



RFN, an investment case for policy and drivers of deforestation

Raising national climate ambitions, ensuring effective implementation of the UN Conventions on climate and biodiversity, while transforming the main supply chains that drive deforestation.

Context

There has been growing international recognition of the essential role of forest protection in achieving the 1.5oC climate goal and the boosting the effectiveness of forest management by indigenous and other forest communities. After the publication of RFN’s *Falling Short* report, which exposed the severe lack of prioritization of IPLC tenure and direct funding reaching frontline organizations, the year 2021 marked a welcome shift in public and private funding commitments towards forests and IPLCs. But time is running out. A study published in March 2022 showed that more than 75% of the Amazon rainforest is losing resilience, nearing the point of no return. The main challenge now is to match the new supply of funding with solutions on the ground, at the speed and scale needed.

Agricultural expansion has continued to drive a large share of tropical deforestation. The production of commodities like palm oil, soy, beef and timber is a major cause of forest loss and social conflicts. Agriculture-driven deforestation remains a major challenge, but the demand for minerals is also increasing, requiring greater focus on extractives-driven deforestation, infrastructure development, and land speculation.

RFN’S WORK ON POLICY AND DRIVERS: KEY FIGURES

- ▶ Budget 2022: USD 2.5 million
- ▶ **Strong advocacy voice**
 - ▶ Engaging with the world’s largest sovereign wealth fund (NBIM), which has 9,000+ investees with assets worth \$1.3 trillion in 73 countries
 - ▶ Identifying the funding gap for indigenous land rights, and mobilizing governments and the donor community to act, via the Glasgow IPLC \$1.7 billion pledge.

Funding needs and opportunities

The importance of indigenous land rights is increasingly recognized within global political processes. COP26 in Glasgow saw the largest amount of forest funding ever pledged, and the role of indigenous peoples and local communities in the new Global Biodiversity Framework took center-stage at the Geneva Biodiversity Conference in March 2022. Our focus now shifts to the “hows:” (1) how to continue to mobilize funding while building the capacity of often-remote and politically disenfranchised communities to absorb and use these funds effectively; and (2) how to ensure that UN conventions on climate and biodiversity raise their ambitions and are fully implemented in all major rainforest countries—including when it comes to revising spatial planning policies to ensure that the world’s remaining rainforests are protected. .

We at RFN will continue to address the drivers of deforestation from (1) the regulatory side, working with EU advocacy partners towards deforestation-free EU legislation, implemented with sufficient ambition; (2) the financial side, turning commercial actors and investors into zero-deforestation champions; and (3) public opinion in Norway and internationally, raising the awareness of our collective role as consumers to demand needed action by the public and private sectors. In addition to our focus on Europe, China—the largest end-user market for forest-risk commodities, and largest investor in many tropical rainforest countries—represents a promising new frontier for developing an advocacy program targeting commercial actors and consumers.

What will a US\$ 50 million investment achieve on Policy and Drivers over five years?

With this investment, RFN will catalyze the following outcomes by 2027:

- ▶ Norwegian financial support for rainforest protection is further increased, and Norway continues to play a leading role in mobilizing international support for effective rainforest protection.
- ▶ A broad alliance of European NGOs has succeeded in advocating for increased and improved forest finance, establishing comprehensive EU-wide import restrictions on deforestation-risk commodities and making support to forest protection and indigenous peoples a priority within European climate and biodiversity policies.
- ▶ RFN and partners help donors implement their pledges towards IPLCs and commitments to deforestation-free supply-chains. Locally relevant mechanisms for participation and governance, such as IPLC Observatories, ensure the effective participation of IPLCs in decisions relating to forest finance and carbon markets in key rainforest countries.
- ▶ Major investors, including members of the Emerging Markets Investors Alliance and Principles for Responsible Investment, adopt strict policies and practices to avoid contributing to deforestation and human rights violation, deemed detrimental to their long-term financial interests.
- ▶ RFN has successfully engaged with Chinese commercial and policy stakeholders to help them achieve China's Net Zero pledge on rainforest protection, greening value-chains and ensuring that China's import policies are in line with global best practices.

How we measure success

- ▶ Annual tracking of progress toward the 2025 goal: that Norwegian governmental support to rainforest protection is increased from NOK 3 billion to NOK 4.5 billion annually.

- ▶ At least two large European countries adopt a strong no-deforestation legislation, implemented in line with demands from an NGO alliance supported by RFN.

Results to date

- ▶ In 2007, RFN proposed and successfully argued that Norway should dedicate USD 500 million annually to rainforest protection. This proposal gained broad support in Parliament and was announced by the Norwegian Prime Minister at the UNFCCC COP-13 in Bali, December 2007, establishing Norway as the global leader in rainforest protection—with RFN as a key advisor to the initiative ever since.
- ▶ RFN has been engaging with the world's largest sovereign wealth fund, Norway's Government Pension Fund Global (GPGF) at the highest level. This has provided us with unique access and influence over a global leader in climate-sensitive investments, one which has made reduced deforestation and the rights of Indigenous Peoples' (IP) among its top responsible investment priorities, encouraging its 9000+ investees (with assets worth USD 1.3 trillion in 73 countries) not to contribute to tropical deforestation or violation of IP rights, directly or indirectly, and to issue public reports on their measures and results.
- ▶ In 2021, RFN's Falling Short report provided an important baseline, exposing the funding gap for indigenous land rights. This motivated governments and private donors to raise their support at the COP26 in Glasgow, through the \$1.7 billion IPLC Forest Tenure Pledge.
- ▶ Thanks to RFN's close follow-up of the negotiation process on the Letter of Intent between the Central African Forest Initiative (CAFI) and the DRC, the new 2021–2031 Letter of Intent (LoI) shows notable progress regarding the protection of intact forests and on IPLC tenure and forest management, compared to the previous LoI (2016–2020). Norway (NICFI) and the UK (FCDO) have been instrumental in making these positive developments possible. Close contact with NICFI until the final stages of negotiation between CAFI and the DRC also resulted in the LoI confirming the maintenance of the moratorium on allocations of new logging concessions.



Why is RFN uniquely positioned to deliver

RFN is one of the few NGOs to combine comprehensive international rainforest policy experience and extensive knowledge about the political and economic drivers of deforestation, with close, trusting relations with representative organizations of forest-dependent peoples and important civil society organizations in rainforest countries. This rare combination enables us to play an influential role in international policy arenas where decisions that affect rainforests are taken. It allows RFN to engage meaningfully with the financial sector, turning progressive investor groups into agents of change towards deforestation-free investments and supply-chains. RFN provides systematic contributions to the Norwegian government's international rainforest policy and complements the campaigning efforts of other European NGOs with specialized knowledge, expertise and advocacy. Moreover, RFN occupies a special niche among western NGOs as regards influencing the Chinese deforestation footprint.

CURRENT INSTITUTIONAL FUNDERS OF RFN'S WORK ON POLICY AND DRIVERS:

Norwegian Agency for Development Cooperation (NORAD), Norway's International Climate & Forest Initiative (NICFI), European Climate Foundation, Ford Foundation, the William and Flora Hewlett Foundation.

References

- ▶ Kevin Currey, Ford Foundation
- ▶ David Kaimowitz, Tenure Facility
- ▶ Andreas Dahl-Jørgensen, NICFI
- ▶ Per Fredrik Ilsaas Pharo, NORAD



Contact us



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