

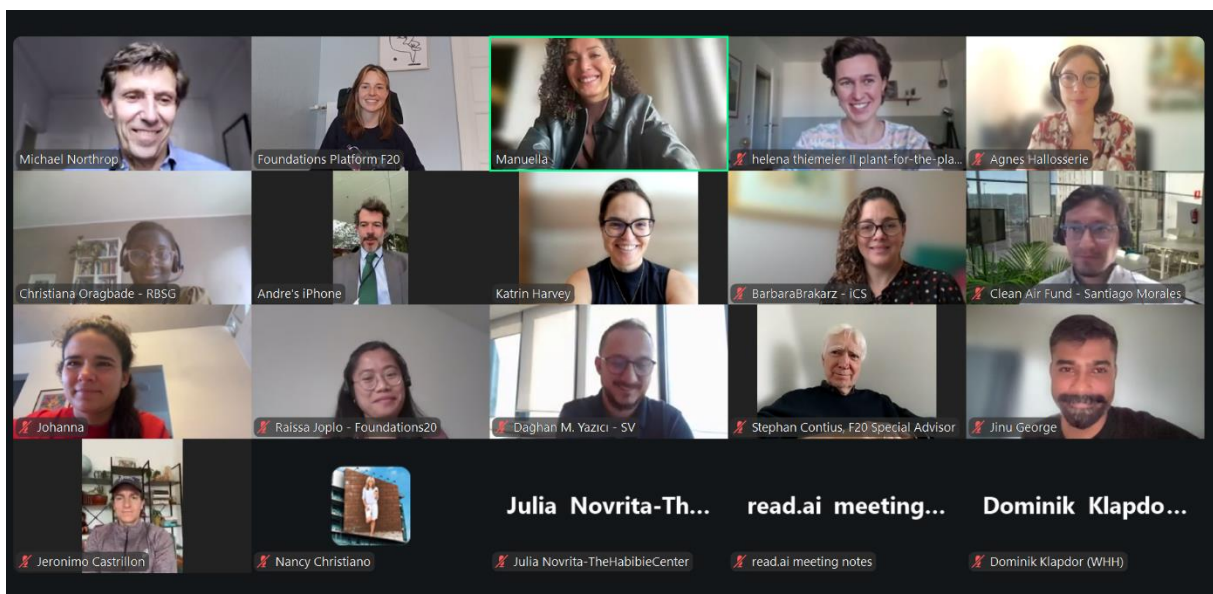


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F20 Executive Members Call on Tropical Forest Forever Facility (TFFF)

Wednesday, September 3rd – 2:00pm-3:00pm CET

Topic: Tropical Forest Forever Facility



Purpose: The meeting focused on the Tropical Forest Forever Facility (TFFF), with discussions led by Michael Northrop and featured presentations from Andre Aquino and Manuella Cantalice about the initiative's structure and implementation. The TFFF was introduced as a mechanism to provide financing to tropical countries based on forest conservation performance, with a focus on allocating funds to Indigenous peoples and local communities. The meeting covered various aspects including investment strategies, financial models, and eligibility criteria, with the anticipated launch of TFFF at COP30 and the role of philanthropy in capacity building.

Introduction and TFFF Overview

In a recent virtual convening, the international F20 member community met to discuss the development of the Tropical Forest Forever Facility, with a focus on its impact on Indigenous and local communities, and with a view to understanding philanthropy's role in magnifying the TFFF's impact. The discussion, hosted by F20 and moderated by Michael Northrop, Program Director at the Rockefeller Brothers Fund, featured deep insights from Andre Rodrigues de Aquino, National Director for Forest Development at



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the Brazilian Forest Service, Ministry of Environment and Climate in Brazil, and Manuella Cantalice, who is currently supporting the Ministry of Environment in Brazil with the development of the Tropical Forest Forever Facility (TFFF).

The Tropical Forest Forever Facility

As a significant climate, nature, and community development solution aimed at conserving tropical forests in 74 countries, Michael Northrop highlighted the great potential of TFFF in generating investment capital and distributing returns to participating nations. Its added value particularly serves Indigenous peoples and local communities, as they are set to receive at least 20% of payments for their immense conservation and land stewardship efforts.

In a detailed presentation, Andre Aquino outlined the establishment of TFFF as an innovative finance mechanism proposed by Brazil, alongside 10 other nations, to provide up to \$4 billion annually in financing to TFCs based on forest conservation performance. He highlighted that the initiative aims to raise \$25 billion, with sovereign investors contributing the majority. Aquino also explained that countries must meet eligibility criteria to join the TFFF, such as having deforestation rate below 0.5% (and on a declining trend), adequate public financial management systems, a reliable monitoring system to measure native forest cover, and classification as a developing country by UNCTAD. The establishment of a country access platform to provide technical assistance will likely help countries meet these criteria.

The Tropical Forest Forever Facility is expected to have a great reception on its launch at the Local Leaders Summit in Rio and during the COP30 in Belém. The decision on whether the World Bank will accept the hosting of the facility shall be made in October.

Involvement of Indigenous Peoples and Local Communities in TFFF

In her role coordinating the integration of Indigenous people and local communities into the TFFF framework, Manuella Cantalice explained that TFFF has co-designed a process with these communities to ensure the efficient and transparent distribution of funds, addressing the current underfunding issue, whereby they currently receive less than 1% of official development assistance despite managing over 54% of intact forests. The discussion underscored the need for philanthropic support to help TFCs meet eligibility criteria, including the establishment of national committees composed of



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both Indigenous peoples and local communities, as well as capacity building for managing community-led funds.

Concerns about TFFF

Finance

The innovative finance mechanism behind TFFF involves a blended finance model that utilises private capital in addition to sovereign and philanthropic investments. Andre Aquino emphasised the importance of securing investment pledges and building ownership among tropical nations, while also highlighting the role of philanthropy in capacity building. There were concerns raised about potential payment shortfalls and the need for a conservative approach to financial estimates. Mr. Aquino explained that the TFFF, as a performance-based system, will ensure that countries receive their payments. In addition, the specified incentive amount is calculated to be high enough to encourage more conservation efforts rather than resorting to destructive activities.

Eligibility

Regarding forest monitoring and specific characteristics of conserved forests, Andre Aquino clarified that monocultures and afforestation are not counted in the eligible forest hectares, while sustainable logging is allowed without leading to deforestation discounts. A full exclusion list detailing this is in the works. Manuella Cantalice explained that her team are working with consultants to map local communities among TFCs and there is a Global Advisory Council that will help validate national steering committees.

Next steps and outlook for TFFF

Aquino and his team will continue to work on finalising the financial strategy side of the initiative, such as investment strategies, a full exclusion list for investments and monitoring mechanisms, pre-COP 30 pledges, and encouraging dialogues with the World Bank on hosting TFFF. Manuella Cantalice highlighted the ongoing work on developing National Steering Committees of Indigenous Peoples and Local Communities, and engaging consultants to help tropical forest countries map and analyse local communities.

Wrapping up the session, Michael Northrop emphasised that TFFF will be a major topic at COP 30 - potentially Brazil's most important deliverable - and encouraged participants to explore the [TFFF website](#) for more information.