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Forest restoration should not be overlooked

Reforestation has an important role to play in tackling the climate crisis, although two controversial issues need to be ironed out, write Armínio Fraga, Candido Bracher, Joaquim Levy, and Roberto S. Waack

In Moby-Dick, or The Whale, the classic work published in 1851, author Herman Melville narrates the story of a group of sailors aboard the whaling ship Pequod, aiming to pursue and extract oil from the animals to light homes and streets. However, to satisfy a personal desire for revenge,

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Captain Ahab changes course and pursues the whale that had amputated one of his legs during a previous expedition.

In the mad pursuit of Moby Dick, Ahab puts everyone on board at risk, leading the voyage to a tragic end.

Many philosophical, historical, political, and mythological interpretations have been made about the plot of what is considered one of the greatest novels of all time, and there is a clear analogy to be drawn with today's climate emergency: misguided decisions motivated by narrow visions can lead to catastrophic outcomes. In the face of the climate emergency, the global society is in the same boat and relies on a cooperative pact to avoid succumbing to the forces of nature in a turbulent sea.

To address the alarming reality of climate change, humanity can no longer afford to overlook the use of powerful instruments, among which is forest restoration.

Solving the energy issue and halting deforestation are not enough: additional efforts must be made as quickly as possible, to regenerate ecosystems that serve as important carbon sinks — not to mention the benefits to biodiversity, water cycles, and soil preservation.

After all, a tree can already sequester carbon, making reforestation a readily available solution, whereas Carbon Capture and Storage (CCS) technologies lack scale and are economically unfeasible for widespread adoption.

Reforestation must remain a priority, even if more competitive and accessible alternatives emerge in 15 years.

Naturally, there are institutional concerns about how to develop the restoration

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framework, but that is precisely why efforts should be directed toward improving and refining it, consolidating the instrument as a class of financial assets in the emerging carbon market — whether regulated or voluntary.

"Humanity can no longer afford to overlook the use of powerful instruments, among which is forest restoration"

To succeed, there must be an agreement on at least two controversial points. One relies on how to prove additionality, which is to ensure that increase in carbon sequestration in a specific area can be directly attributed to forest restoration efforts in that same location.

The other point of contention is that carbon offsetting through restoration could be used by emitting companies to maintain their business-as-usual practices — for example, an airline that invests in forest restoration without reducing its emissions. In such cases, potential solutions could include placing a cap on the use of offsets or establishing stricter limits to ensure meaningful reductions.

The positive perspective is that the restoration agenda is making progress in tropical countries. A series of announcements by the US Treasury Department this year shows the intention to invest in restoration within America, such as the American Climate Corps, a government service that will employ more than 20,000 young people to work on climate-related projects, including forest restoration.

SEC disbands ESG enforcement division

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The US Securities and Exchange Commission (SEC) has disbanded the Climate and ESG Task Force within its division of enforcement, as the agency battles criticism that its focus on sustainability represents mission creep.

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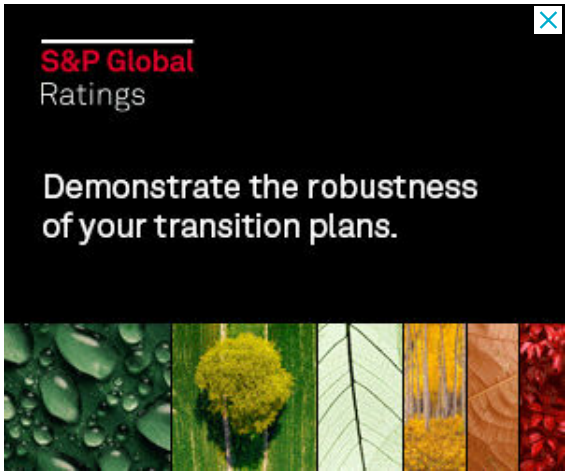

On top of that, the Treasury also signed agreements with Amazonian countries to redirect debt payments toward conservation efforts, protecting more than 68 million acres of tropical forests, while a partnership with Brazil aims to improve climate finance architecture, focusing on forest and biodiversity conservation.

The UK has additionally committed £1.5 billion to the protection and restoration of international forests.

The demand for carbon offsets from American technology companies is evident, given the high energy consumption of Artificial Intelligence. After all, a tree has the natural ability to sequester carbon immediately, making reforestation a practical readily available solution.

There is, after all, an appetite to make forest restoration a class of assets, leveraging the market in favour of climate protection.

"A tree can already sequester carbon, making reforestation a readily available solution, whereas Carbon Capture and Storage technologies lack scale and are economically unfeasible for widespread adoption"

In Brazil, a global leader in tropical forests, there are numerous opportunities, with various technological options and cost ranges that fit different investment interests.

The country, which will host COP30, has a robust business sector, with representatives attending Climate Week in New York ready to discuss and develop the regulatory environment for restoration.

The noise that still hinders this agenda can sink the Pequod. Nearly 200 years later, humanity has the opportunity to steer the ship to another direction, recognizing the importance of charting a common horizon and following the path of decarbonization.

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