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Press Release

Governors from Around the World Call for \$1 Billion Investment at COP28 to Fund the 'New Forest Economy'

Dubai, December 5th, 2023 – State and regional officials who make up the Governors' Climate and Forests Task Force (GCF Task Force) are calling on the international community to support tropical forest conservation and sustainable economic development in their territories. They issued this call to the international community at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28). Made in collaboration with partners from Indigenous territories, local communities, national governments, civil society, and the private sector, the Governors' call seeks a commitment of an initial \$1 billion to establish regional New Forest Economy Funds, marking a bold and innovative step toward building sustainable forest economies. The call would establish a process over the next year to work collaboratively to co-design how existing and new funding commitments, and existing and new mechanisms to channel these funds, can most effectively and flexibly support action on the ground in GCF Task Force jurisdictions and communities.

The Urgent Need for Action

Governors from across the Amazon region, Mexico and Central America, Indonesia, and Africa, stand on the frontlines of the global effort to protect forests, reduce emissions, and foster new forest economies. Collectively, the GCF Task Force's 43 member states and provinces encompass over one-third of the world's tropical forests, making them crucial players in combating the climate emergency.

In the face of increasing global deforestation, and despite successful efforts at reducing deforestation in some GCF Task Force jurisdictions, the real challenge lies in ensuring resources and investment reach the territories and in transforming forest-based economies for the long term. The funds for the New Forest Economy aim to steer resources to existing or newly created financial mechanisms to provide rapid, flexible financing to support ventures and policies that create successful businesses, promote resilient economies, and offer alternatives to deforestation.

The call builds on existing efforts and partnerships, emphasizing the urgent need to shift forest-based economies much like the transformation seen through green industrial and clean energy policies. As noted by Colleen Scanlan-Lyons, co-director for the GCF Task Force secretariat, *"the funds will be instrumental in supporting and accelerating innovation, experimentation, and socioeconomic transformation in GCF Task Force member jurisdictions and communities."*

Why Now?

Global deforestation continues to increase. Deforestation in 2022 was 10% higher than in 2021, according to the World Resources Institute's Forest Pulse report. While the international community has made important pledges of billions of dollars to support efforts to curb deforestation, including commitments to Indigenous Peoples and local communities, the support is slow in coming and often does not reach our jurisdictions or communities. Carbon market finance, while valuable, is currently uncertain, uneven, and too limited on its own to sustain the necessary subnational and local-level actions. To effectively tackle the deforestation and climate crises, investment is needed now, quickly, and at scale to support, create, and maintain sustainable economic opportunities across tropical landscapes.

"Everyone knows that we, who live in the forest, are the ones who take care of it. We want new technologies and clean energy, but the resources have to reach the communities, without so much bureaucracy. Indigenous associations need to be involved in program design and organize themselves to receive these resources, because today those who pollute more take more, and those who preserve sometimes earn nothing. We provide a service not only to our lands, but to Brazil and the world. We want to be recognized so that the resource really reaches our base."

Francisca Arara – Indigenous Leader of the Arara People of Acre, President of the Regional Committee of Indigenous Peoples of the GCF Task Force, and Extraordinary Secretary of Indigenous Peoples of the State of Acre – SEPI/AC

How the Funds Will Work

The funds for the New Forest Economy will provide flexible, transparent, and targeted support for efforts that have a measurable impact on reducing and/or avoiding deforestation, combating poverty, and creating durable forest-focused governance. These region-specific funds will operate through trusted regional mechanisms and focus on the priorities of local populations, especially Indigenous Peoples and traditional communities.

"In Yucatan, we are committed to restoring ecosystems and conserving biodiversity, both locally and regionally. Cooperation between all is vital to tackle the climate crisis urgently. As a state, we are supporting local governments to make a more meaningful impact on our territory. Agile and flexible financial support is key to continuing to protect biodiversity and natural resources."

Mauricio Vila Dosal – Governor of the State of Yucatan, Mexico

Join Us

GCF Task Force Governors call upon partners to commit an initial \$1 billion to these funds and collaborate over the next year to design and ensure the effective delivery of funds to support public and private partnerships in building sustainable forest economies.

"The Global South preserves its forest, and the Global North must take responsibility for climate finance. The challenge is to transform the forest economy into Brazil's new agenda, so that the carbon

market, currently priced at \$10, becomes a new global commodity. This requires a look at preserving the forest, as the cost of the transition in the Amazon is more than 10 dollars per ton. As long as the living forest is worth less than the dead one, we will have difficulties in reducing deforestation in our region."

Helder Barbalho – Governor of the State of Pará, Brazil

Check the complete announcement under [this link](#) and the types of projects that are funding ready in our member jurisdictions [here](#).

About the Governors' Climate and Forests Task Force (GCF Task Force):

The GCF Task Force is the world's largest sub-national government network focused on forests and climate, with 43 members jurisdictions from 11 countries representing more than one-third of the world's tropical forests. This includes all the Brazilian Amazon, the vast majority of the Peruvian Amazon, more than 60% of Mexico's tropical forests, and more than 60% of Indonesia's forests. We work with Governors, civil servants, Indigenous Peoples, local communities, and other key partners, including conservation organizations, private sector leaders, and academia, to reduce deforestation and tropical greenhouse gas emissions while advancing low-carbon economies and sustainable, forest-based development. www.gcftf.org

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