

Forests and woodlands are important stores of planet-warming carbon dioxide, [soaking up 30 per cent of emissions from industry and fossil fuels](#). But every year, the world loses 10 million hectares of forests, an area larger than Portugal. [The Green Gigaton Challenge](#), backed by the United Nations Environment Programme and partners, catalyzes public and private funds to combat deforestation, with the goal to cut annual emissions by 1 gigaton by 2025.



Key messages

- [Deforestation and forest degradation account for approximately 11 percent of carbon emissions](#). If deforestation were a country, it would rank third in carbon dioxide emissions behind China and the United States of America.
- [The Green Gigaton Challenge](#) aims to replicate for deforestation the conditions that are enabling decarbonization in the energy sector: the combined effect of carbon prices and predictable demand, such as feed-in tariffs or other subsidized revenue streams for renewable energy. Predictability would come from donor-funded floor prices that act as payers of last resort and by facilitating and leveraging private sector demand for emission reductions above these prices.
- [A gigaton of annual reductions is equivalent to taking 80 per cent of American cars off the road](#) and forest conservation and restoration will produce many benefits for resilience, biodiversity, health and livelihoods.
- [Donor governments and multilateral institutions, making financing available in the form of results-based payments](#), now have the opportunity to unlock increasing amounts of private finance. With private commitments to carbon neutrality rapidly increasing, there is a growing range of private actors looking for large-scale, high-quality, affordable and near-term mitigation options to compensate their carbon emissions while transitioning to net zero.
- A public-private bid for a gigaton in emission reductions per year over a decade starting at \$10/tCO₂e and [increasing gradually to \\$30/tCO₂e](#) is in the realm of the possible. A price of \$10/tCO₂e is below the price of carbon in [California](#). A price of \$30/tCO₂e is below the price of carbon in the [European ETS](#). The total size of the bid is a fraction of the forecast costs of achieving the goals of the Paris Agreement—[costs which could rise rapidly](#) if we cannot end deforestation and promote forest restoration.

Key data

- [The mitigation potential of forests by 2030 is about 5 gigatons a year](#), on par with that of industry and only behind the energy sector.
- An annual outlay of \$1 million in forest management can generate from [500 to 1,000 jobs in many developing countries](#), and [20 to 100 in most developed and middle-income countries](#). Investments in forests can become a backbone for COVID-19 recovery efforts in rural economies in developing countries.
- Investments in forests can [tackle the climate and biodiversity crises](#) together. A strategic choice of conservation areas with forests at its core can safeguard 500 gigatons of carbon and secure 95 per cent of biodiversity benefits.
- [1 in 3 outbreaks of new and emerging diseases are linked to deforestation](#) and other land use changes.

Further Reading

[The 2019 IPCC Special Report on Climate Change and Land](#)
[The Emission Gap Report 2018](#)
[National Mitigation Potential from Natural Climate Solutions in the Tropics](#)