and ecosystem restoration, while the G20 Initiative on Bioeconomy (G20 GIB) highlighted the PES as a means to incentivize conservation and enhance biodiversity, create economic opportunities, promote social inclusion and foster food security and nutrition. Furthermore, the G20 Taskforce on a Global Mobilization Against Climate Change (G20 TF-CLIMA) positioned PES as a key financial incentive for practices that enhance ecosystem resilience and adaptation, as well as climate change mitigation, including through carbon sequestration and avoided emissions from ecosystems such as forests.²³

The final G20 Rio de Janeiro Declaration²⁴ further reinforced the significance of the PES as a unifying framework for achieving conservation, climate, and socio-economic goals:

“We encourage innovative mechanisms that seek to mobilize new and diverse sources of funding to pay for ecosystem services. As such, we take note of the plans to establish the TFFF and acknowledge the mechanism as an innovative tool for forest conservation.”

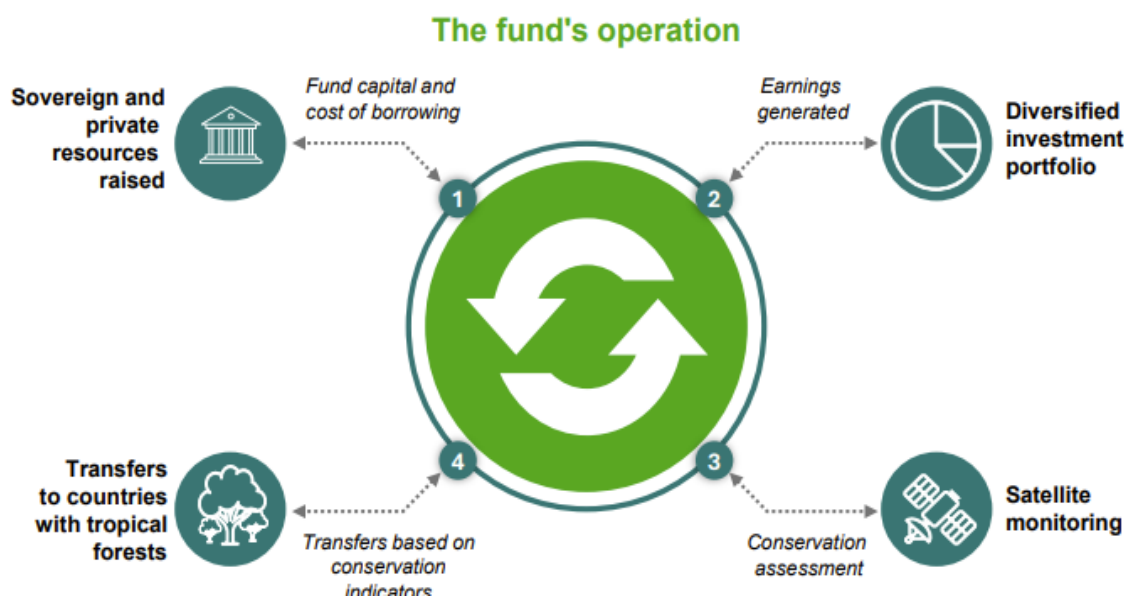
²³G20 (2024). Environment and Climate Sustainability - Technical papers on adaptation finance, oceans, payment for ecosystem services and waste and circular economy. [Link](#)

²⁴ G20 Rio de Janeiro Leaders' Declaration (2024). [Link](#).

Box 2 - Tropical Forest Forever Facility (TFFF)

Brazil plans to raise 125 billion dollars to finance tropical forest conservation

First introduced by the Brazilian Government at COP28 and launched during Brazil's G20 Presidency, the TFFF is a global permanent fund dedicated to supporting tropical forest conservation in developing countries. The fund uses its earnings to provide a fixed payment per hectare of conserved rainforest, including a guaranteed part of the resources for Indigenous Peoples and traditional communities, while preserving its principal investment. It also includes penalties for each deforested or degraded hectare. Its capital will come from advanced-economy sponsors and investors through deposits, loans, and bonds, with 20% from long-term loans by developed countries and philanthropies, and 80% from institutional and retail investors via debt securities, without increasing government budget burdens.



A sophisticated satellite monitoring system will be implemented to ensure transparency in measuring deforestation and distributing resources. At present, 79 nations have tropical forests, and the initial proposal limits participation to those that achieve an annual deforestation rate of no more than 0.5%. The TFFF is expected to have its operational launch at COP30 in Belém, in 2025.

For more information: [TFFF Factsheet](#)

G20 Initiative on Bioeconomy (G20 GIB)

The G20 GIB was introduced by Brazil's G20 Presidency in 2024, representing the first time the forum addressed this paradigm on a global scale. The initiative aimed at establishing a clear and actionable framework for advancing the bioeconomy, integrating science, innovation, and the sustainable use of biodiversity while promoting social inclusion and sustainable development. The G20 GIB was organized around three key pillars and their respective goals:

(i) Science, technology, and innovation for the bioeconomy:

- Highlight the importance of both modern scientific advancements and traditional knowledge in fostering bioeconomy practices.
- Encourage G20 members to explore collaborative opportunities for disseminating bioeconomic knowledge and driving innovation.

(ii) Sustainable use of biodiversity for the bioeconomy:

- Focus on practices that harmonize biodiversity conservation with sustainable economic use, ensuring fair and equitable benefit-sharing from genetic resources.
- Aim to position biodiversity as both an economic driver and a resource to be preserved for future generations.

(iii) Bioeconomy as a driver of sustainable development:

- Examines how the bioeconomy can contribute to a just and green economic transition, generating decent jobs and fostering inclusive growth.
- Defines the role of the G20 in shaping markets and policies that enable sustainable business models.

High-Level Principles

The Ten High-Level Principles on Bioeconomy²⁵, approved under Brazil's G20 Presidency, articulate a compelling and holistic vision on how the bioeconomy can drive just and green economic transitions. These principles describe the bioeconomy's central role in climate change mitigation, adaptation, and resilience, as well as with the KM-GBF targets, while identifying its extraordinary potential for innovation, economic value addition, and livelihood opportunities. Importantly, they also establish clear guardrails and expectations for equity, inclusion, and high-integrity governance. They also recognized the importance of traditional knowledge and how it can go hand in hand with scientific knowledge. The importance of international cooperation was reinforced, while also highlighting the need to respect local specificities.

The Principles further highlight that advancing the bioeconomy requires a deliberate alignment of financing mechanisms, enabling environments and policies. They call for fostering sustainable business models, ensuring a flow of nature-positive investments, and leveraging robust measurement frameworks and supportive trade rules to promote equitable and inclusive economic transitions. These actions enhance the sustainability of bioeconomic activities while increasing investor confidence in their long-term viability. Additionally, the G20 Bioeconomy Principles may foster access to funding, capacity building, and knowledge exchange for forest-rich countries.

These Principles provide a normative framework for the bioeconomy to evolve internationally, ensuring it supports sustainable development and the green transition. They emphasize the bioeconomy's capacity to address global challenges by integrating sustainability across economic, social, and environmental dimensions, advancing biodiversity conservation, and fostering international collaboration.

Legacy of Brazil's Presidency

²⁵ G20 High Level Principles on Bioeconomy (2024). [Link](#).

The G20 GIB is one of the standout achievements of Brazil's G20 Presidency, delivering a foundational framework for the bioeconomy's evolution. It has:

- Introduced a cohesive and actionable vision for a sustainable bioeconomy with the High-Level Principles.
- Provided a normative framework to guide the bioeconomy's development in the coming years, addressing challenges such as financing, innovation, and equitable growth.
- Demonstrated the bioeconomy's potential to create jobs, drive innovation, and strengthen resilience in the face of climate challenges.

Through the GIB, Brazil has not only elevated the bioeconomy to a prominent place on the G20 agenda but has also laid the groundwork for future presidencies to build on this momentum. The initiative highlights how the bioeconomy can integrate traditional and modern approaches to create solutions that work for people, nature, and the climate. South Africa, the next G20 Presidency, has committed to continuing the work initiated by Brazil.

The introduction of the G20 GIB marks a transformative step for the bioeconomy agenda, much like China's 2016 Presidency, with the launch of the Green Finance Study Group (GFSG). By introducing green finance to the G20 agenda, the GFSG catalysed shifts in global policies and investments, evolving into the G20 SFWG, a cornerstone of the G20's sustainable development agenda.

Similarly, the GIB holds the potential to position the bioeconomy in a central position of global sustainability discussions. The realization of this potential depends on continuity and expansion under future presidencies.

G20 Disaster Risk Reduction Working Group (G20 DRRWG)

During Brazil's G20 Presidency the G20 DRRWG, which promotes discussions on how to tackle critical global issues related to crisis and disaster management, addressed ecosystem-based adaptation and NbS for disaster risk reduction through the following priorities:

(I) Financing strategies for disaster risk reduction

The Input Paper "*Financing options for resilient solutions*"²⁶ presents some options to mobilize financing for DRR (Disaster Risk Reduction) and disaster shock absorption through investments in NbS (and forest-based solutions), and on biodiversity and nature conservation and/or restoration.

(II) Infrastructures resilient to disasters and climate change

The publication "*Good Practices for Increasing the Application of Ecosystem-Based Adaptation and NbS for Disaster Risk Reduction*"²⁷ showcase 16 case studies collected through a call for good practice cases to G20 countries and knowledge partners. It presents cases that provide compelling documentation that NbS offer multifaceted benefits, including conservation of biodiversity, climate change mitigation and adaptation, enhanced disaster resilience, and socioeconomic development.

²⁶ G20 DRR Input Paper (2024). Financing options for resilient solutions. [Link](#).

²⁷ United Nations Office for Disaster Risk Reduction and G20 Working Group on DRR (2024). Good Practices for Increasing the Application of Ecosystem-based Adaptation and Nature-based Solutions for Disaster Risk Reduction. [Link](#).

G20 Agriculture Working Group (G20 AWG)

The G20 AWG, which is an important forum for G20 members to strengthen cooperation on agricultural issues aiming at achieving the SDGs, emphasized in the G20 Agriculture Ministers Declaration²⁸ key points related to forests, the bioeconomy, and reinforced efforts toward zero deforestation. It also recognizes that low emission agriculture, NbS, water resilience, the sustainable use of bioeconomy and ecosystem-based and other management and conservation approaches need international cooperation and tailored solutions. These declarations are aligned with the following priority:

(I) Sustainability of agriculture and food systems in their multiple paths

The Declaration mentions the need of protecting, conserving, and restoring biodiversity, forests, and freshwater to promote the sustainable use and management of biodiversity and soil for food and agriculture. It highlights the bioeconomy's role in strengthening food security and nutrition and endorsed practices like regenerative agriculture to improve productivity with positive environmental impacts. It also stresses the importance of enhanced efforts towards halting and reversing deforestation and forest degradation by 2030.

Global Mobilization Against Climate Change Task Force (G20 TF-CLIMA)

Through G20 TF-CLIMA, Brazil's G20 Presidency brought together, for the first time, the Sherpa and Finance Tracks to discuss responses to climate change. It focused on two main items: (I) resetting action - advancing credible, robust, and just national transition planning and country platforms, and (II) resetting finance - frameworks consistent with the Paris Agreement.

The main forest-related outcomes from the G20 TF-CLIMA Ministerial Declaration²⁹ are:

- (1) the importance of conserving, protecting and restoring nature and ecosystems to achieve the Paris Agreement and the KM-GBF, including through halting deforestation and forest degradation by 2030
- (2) encourage Parties to come forward in their next NDCs with ambition
- (3) confirm their support to identify and address structural barriers to foster private capital flows to climate action
- (4) reinforce the need to enhance multilateral development banks (MDBs) connections with Vertical Climate and Environmental Funds to coordinate in financing climate action (synergies with the SFWG).

²⁸ G20 Agriculture Ministers Declaration (2024). [Link.](#)

²⁹ G20 TF Clima (2024). Ministerial Declaration. [Link.](#)

G20 Engagement Groups

The G20 encompasses 13 engagement groups that convey the demands and aspirations of G20 societies to their leaders, offering policy recommendations. Some of the recommendations provided by these groups on forest, NbS and bioeconomy are presented as follows.

G20 T20 - Think Tank

The G20 T20 brings together think tanks and research centres from G20 members. The G20 T20 Policy Brief contributed to the recommendations presented to G20 officials and are reflected in the final communiqué. The forest-related recommendations are the following³⁰:

Task Force 2 - Sustainable Climate Action and Inclusive Just Energy Transitions

Recommendation 4. Place Indigenous Peoples' and traditional communities' knowledge, participatory governance and equitable benefit-sharing at the core of the design and implementation of the G20 High-Level Principles on Bioeconomy.

- The G20 High-Level Principles on Bioeconomy should provide a clear and comprehensive definition of bioeconomy followed by a roadmap to attract financial support for bioeconomy strategies and projects.

Recommendation 5. Standardize and effectively integrate social and biodiversity objectives into green taxonomies, sustainability disclosure standards and frameworks, and ESG metrics.

- G20 efforts to foster the harmonization and implementation of sustainability requirements for businesses and financial institutions should consider nature and biodiversity protection targets aligned with the Sustainable Development Goals (SDGs) and with the KM-GBF.

Task Force 6 - Strengthening Multilateralism and Global Governance

Recommendation 3. Improve global cooperation and investments in climate-resilient development, including through the reform of the financial architecture.

- The G20 should champion equitable, sustainable carbon and biodiversity markets, payment for ecosystem services, and should advocate innovative financing mechanisms to protect tropical forests in particular.

G20 B20 – Business

The Business 20 (G20 B20) is the official G20 dialogue forum with the global business community. The G20 B20 recommendations that cover forest-related aspects are as follows:³¹

Sustainable Food Systems & Agriculture Task Force

³⁰ G20 T20 (2024). Communiqué and Implementation Roadmaps. [Link](#).

³¹ G20 B20 (2024). Final Communiqué. [Link](#).

Recommendation 2: Build breakthrough models for financing food systems transition

- Policy Action 2.2: monetize the value of relevant ecosystem services delivered by regenerative and sustainable agriculture practices, including improved resilience and environmental outcomes. G20 members should develop a regulatory framework to accelerate the development of high-integrity, interoperable credits for ecosystem services.

Energy Transition & Climate Task Force

Recommendation 3: Promote effective natural climate solutions

- Policy Action 3.1: ensure a thriving Natural Climate Solutions global market by 2030, widening protection and restoration projects and scaling the international carbon market. Among the Key Performance Indicators are: (1) the area of primary forest loss, which should be zero by 2030 and (2) nature-based carbon sequestration, which should achieve 2.9 GtCO₂e by 2030.

G20 S20 – Science

The G20 S20 serves as a scientific and technological forum fostering dialogue between the scientific community and policymakers. Among its G20 recommendations on bioeconomy are: (1) investing in research and infrastructure, (2) integrating social justice, and (3) strengthening international and multilateral cooperation.³²

³² G20 S20 (2024). Communiqué. [Link](#).

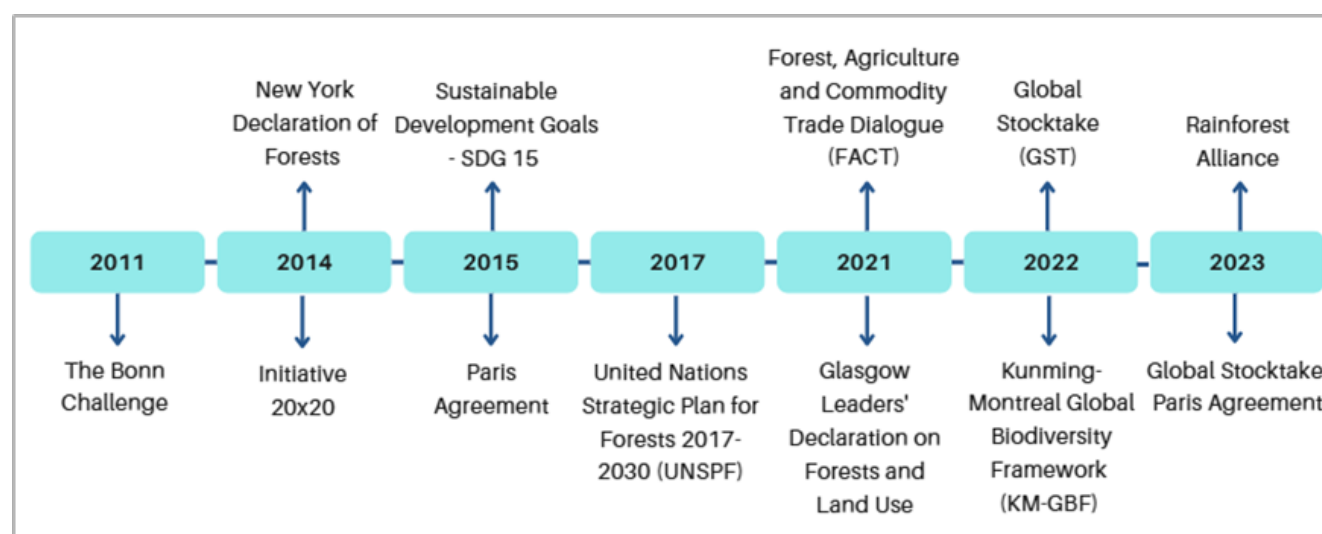
CHAPTER 4

G20 Forest-Related Outcomes: Supporting National and International Commitments to Combat Deforestation

Over the past 15 years, numerous international agreements and frameworks, endorsed by G20 countries, have been established to address forests either directly or indirectly. Despite their differences, they share a common goal: to reduce and halt deforestation, conserve and restore forests, and protect biodiversity (Figure 2; see Annex 1).

Figure 2

Key International Commitments and Frameworks for Forest Conservation and Combating Deforestation



The G20 forest-related outcomes from Brazil's G20 presidency, reflected in the G20 Rio de Janeiro Leaders' Declaration,³³ reaffirm the countries commitment to meet the Paris Agreements and the KM-GBF. They also reinforce efforts to halt and reverse deforestation and forest degradation by 2030 and can assist G20 countries in supporting other national laws and international commitments.

At the national level, G20 forest-related outcomes can effectively support member nations in achieving their goals and commitments for forest conservation, restoration, sustainable management and bioeconomy. Examples from G20 forest-rich countries include (1) the Ecological Transformation Plan³⁴ in

³³ G20 Rio de Janeiro Leaders' Declaration (2024). [Link](#).

³⁴ Brasil (2024). Ecological Transformation Plan. [Link](#).

Brazil, the Forestry 2030 Roadmap³⁵ in South Africa, (3) the National Action Plan on Climate Change³⁶ in India, Indonesia's Forest and other Land Use Sectors (FOLU) Net Sink 2030.³⁷

³⁵ South Africa (2009). Forestry 2030 Roadmap. [Link.](#)

³⁶ India (2008). National Action Plan on Climate Change. [Link.](#)

³⁷ Indonesia (2023). Indonesia's FOLU Net Sink 2030. [Link.](#)

CHAPTER 5

Synergies and Challenges for Forest-Rich Countries to Leverage G20 Forest-related Outcomes

The G20 forest-related outcomes present important synergies to foster innovation and enhance collaboration among countries to advance collective efforts. Nevertheless, challenges persist in achieving effective implementation and ensuring equitable benefits for forest-rich nations (Figure 3). Some examples of identified synergies and challenges include:

Figure 3

Synergies and challenges to leverage G20 forest-related outcomes



● **Synergies:**

Nature-Based Solutions (NbS) and Bioeconomy Initiatives: The G20 GIB, with its adopted High-Level Principles, and efforts to finance NbS and forest-related solutions, have established a foundation for advancing forest conservation, restoration and sustainable practises while promoting economic growth. These initiatives encourage G20 forest-rich countries to utilize their natural resources sustainably while addressing global challenges such as climate change and biodiversity loss. The TFFF exemplifies this synergy by providing targeted financial resources to support forest conservation projects worldwide. This combination of efforts is expected to reduce deforestation and enhance biodiversity protection, which is essential for G20 countries to meet forest-related international agreements and frameworks (Figure 2) in addition to their national policies. Another example of this synergy in action is the Brazil Restoration &

Bioeconomy Finance Coalition, launched during Brazil's G20 Presidency by a consortium of organizations. This initiative aims to mobilize US\$10 billion by 2030 to support projects focused on conserving and restoring forests.³⁸

Cross-Sector Collaboration: By integrating forest conservation into broader economic strategies, G20 initiatives foster cross-sector collaboration. Forests are increasingly recognized as natural infrastructure assets that mitigate climate risks and enhance resilience against natural disasters. The linkage between infrastructure development and forest management exemplifies the G20's cohesive approach, promoting integrative planning that benefits both conservation and sustainable development. For instance, the integration of forests into climate-resilient infrastructure projects through NAPs demonstrates the importance of forests as natural buffers against extreme weather events, while agriculture-focused initiatives, such as regenerative practices endorsed by the G20 AWG, highlight how forest conservation can support food security while promoting biodiversity.

Country Platforms - Operationalizing G20 Commitments: Country platforms serve as operational mechanisms to translate these synergies into actionable outcomes. These platforms align national strategies with international goals, mobilize resources, and coordinate multi-sectoral partnerships. Addressing different sector priorities, country platforms established by G20 countries, such as South Africa, Brazil, Canada and Indonesia, demonstrate this combination in practice. The Brazil Climate and Ecological Transformation Investment Platform – BIP,³⁹ for example, aims to support the advancement of Brazil's ambitious climate goals increasing transition investment in key sectors, including NbS & bioeconomy related projects. In Indonesia, the Just Energy Transition Partnership (JETP) secured US\$20 billion for the early retirement of coal power plants. Although it is not directly connected to forests, it shows the platform effectiveness to facilitate large-scale financing and policy alignment.

Financial Mechanisms and Capacity Building: The G20 has discussed innovative ways to mobilize private sector investment in forest conservation and restoration. By mapping financing options for NbS and addressing the challenges faced by forest-rich countries to access finance, especially developing countries, the G20 empowers nations to develop tailored strategies that attract and sustain investments. Capacity-building efforts, including project preparation support and technical assistance, are critical in enabling these countries to leverage G20 initiatives effectively.

The role of Indigenous Peoples and Local Communities (IPLC) in forest management: The G20 outcomes emphasize inclusive governance by recognizing the important role of IPLCs in forest management. Integrating community engagement into NbS financing and policy implementation fosters locally driven solutions that enhance conservation outcomes while respecting traditional knowledge and rights.

● Challenges

Financial Limitations: The financial gap remains a critical barrier, with the estimated US\$460 billion annual⁴⁰ need for sustainable forest management far exceeding current commitments. This shortfall limits the capacity of forest-rich nations to scale conservation projects effectively, even with mechanisms like the TFFF. Furthermore, there is a lack of financial tracking for forests on how commitments will be operationalized, making it difficult to fully assess progress. The new climate finance goal adopted at the 29th Conference of the Parties (COP29) aimed at supporting developing countries, is expected to cover less than one-fourth of the funding required to meet their Paris Agreement commitments, including those related to forests. This is likely to widen the existing finance gap, further exacerbating challenges in

³⁸ Brazil Restoration & Bioeconomy Finance Coalition (2024). [Link](#).

³⁹ Brasil (2014). Brazil Climate and Ecological Transformation Investment Platform – BIP [Link](#).

⁴⁰ Climate Focus (2023). Forest Declaration Assessment - Finance for Forests. [Link](#).

achieving sustainable forest management and conservation targets. Addressing this challenge involves enhancing engagement with the private sector and exploring innovative financial instruments that leverage risk-sharing to maximize their market participation in financing forest-related solutions.⁴¹

Currency Risk Mitigation: Lower and middle-income countries (LMICs) often face significant exchange rate volatility, which can increase the cost and risk of accessing international financing for forest conservation and restoration. Without effective tools to hedge against currency risks, many LMICs are unable to secure long-term investments for projects tied to foreign capital. Developing instruments such as local currency financing options, risk-sharing mechanisms, and blended finance models that account for currency fluctuations is essential to enhancing financial accessibility and stability. As an example, the Brazilian Government, in collaboration with the World Bank and the IDB, launched the Foreign Private Capital Mobilization and Exchange Protection Program - Eco Invest Brasil,⁴² which aims to encourage foreign investment in sustainable projects in the country and to offer exchange rate protection solutions, tailored to Brazil's ecological transformation needs. Similarly, in India, the FX Hedging Facility⁴³ was designed under the India Innovation Lab for Green Finance to manage currency risks for clean energy projects. The facility leverages public grants to cover extreme risks while allowing developers to manage moderate fluctuations through affordable hedging options.

Technical Capacity and Data Availability: Limited technical expertise and insufficient data hinder the effective implementation of forest-related solutions in many forest-rich countries. Addressing these challenges requires enhancing local data availability, developing robust decision-making tools, and strengthening technical capacity. These measures are essential to inform sustainable practices and align national policies with international commitments. An example of how to overcome this challenge is the One Map Initiative,⁴⁴ established by the Indonesian government, which integrates multiple land-use datasets into a single map to resolve land-use conflicts and improve forest management.

Regulatory inconsistencies: Diverging regulatory frameworks across countries create obstacles to scaling forest-based solutions projects and aligning national policies with global standards. Harmonizing policies across countries, MDBs and other stakeholders is crucial to overcoming these barriers.

Market Dynamics: Economic fluctuations and volatile markets disrupt investments in sustainable forestry practices. Stabilizing these conditions through risk mitigation instruments like guarantees and insurance mechanisms can help forest-rich nations maintain consistent support for conservation efforts.

⁴¹ CPI (2024). Toolbox on Financing Nature-Based Solutions. [Link](#).

⁴² G20 Sustainable Finance. Brazil is to invest R\$27 billion in ecological transition with international support. [Link](#).

⁴³ CPI (2024). Managing Currency Risk to Catalyze Climate Finance [Link](#)

⁴⁴ Indonesia (2017). Indonesia: One Map Policy. [Link](#).

CONCLUSION AND RECOMMENDATIONS

The groundbreaking forest-related outcomes of the G20 reflect Brazil's strong commitment to prioritize sustainable development and integrate social inclusion as core pillars of its presidency. They foster momentum for international collaboration to advance forest-based solutions, promote the bioeconomy, and support forest-rich nations in integrating forest conservation, restoration, and its sustainable use into broader economic and environmental goals. While non-binding, member countries are encouraged to leverage these outcomes to enhance national policies and meet international commitments.

The achievements of Brazil's G20 Presidency were driven by a coordinated strategy that fostered synergies between the Sherpa and Finance Tracks (G20 TF-Clima), alongside meaningful collaboration with engagement groups and international organizations which actively contributed to the G20 initiatives. These efforts led to significant outcomes, including the agreement on the High-Level Principles on Bioeconomy (G20 GIB), support for innovative mechanisms such as the TFFF (G20 ECSWG), the recognition of the importance of PES (G20 ECSWG) and a comprehensive mapping of financial mechanisms for NbS investing in G20 nations (G20 SFWG).

The need to scale up efforts to protect, conserve, and sustainably manage forests, as well as to combat deforestation, is emphasized in most ministerial declarations and working group discussions, and is also reflected in the G20 final declaration. Despite the recognition of G20 forest-related achievements, challenges persist, particularly the limited availability of financing to support effective forest conservation, restoration, and sustainable use. The success of these outcomes now hinges on the effective coordination and continuity of these initiatives, which require the commitment of the upcoming presidencies and the collective efforts of G20 nations to strengthen and leverage these.

Building on the forest-related outcomes of Brazil's G20 Presidency, the following recommendations are proposed to support G20 countries in effectively leveraging and advancing these achievements.

Recommendation 1: Upcoming G20 presidencies are encouraged to continue and advance the innovative efforts initiated by Brazil, such as the G20 GIB and the G20 TF-Clima, while G20 nations adopt and leverage the respective forest-related outcomes. South Africa, a megadiverse nation like Brazil, currently holds the G20 Presidency and has committed to advancing the G20 GIB,⁴⁵ which underscores the significant potential of the bioeconomy to contribute to a sustainable future. Ensuring the continuity of this initiative within the G20 forum is crucial to maintaining momentum and amplifying its impact. The continuation of the G20 TF-Clima is strongly encouraged to ensure a cross-cutting approach to address climate change responses. While the adoption remains non-binding, G20 countries are encouraged to embrace and leverage the forest-related outcomes outlined in this Policy Brief.

Recommendation 2: G20 countries are encouraged to build upon the High-Level Principles on bioeconomy by developing and implementing comprehensive green national transformation plans legislation focused on the bioeconomy, with social inclusiveness. These plans should integrate actionable measures to ensure equitable and sustainable practices, align with biodiversity conservation goals, and facilitate innovative financing mechanisms to support nature-positive economic activities, while integrating social aspects

⁴⁵ G20 Rio de Janeiro Leaders' Declaration (2024). [Link](#).

Recommendation 3: The G20 forum is urged to intensify and expand efforts to mobilize financing for forest conservation, restoration and sustainable management practices by advancing the adoption and development of innovative financial mechanisms. In this context, G20 countries are encouraged to:

3.1 Support the implementation of the TFFF, a multilateral investment fund that aims to enhance tropical forest conservation efforts in developing countries worldwide. The active participation and commitment of forest-rich G20 countries are essential to its success, as their leadership can facilitate resource mobilization and strengthen international support for the mechanism. With its implementation currently underway, the TFFF represents a vital opportunity for G20 nations to advance global conservation goals.

3.2 Develop a tailored portfolio of financial mechanisms to ensure effective financial resources mobilization. Building on the toolbox published by the G20 SFWG to finance NbS, G20 countries are encouraged to identify and adapt financial mechanisms to address the individual and unique characteristics and needs of each country.

3.3 Address financial challenges and create an enabling environment that incentivizes and facilitates investments. G20 forest-rich countries should prioritize creating supportive frameworks by implementing strategies, such as: (1) mitigating exchange rate volatility, (2) attracting private sector participation, (3) fostering policy measures and an enabling environment to support forest-related solutions and (4) implementing risk mitigation instruments to safeguard investments in sustainable forestry.

3.4 Leverage country platforms to strategically mobilize and enhance international investments, especially in G20 forest-rich countries, while supporting countries to meet national and international commitments.

3.5 Promote capacity-building, facilitate knowledge sharing, and enhance local data availability to empower key stakeholders in leveraging investments. Developing capacity in forest-related solutions, bioeconomy projects, and financial mechanisms is crucial for equipping decision-makers, investors, and other key actors with the tools and expertise needed to implement and scale effective strategies and leverage the G20 forest-related outcomes.

Recommendation 4: Enhance transparency through sustainability reporting and integrate nature and biodiversity-related aspects into sustainable finance taxonomies. These actions are crucial to facilitating investments and tracking financial flows.

ANNEX

Table 1

International agreements/pledge and key forest-related provisions and goals

International agreement and frameworks	Key forest-related provisions and goals	G20 Countries
2011 <u>The Bonn Challenge</u>	Global goal to bring 150 million hectares of degraded and deforested landscapes into restoration by 2020 and 350 million hectares by 2030.	Argentina, Democratic Republic of the Congo (part of African Union), India, Mexico, South Africa, Turkey, United States of America.
2014 <u>New York Declaration of Forests</u>	It is a political declaration calling for global action to protect and restore forests. Its ten goals include halting natural forest loss by 2030, restoring 350 million hectares of degraded landscapes and forestlands, improving governance, increasing forest finance, and reducing emissions from deforestation and forest degradation as part of a post-2020 global climate agreement.	Canada, Democratic Republic of the Congo (part of African Union), The European Union, France, Germany, Indonesia; Japan, Mexico, South Korea, Turkey, United Kingdom, United States of America.
2014 <u>Initiative 20x20</u>	Land restoration projects in Latin America. The governments of Initiative 20x20 member countries in Latin America and the Caribbean are leading the charge to reverse land degradation and deforestation beyond the original 20 million-hectare goal, by committing to improve land through restoration programs as well as improve policy and the capacity to drive positive change. It brings more than 50 million hectares of degraded land into the process of conservation and restoration by 2030.	Argentina, Brazil, Mexico.
2015 <u>Paris Agreement</u>	Article 5 of the Paris Agreement highlights the importance of conserving and enhancing greenhouse gas sinks and reservoirs, particularly forests.	All G20 countries.

International agreement and frameworks	Key forest-related provisions and goals	G20 Countries
2015 <u>Sustainable Development Goals - SDG 15 (2015)</u>	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	All G20 countries.
2015 <u>Land Degradation Neutrality (LDNs)</u>	Land Degradation Neutrality (LDN) is a global target under the United Nations Convention to Combat Desertification (UNCCD). It aims to balance land degradation with restoration, ensuring no net loss of productive land by 2030. LDN emphasizes sustainable land management, restoration of degraded areas and prevention of further degradation, supporting biodiversity, livelihoods and climate resilience.	Argentina, China, Indonesia, Italy, Russia, Saudi Arabia, South Africa, Turkey.
2017 <u>United Nations Strategic Plan for Forests 2017-2030 (UNSPF) (2017)</u>	Reverse the loss of forest cover worldwide through sustainable forest management and increase efforts to prevent forest degradation; enhance forest-based economic, social and environmental benefits; mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships; promote governance frameworks to implement sustainable forest management and enhance the contribution of forests to the 2030 Agenda for Sustainable Development; enhance cooperation, coordination, coherence and synergies on forest related issues at all levels, as well as across sectors and relevant stakeholders.	All G20 countries.
2021 <u>Glasgow leaders' declaration on forests and land use</u>	Conserve and restore forests and terrestrial ecosystems; promote trade and development policies that avoid deforestation and land degradation; enhance rural resilience, reduce vulnerability, and incentivize sustainable agriculture; reaffirm international financial commitments and significantly increase public and private investment to support sustainable agriculture, forest conservation and restoration, and Indigenous Peoples and local communities;	Argentina, Australia, Brazil, Canada, China, Democratic Republic of the Congo (part of African Union), European Union; France, Indonesia, Italy, Japan, Mexico, Russia, Turkey, United States of America, United Kingdom

International agreement and frameworks	Key forest-related provisions and goals	G20 Countries
	align financial flows with global goals to reverse forest loss and degradation.	
2021 <u>Forest, Agriculture and Commodity Trade Dialogue (FACT)</u>	FACT was launched at COP26 by the UK government and has Indonesia as co-chairs. This government-to-government dialogue is bringing together the largest producers and consumers of internationally traded agricultural commodities to protect forests and other ecosystems while promoting sustainable trade and development and addressing the climate and biodiversity crises.	Brazil, Canada, France, United Kingdom, Germany, Italy, DRC (part of African Union), Japan, South Korea, Indonesia.
2022 <u>Kunming-Montreal Global Biodiversity Framework (KM-GBF)</u>	It is a global framework that consists of global targets to be achieved by 2030 and beyond to safeguard and sustainably use biodiversity. Targets 2, 3, 5, 8, and 10 establish an umbrella for climate-nature actions that are highly relevant—though not specific—to forests.	All G20 countries except the United States of America.
2022 <u>Rainforest Alliance</u>	Countries with the world's largest tropical forests, have - after a decade of negotiations - formed an alliance to cooperate on bioeconomy and the sustainable management, conservation and restoration of tropical forests and critical ecosystems.	Brazil, Indonesia, DRC (part of African Union).
2023 <u>Global Stocktake (GST) - Paris Agreement</u>	It mentions conservation and restoration of forests, ecosystems, and biodiversity as key mitigation activities. Paragraph 33: emphasizes the importance of conserving, protecting and restoring nature and ecosystems towards achieving the Paris Agreement. Paragraph 34: efforts towards halting and reversing deforestation and forest degradation by 2030.	All G20 countries.