

Forest Finance for Reaching and Enhancing NDCs

UNDP, Climate Focus, Meridian Institute, and UN-REDD

Addressing deforestation and forest degradation is crucial for achieving countries' climate and biodiversity goals, as well as for meeting global climate commitments. New research from the World Wildlife Fund (WWF) and Climate Focus finds that not only are we currently off-track to meeting forest goals and losing forests at alarming rates, but forests are also underrepresented in [nationally determined contributions](#) (NDCs). More than twenty national policymakers, climate and forestry experts, and Indigenous Peoples (IP) community leaders gathered during New York Climate Week this past September to discuss the challenges and opportunities in global forest financing, with over a dozen joining virtually. The event sponsors – Climate Focus, the United Nations Development Programme (UNDP), the United Nations REDD Programme (UN-REDD), and Meridian Institute – convened the group to share specific tools and promising strategies countries are implementing across the globe to tackle deforestation.

Temperature rise in 2024 shattered global records, highlighting the urgency of international discussions and the need for immediate political action on climate. Nationally Determined Contributions (NDCs), countries' commitments to reducing emissions and climate impacts as established in the 2015 Paris Agreement, are at the center of this urgent political agenda. As the next generation of NDCs are developed (NDCs 3.0) to align governmental bodies around the 1.5-degree global temperature goal, nations are looking to meet and enhance their NDCs. The agriculture, forest, and land use (AFOLU) sector represents about 25% of contributions to global emissions, but the [2024 Forest Declaration Assessment](#) finds we are not on track to meet international forest pledges for 2030. The biggest barrier to NDC implementation, according to Claudia Ortiz, Climate Change Specialist at UNDP, is finance. The estimated cost of delivering NDCs globally by 2030 is \$5.8 trillion, yet international pledges to protect, conserve, and restore forests ("green" finance) averaged less than [\\$6 billion per year](#) between 2021-25.

This forest finance gap limits countries' ability to enact policies to reach their NDCs. In Ghana's forest and land use sector, for example, the low price of forest emission reductions in the carbon market – as little as [\\$5 per ton](#) – falls far short of the inputs needed to scale up the work being done through REDD+, restoration of shea landscapes, and accessing high-integrity carbon markets. Speaking on the Climate Week event panel, Roselyn Fosuah Adjei of Ghana's Forestry Commission noted these incentives are low for those who rely on forests for their livelihoods. Afia we Mwenze of the New Economy for the Congo Basin Initiative (NE4CB) explained that, in the Democratic Republic of Congo, deforestation often serves as a survival strategy for those lacking alternative economic opportunities. To address this, Adjei shared, some countries like Ghana are exploring solutions such as resource-based payments and opening new markets to provide economic alternatives. However, many communities lack the financial capital or infrastructure to host these markets, emphasizing the need for blended finance in the forest sector to supplement public efforts in local communities. Implementing NDCs effectively requires national frameworks to respond to the material needs of stakeholders at the local level.

Using innovative strategies in the forest sector to enhance NDCs, countries are proving forest solutions are possible. In Peru, federal law requires the direct consultation of Indigenous communities and other non-state actors to provide recommendations and feedback on NDCs. Oseas Barbarán Sánchez, President of the *Confederación de Nacionalidades Amazónicas del Perú* (CONAP) and member of the Shipibo-Conibo people, expressed the importance of including Indigenous voices in decision-making. As Sánchez shared, IP communities in the Amazon provide governments with not just vision and

perspective but directly enact and receive finance for climate change mitigation and adaptation in forested areas of their territories that enable achievement of country-wide NDC ambition. The Peruvian national government, for example, is organized around the NDC as Peruvian law requires the government to consult multiple sectors and stakeholders, including the Indigenous Peoples' Platform for Climate Change. Berioska Quispe Estrada, Climate Change Director from Peru's Ministry of Environment, explained how this legal structure enabled the REDD+ Indigenous Amazonia IP-led initiative to be included as part of the national sectoral strategies. Similarly, according to Adjei, forest sector strategies are positively contributing to Ghana's overall NDC achievements. The forest sector is outperforming others in Ghana by achieving 35-40% of its NDC target as of 2024, in large part due to its innovative ambitions to reduce deforestation in agricultural supply chains. Through tree plantations, REDD+ activities, and carbon markets, Ghana's forest work is linking different mechanisms to finance and implement their NDC.

Some of the strategies referenced by the government speakers, namely opportunities in carbon markets and accelerating direct finance to IPs, are recommendations from the UN's [Climate Promise 2025](#) program. Climate Promise 2025 is committed to supporting NDC enhancement for countries in the lead-up to COP30 in 2025. Already, 127 developing countries have indicated plans to revise their NDCs. Climate Promise 2025 has begun hosting regional NDC 3.0 forums and engaged in national-level coordination with 64 countries, particularly on how IP and LC-led and Forests, Land, and Nature solutions can accelerate NDC implementation in the nature-climate nexus. Likewise, UN-REDD has committed to working closely with countries during its next phase in 2025 to evaluate the tradeoffs involved in implementing NDCs. Tools like the [NDC 3.0 Navigator](#) from the NDC Partnership are designed to help countries identify how and where to raise NDC ambition for 2025. Similarly, the NDC Guidance from UNDP and Climate Focus on [Aligning Short-term Land Sector Actions with Long-term Climate Goals](#) and the [Emerging Forest Finance Instruments](#) report from the Forest Declaration Assessment provide concrete recommendations on finance models and mechanisms being used today to help countries bridge the forest finance gap.

Since 2015, forest countries have achieved significant strides; there have been successes in Ghana, Peru, and even an improvement in global finance, with \$200 billion USD flowing to nature-based activities according to the UNEP's [State of Finance for Nature 2023](#) report. Still, with an astounding \$7 trillion flowing to activities that are destroying nature, much work remains to reach global forest and climate goals by 2030. The country-level strategies and tools shared in this discussion offer a promising path forward.

Speakers at this event included Claudia Ortiz, Climate Change Specialist at UNDP; Oseas Barbarán Sánchez, Shipibo-Conibo and President of CONAP-Peru; Frances Price, Global Leader on Forests at the WWF; Jillian Gladstone, Lead Consultant at Climate Focus; Berioska Quispe Estrada, Director of Climate Change and Desertification at Peru's Ministry of Environment; Afia wa Mwenze, Technical Consultant at New Climate Economy for the Congo Basin Initiative (NE4CB); Roselyn Fosuah Adjei, Director of Climate Change at the Forestry Commission of Ghana; and Mirey Atallah, Chief of the Adaptation and Resilience Branch at UNEP's Climate Change Division. Meridian Institute led on the process design for this event. The Master of Ceremonies was John Ehrmann, Senior Fellow at Meridian Institute. This event was made possible by UNDP, the Forest Declaration Assessment, and the Forest Declaration Platform.