
[Tropical Forest Forever Facility: nothing to celebrate](#)

On 6 November 2025, Brazil's President Lula presented the Tropical Forest Forever Facility (TFFF) to world leaders who had come to the Amazon city of Belém for the 30th annual UN climate conference (COP30). The TFFF will be hosted by the World Bank. Almost 20 years earlier, former World Bank employees had come up with the idea of speculating on financial markets as a way of trying to raise billions of dollars for forest protection. (1) The TFFF launched in Belém, celebrated by proponents as the 'big innovation' to finance forest protection, has its origins in 'this idea from nearly 20 years ago.

World Bank proposal to reduce industrialized country payments for tropical forest protection

The former World Bank employees who came up with the idea highlighted what they saw as a big advantage in their proposal: the money could be raised "without encumbering the finances of the countries that sponsor it". In other words, industrialized countries could reduce their payments for protecting forests in the Global South. As this article explains further below, the Tropical Forest Forever Facility launched in Belém will work in the same way: the money which the TFFF hopes to raise would come mainly from Southern countries themselves, not industrialized countries or wealthy investors. The Third World Network has pointed out this "paradox in [the TFFF's] financing: the returns used to reward tropical forest conservation are largely generated from the developing countries themselves, via their debt servicing and payments to international investors". (2)

TFFF is all about money – so where does the money come from?

Although the Tropical Forest Forever Facility (TFFF) receives most public attention, it fully depends on another, legally separate entity, which is at the heart of the whole TFFF idea: the Tropical Forest Investment Fund (TFIF). The TFFF would distribute (a small) part of the profits to countries with tropical forests that the TFIF hopes to generate by investing on financial markets. All the important decisions on how to generate the billions of US-dollars that the TFFF would distribute will be taken at the TFIF – where those who are providing the money, not the ones who protect the forest, will dominate the decision-making. TFIF thus replicates the colonialist decision-making structures of the global financial system.

The TFFF is based on the idea that money can stop deforestation. This focus on money as a way to protect forests is based on the (simplistic) assumption adopted by the TFFF that tropical forests are destroyed because there is no financial value in protecting them. This is what TFFF promises to change, by paying countries with tropical forests around US 4 dollars per hectare as an incentive to prevent deforestation. The role of the TFIF is to raise the money that TFFF is promising to governments in the Global South if they are reducing deforestation.

TFIF seeks to raise the money by operating like a bank: it hopes to borrow money and then invest it at a profit. So, to start, TFIF needs to raise the money. They have calculated that in total, the TFIF

will need US125 billion dollars to be able to pay US 4 dollars per hectare to the countries that qualify for payments for protecting tropical forests. (3) US25 billion dollars are expected to come from public sources, mainly contributions from governments in the Global North, and philanthropists like the Minderoo Foundation, which is backed by Australian mining billionaire Andrew Forrest. (4) This public money can be grants, or more likely, it will be long-term loans which means that Northern governments will also be profiting from their contributions and get their money back after some decades. The TFIF will need to secure at least a significant part of this public money in order to start raising the US100 billion dollars in private capital. Why? Because the public money will be used as a risk guarantee for the private capital. Without the public money as risk buffer, the cost of borrowing US100 billion dollars of private capital would be much higher.

Once the TFIF has secured the expected total of US125 billion dollars (or a lower amount, if TFIF will not be able to secure the full 125 billion US-dollars), the TFIF managers will become 'investors' on the global financial market themselves, lending the US125 billion dollars of borrowed money to governments and companies in need of money. The assumption of the TFFF is that the TFIF managers will **make more profit from their investments than TFIF has to pay in fees** to its own 'investors' that provided the US125 billion dollars. If this gamble works, there would be money left over to pass to the TFFF for distribution to countries with tropical forests. But this is a very big IF! Several economists think that after all the bills, including salaries, for operating the TFIF are paid and the 'investors' have received the fees for lending their money to TFIF, there may be very little, if any, money left to pay out to countries with tropical forests. (5)

Image

Arguments to reject the TFFF

There are many reasons to reject the TFFF. The text below highlights two of them: the TFFF relies on a capitalist, therefore fundamentally unjust global financial system that has been crippling countries in the Global South with unsustainable debt and the proposal will lead to more, not less deforestation. More arguments are discussed in the materials listed at the end of this article.

1 - TFFF relies on a capitalist, therefore fundamentally unjust global financial system that has been crippling countries in the Global South with unsustainable debt

Two aspects of this fundamentally unjust global financial system are particularly relevant. The first one is that for country governments and companies in the Global South, it is far more expensive to borrow in US-dollars than for governments and companies in the Global North. For governments and companies in the Global South, interest rates established in their countries are higher and currency exchange rate fluctuations are bigger. This is one reason why TFIF will be registered in the Global North, probably in the USA: It will have to pay much less for borrowing the US125 billion dollars if registered in the US than it would if it was registered in a country in the Global South (borrowing the same amount in Brazilian Real or Argentinian Pesos instead of US-dollars would also be much more expensive). It will also be able to make more profit by lending the borrowed US125 billion dollars to governments and companies in the Global South because they have to pay high interest rates for borrowing in US-dollars (in addition to facing high currency exchange rate risks). **This difference in the cost of borrowing for governments and companies in the Global North and the Global South that is at the heart of the global financial system, is what the TFIF business model is built on. It has to exploit this imperialist injustice of the financial system in order to generate the profit it is hoping to make.**

The second injustice that TFIF depends on to raise money, is the crippling debt burden of countries across the Global South. Many factors are behind this debt crisis across the Global South. They include the long shadow of debt imposed on newly-independent countries by their former colonizers, imperial trade regimes that reduce countries in the Global South to exporters of raw materials at low prices, World Bank structural adjustment and neoliberal 'development' policies as well as the global financial system that grants privilege to currencies of the Global North, as noted above. (6) For countries in the Global South, this debt burden means being trapped in a vicious cycle where they keep on having to borrow more money at unfavorable conditions just to pay back the interest on their debt, all the while the debt itself keeps growing. Cuts to public services or their privatization are among the impacts for the population.

Cancellation of this illegitimate debt is a long-standing demand from the Global South. It would free up much more than the US4 dollars per hectare of forest that the TFFF might be paying to countries with tropical forests. But instead of supporting debt cancellation, the TFFF model is dependent on maintaining and further deepening this debt burden! This is why, at the end of the day, the money that TFFF hopes to distribute for tropical forest conservation largely comes from the countries in the Global South themselves, via their debt servicing and payments to international investors, in this case including the TFIF . Even worse, only a small portion of the profit that the TFIF seeks to extract from the Global South will be passed on to the TFFF; the large part of the hoped-for profits will be paid to

run the TFIF and pay the investors – in their majority from the Global North – who are lending the US125 billion dollars to the TFIF. As the CornerHouse has pointed out: “On the whole, the [TFFF] scheme is designed to transfer wealth from South to North”. (7)

2 – More, not less, forest destruction

For several reasons, TFIF / TFFF will likely lead to more, not less, forest destruction. First, like so many previous international forest policy initiatives that promised to ‘save tropical forests’, the TFFF lacks a credible plan to tackle the underlying drivers and structural causes of deforestation. It does not propose effective measures to halt the expansion of mega-infrastructure projects such as hydropower dams that flood large areas of forest or Brazil’s BR-319 highway that cuts through the Amazon. (8) TFFF also has no concrete proposals for how to stop the devastation of forests for mining, industrial logging or expansion of monoculture plantations, be they soy, oil palm or trees; it does not come with a plan to stop forest destruction for oil exploration or coal mining, either.

Second, TFFF’s claim that annual payments of US4 dollar per hectare are “large enough to compete with the existing political economy issues driving forest loss” is unfounded. It provides no evidence whatsoever for this ludicrous claim, which is, at best, an assumption based on wishful thinking, and at worst, a cynical joke. Soy production, palm oil production, and other sectors that drive forest destruction – such as oil, mining and infrastructure – enjoy massive political and financial support and incentives from their respective governments. Producers of soybeans in Brazil, for example, could make more than US 360 dollars per hectare in profit in the 2024/2025 harvest. (9) That is why many extractive industries continue to break production records year after year.

Third, TFIF is likely to incentivize deforestation to achieve its profit projections. The financial markets which TFIF will be investing in only flourish well in an expanding capitalist economy. Bond markets – the part of financial markets that TFIF will primarily invest in – were invented to raise the money needed to set up profitable large and state-backed industrial projects. That is what bonds are for. (10) They provide money for large energy projects, for example, or for large-scale pulp and paper production, mining and agribusiness. Today, many of these operations - hydropower dams, nickel mining for batteries, etc. – are labelled as ‘clean’ or ‘green’, even though they are, by definition, activities that cause large-scale destruction. Without providing money for this cycle of destruction, the TFIF cannot generate the profits it hopes to pass on to the TFFF for ‘forest conservation’ payouts. The business model of the TFIF thus relies on investments in the very kinds of industrial activities a fund aiming to halt deforestation would have to stop, not invest in.

3 - Same logic as REDD

REDD will continue to damage forest peoples, operating alongside TFFF. Supporters of the TFFF have made it very clear that the same forest for which a government receives US4 dollar per hectare from the TFFF, a private carbon company can run a REDD project, or the government can sell carbon credits through a jurisdictional REDD programme. TFFF is expected to be money on top of REDD, not instead of carbon money, arguing that the money for forest conservation through REDD would be insufficient. (11)

But the TFFF intends to operate on the same logic as REDD: turning the climate crisis into business opportunities for financial capital while transferring its costs, risks, and impacts onto peoples. Like REDD, the TFFF financialises forests faster, meaning that financial capital, not forest peoples, have growing control over what can and cannot be done in a forest.

Growing opposition to wealth extraction machine TFFF

Many manifestos and petitions opposing the TFFF object to its proposal to raise money by tapping into the very same financial capital markets and global trade regime that have extracted wealth and raw materials from the Global South while keeping them poor and crippling them with an unsustainable debt burden. They point out that rather than advancing demands for industrialized countries paying their historical climate debt or freeing up funds by cancellation of the illegitimate debt that countries across the global South are burdened with, the TFFF deepens dependency on this structurally unjust global financial system and ties forest protection to capital market interests under World Bank control.

In the Manifesto in defense of territories and food sovereignty against nature markets, 55 farmers, fishers, Indigenous Peoples, and Afro-descendant organizations, social movements, territorial collectives, and human rights and environmental activists from 14 countries in Latin American and the Caribbean, “denounce financialization mechanisms within the framework of climate policy, particularly the Tropical Forest Forever Facility (TFFF)”. The manifesto highlights that because of how the TFFF intends to raise the money it hopes to pay out to countries with tropical forests, “it is ultimately the taxpayers of the Global South themselves who must finance the protection of forests historically deforested by corporations from countries in the North and, moreover, who will guarantee the returns for financial elites”. (12) The Brazilian Movimento dos Trabalhadores Rurais Sem Terra (MST) notes that “even though it’s presented as a big innovation, the Fund represents an expansion of the financialization of nature in tropical forests. It does not solve the central problems such as deforestation and fires in these biomes, and it transforms forests into financial assets, which serve to ensure maximum profits for investors in the Global North”. (13) The 32-member Africa Make Big Polluters Pay coalition has urged world leaders to reject the “profit-making instrument disguised as climate action” and pointed out that “even one percent of global military spending would provide six times the TFFF’s anticipated annual disbursement without exposing countries to financial risks”. (14) The Global Campaign to Demand Climate Justice (DCJ) reject the TFFF, “a false solution that deepens the financialization and commodification of forests rather than protecting them”. (15) The Statement from Civil Society Organizations on the Launch of the Tropical Forests Forever Fund (TFFF), issued by the Global Forest Coalition and signed by more than 200 organizations (as of 24 November 2025) points out that the “World Bank will have significant influence over the TFFF”. (16) In their position paper on the TFFF, Friends of the Earth International points out that the institutional set-up of the TFFF “reproduces colonial patterns where countries of the South, and especially their forest communities, become passive recipients of decisions made by Northern countries and financial centers regarding their territories and natural resources”, and that it “demands debt cancellation, historical reparations for the climate debt owed by Northern countries, and opposes mechanisms that exacerbate the unjust debt of Southern countries”. (17) The “Let’s STOP the TFFF Now!” statement signed by more than 200 organizations from 43 countries (as of 24 November 2025), denounces that “the TFFF would make wealthy investors who profit from forest destruction look like forest defenders” and “implicitly reinforce capitalist, racist, colonialist and patriarchal patterns of destruction”. (18)

Resistance continues while proponents struggle to raise funds to kick-start the TFFF

The Brazilian government’s fundraising efforts to secure announcements for US\$25 billion dollars in ‘sponsor’ funding during COP30 did not pay off: less than 25 percent of this amount was announced, with only a small part of this unconditional commitments. (19) Still, TFFF proponents

continue to promote the proposal. A new deadline to secure a scaled-down minimum of US\$10 billion dollars in 'seed funding' has been set for the end of 2026 and some proponents are claiming that the fund could also operate with as little as US\$5 billion dollars. Critics point out that such a "MiniTFFF" would still cost more or less US\$200 million dollars in yearly fees and administration costs and that such a MiniTFFF 'could end up funding its own fees rather than forests.'

As long as the threat of the TFFF remains on the table, it is important to keep insisting why the TFFF must be stopped and why it will not halt deforestation. Below, we have listed some materials to help spread the word about why TFFF is nothing to celebrate and why it is important to say no to this latest top-down international forest policy idea that reinforces capitalist-colonialist oppression and exploits the crippling debt burden of countries in the Global South.

Materials with more arguments on why to reject The Financializing Forests Faster proposal of the Tropical Forest Forever Facility:

- World Rainforest Movement (WRM): [TFFF: A new trap for peoples and forests in the Global South.](#)
- The CornerHouse: [Spoils of a Continuing Colonialism: The Tropical Forest Forever Facility.](#)
- Global Forest Coalition (GFC): [NO to TFFF, YES to Forest Rights.](#)
- Friends of the Earth International: [Analysis of the Tropical Forest Forever Facility. A Friends of the Earth International position paper.](#)
- Movimento Sem Terra (MST): [TFFF: por que não devemos celebrar o colonialismo verde sobre nossas florestas?](#)
- The "Let's STOP the TFFF Now!" statement is still open for sign-on from organizations, movements and collectives. It is available [here](#).

References

- (1) For more detail, see 'The Tropical Forests Forever Facility: "[The worst conservation fund ever?](#)" on REDD-Monitor.
- (2) Third World Network. [Review of the Tropical Forest Investment Fund.](#)
- (3) For details of the 'deforestation test' that countries have to pass through before they qualify for payments, see the chapter 'How likely is it that countries with tropical forests will pass the 'deforestation test'?' in the [WRM publication TFFF: A new trap for peoples and forests in the Global South.](#)
- (4) REDD-Monitor. [The Tropical Forest Forever Facility has raised just over US\\$2 billion. Almost entirely from Brazil and Indonesia.](#)
- (5) REDD-Monitor. [The Tropical Forest Forever Facility has raised just over US\\$2 billion. Almost entirely from Brazil and Indonesia.](#)
- (6) See, for example: [Jubileu Sur Brasil. Brasil, 200 anos de \(in\)dependência e dívida](#) or Debt Justice. Colonialism and Debt. Colonialism and Debt. The global economy is shaped by a history of exploitation. [Learn more about the links between colonialism and debt.](#)
- (7) The CornerHouse. [Spoils of a Continuing Colonialism: The Tropical Forest Forever Facility.](#)
- (8) Philip Fearnside. [The mire of Brazil's BR-319 highway: Deforestation, development, and the banality of evil \(commentary\).](#)
- (9) DW, 2025. Desmatamento para cultivo de soja volta a assombrar Amazônia. [www.dw.com/pt-br/desmatamento-para-cultivo-de-soja-volta-a-assombrar-floresta-amazônica/](#) and IMEA, Senar MT, 2025. ["Earnings Before Interest, Taxes, Depreciation, and Amortization \(EBITDA\) of soybeans in Mato Grosso showed a recovery in the 2024/25 harvest compared to the previous cycle, reaching BRL 1,961.45 \[USD 363.65\] per hectare". \(p.16\).](#)
- (10) WRM Bulletin 257. [The World of Speculation and Green Bonds.](#)
- (11) Christ REDD Monitor. [The Tropical Forest Forever Facility has raised just over US\\$2 billion.](#)

Almost entirely from Brazil and Indonesia.

(12) [Manifesto in defense of territories and food sovereignty against nature markets, 2025.](#)

(13) MST, 2025. [TFFF: por que não devemos celebrar o colonialismo verde sobre nossas florestas?](#)

(14) Businessday, 2025. [African bloc rejects Brazil's \\$125bn forest fund over fears of corporate capture.](#)

(15) DCJ, 2025. [Quotesheet: Tropical Forest Forever Facility or The Fake Forest Fund?](#)

(16) GFC, 2025. [NO to TFFF, YES to Forest Rights.](#)

(17) FoEI, 2025. [FoEI's analysis of the Tropical Forest Forever Facility.](#)

(18) [Let's STOP the TFFF Now!](#)

(19) REDD-Monitor. [The Tropical Forest Forever Facility has raised just over US\\$2 billion. Almost entirely from Brazil and Indonesia.](#)