

Nature-Based Solutions

Potential impact of reductions:

~ 6.6 Gt CO₂

Overall progress rating:

Poor

State of play 2022 & Progress since COP 26

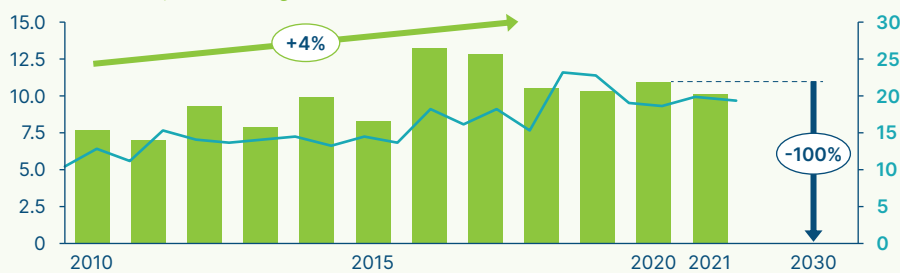
- Nature-based solutions represent the highest potential for emission reductions through absorbing anthropogenic emissions until 2030, however emissions from deforestation continue to rise.
- Overall, forest loss remains persistently high and even reached record high levels in core areas, such as in Brazil, during first half of 2022, with the Amazon now emitting more CO₂ than it absorbs¹. Some positive progress is being made, with reduced deforestation in Indonesia in 2021; though it is not yet clear whether this is a permanent reversal.
- Despite ambition shown in agreements at the multilateral level (e.g. agreement at COP26), country actions often face implementation challenges due to the absence of regulatory intervention and high fragmentation of land ownership.
- The Covid-19 pandemic highlighted the benefit of natural land protection going beyond carbon sinks, e.g. the need to minimize the risk of zoonotic diseases.

Progress & Bottlenecks

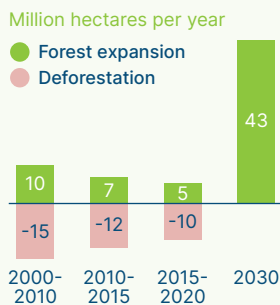
Afforestation & Deforestation

Emissions related to tree-cover-loss (left) and year-on-year tree cover loss (right) ¹

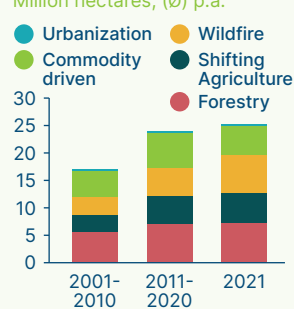
GtCO₂e (left axis), million ha (right axis)



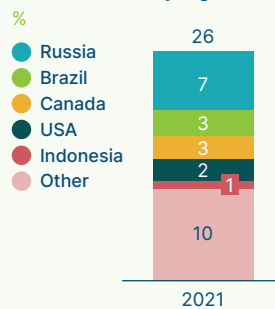
Annual Forest Expansion and Deforestation Rate²



Tree cover loss drivers³

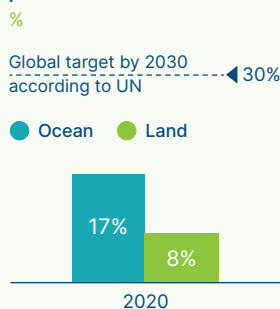


Tree cover loss by region³

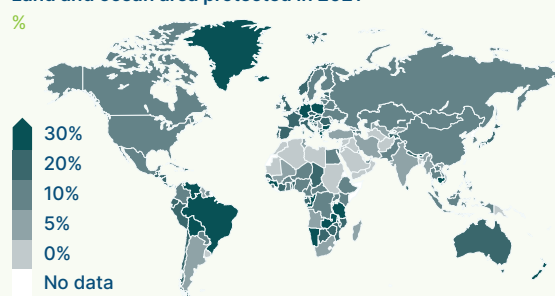


Land Protection

Lack of land and ocean areas protected⁴



Land and ocean area protected in 2021⁴



Finance

Finance to end deforestation

\$19.2 billion Pledged at COP26

\$1.3 trillion +

Required to 2030 without concerted policy action

- Some deforestation progress can be noted, such as reduced deforestation in Indonesia in 2021. However, no permanent reversal from deforestation has been achieved particularly with respect to persistently high forest losses in core areas such as in Brazil.¹
- Slow progress on deforestation reflects among other issues, high fragmentation of land ownership, uncertainty over existing land tenure rights, lack of shift to a plant-based diet and misaligned incentives - including the "opportunity cost" of using the land - of multiple relevant actors connected along value chains from local individual farmers, through intermediate businesses to consumers across the world.
- International flows of finance to offset the short-term incentives for deforestation are critical to establish positive progress in this sector.

- In December 2022, the UN Convention on Biological Diversity introduced the post-2020 Global Biodiversity Framework. This comprises 21 targets for 2030, including at least 30% of land and sea areas to be protected, reduce pesticides by at least two thirds, and eliminate discharge of plastic waste.⁵
- The framework proposes to realign or eliminate harmful incentives for biodiversity by at least \$500 billion/year. It also proposes to increase finance from all sources (private finance, domestic resource mobilisation, international flows to developing countries) to at least \$200 billion/year, to support the Framework's targets.⁵

- ETC analysis suggests that it could cost at least \$1.3 trillion between now and 2030, or \$150bn p.a., to end deforestation through carbon payments to protect 85Gt of CO₂ in the world's at risk forest. Without significant diet change, around 170Gt of CO₂ could be at risk from deforestation, taking the total cost of protecting this forest to around \$2.6 trillion, or \$300bn p.a. to 2030.
- To date, just \$19.2 billion has been pledged in international climate finance to end deforestation as agreed at COP26.