

Tropical Forests Forever Facility (TFFF)

Prelims: Current events of national and international importance | Environment

Why in news?

India will join the Tropical Forests Forever Facility (TFFF) as an **observer**, announced by India's ambassador to Brazil during COP 30 Leaders' Summit.

- **TFFF** - It is a **Brazil-led global fund** to reward tropical countries for protecting and expanding forests.
- **Aim** - To mobilize around **\$125 billion** through public and private investment, using returns to pay nations that conserve forests.
- **Launched at** - COP 30 Leaders' Summit in Belem, Brazil.
- **Trustee & Host** - World Bank
- **Endorsed by** - 53 countries globally —
 - **34 tropical forest countries** covering 90% of tropical forests in developing nations including Indonesia, the Democratic Republic of the Congo, China, etc.
 - Supported by **non-tropical nations** like Canada, UK, UAE, Japan, Germany.
- **Major contributors** - Norway (\$3 billion), Brazil & Indonesia (\$1 billion each), Portugal (\$1 million), France (up to €500 million), Netherlands (\$5 million), etc.
- **Key Features**
 - **Performance-linked finance** - It is designed as a "payment-for-performance" model
 - **Verification mechanism** - Uses agreed satellite monitoring standards and systems to reward tropical forest countries with a continuing source of funding.
 - **Continuity of Funding** - Funding continues as long as forests are preserved, creating a sustained incentive.
 - **Sovereignty-respecting** - Recipient countries retain full discretion over fund utilization, provided it supports conservation outcomes

- **Aligns with** - Existing mechanisms like REDD+, forest carbon markets, and Article 6 of the Paris Agreement.

How the Tropical Forest Forever Facility Will Work



Establish a blended finance fund with a target of \$125 billion (\$25 billion from donor countries, \$100 billion from private capital).



Invest in a fixed-income portfolio to earn returns above the capital costs.



Satellite-based monitoring systems calculate canopy cover, deforestation and degradation.



Tropical forest countries are paid per hectare of standing forest discounted for deforestation and fire degradation.



Tropical forest countries allocate at least 20% of payments to Indigenous peoples and local communities; the rest to finance forest conservation and sustainable use.

Source: TFFF Concept Note 3.1.
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• **Beneficiaries**

- **Tropical forest countries** - Gets financial support for conservation.
- **Indigenous Peoples & Local Communities** - Livelihoods, rights, cultural preservation.
- **Sponsor Countries & Capital Providers** - Moves from aid-based donations to investment-based nature finance.
- **Private Investors** - Diversified portfolio of fixed income assets from Emerging Market and Developing Economies (EMDES).

References

1. [The Hindu | Tropical Forests Forever Facility \(TFFF\)](#)
2. [Hindustan Times | Tropical Forests Forever Facility \(TFFF\)](#)
3. [WRI | Tropical Forests Forever Facility \(TFFF\)](#)