Tropical Forest Forever Facility: Brazil’s $125 Billion Fund to Protect Forests

November 11, 2025 • vajiramandravi.com

Tropical Forest Forever Facility Latest News

- At the **COP30 climate summit in Belém**, Brazil unveiled the **Tropical Forest Forever Facility (TFFF)** — a new **$125 billion fund** to reward developing countries for **conserving tropical forests**.
- President Luiz Inácio Lula da Silva called it an **“unprecedented initiative”**, emphasising that it gives **Global South nations a leading role** in forest conservation efforts.
- While the TFFF is expected to reshape global environmental policy, experts remain uncertain about its implementation mechanisms and how funds will be distributed and managed in practice.

Tropical Forest Forever Facility: A Global Investment for Conservation

- The Tropical Forest Forever Facility (TFFF) is a self-sustaining investment fund aimed at rewarding up to 74 developing countries for preserving old-growth tropical forests.

- The fund seeks to raise $125 billion — including $25 billion from governments and philanthropists and $100 billion in private investments.
- The money will be invested in public and corporate bonds, with the annual returns distributed as payments to forest nations based on satellite-tracked canopy data.
- Initial contributions include $1 billion each from Brazil and Indonesia, $250 million from Colombia, $3 billion over a decade from Norway, $5 million from the Netherlands, and €1 million from Portugal.

TFFF Aims to Make Forest Conservation More Valuable

- The Tropical Forest Forever Facility (TFFF) was launched to reverse the economic incentives driving deforestation, where forests are often worth more dead than alive.
- By rewarding countries and landowners for keeping forests intact, the fund seeks to make conservation financially competitive with deforestation-based activities like soy and timber production.
- The TFFF marks a turning point in tropical forest protection, as it creates a global, permanent incentive mechanism recognising the true value of forest ecosystem services, including carbon storage and climate regulation.

Concerns Over Financial Stability and Accountability of the TFFF

- **Vulnerability to Market Fluctuations**
  - Critics warn that the Tropical Forest Forever Facility (TFFF) is highly exposed to financial market volatility, as it relies on bond investments—including in developing nations prone to instability.
  - A major market crash, like during COVID-19 or the 2008–09 financial crisis, could jeopardise returns and disrupt payments to forest-conserving countries.
- **Weakening of Developed Nations' Obligations**
  - Experts argue that the TFFF could dilute the legal responsibility of developed countries to provide climate finance.
  - Since the **fund is not part of the UNFCCC framework**, it is not bound by international accountability standards governing climate finance commitments.
- **Risk of Undermining UN Climate Mechanisms**
  - According to the climate finance experts, the TFFF might undermine existing global climate finance systems under the UNFCCC and Paris Agreement, by shifting focus away from public funding obligations toward market-based mechanisms.

Source: IE | TH
