

POLICY COHERENCE FOR A SUSTAINABLE AMAZON:

IDENTIFYING AND REFORMING POTENTIALLY HARMFUL INCENTIVES THROUGH A MULTIDIMENSIONAL SECURITY APPROACH

Fundación para la Conservación y el Desarrollo Sostenible (FCDS)
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Executive summary

The Amazon covers about 42% of Colombia's mainland territory [1]. Between 2001 and 2025, it lost 2.1 million hectares of forest, according to the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM), which is responsible for official forest monitoring in Colombia [2]. Estimates by the Socio-environmental Conflicts Observatory of the Fundación para la Conservación y el Desarrollo Sostenible (FCDS) indicate that forest loss continued in 2026, with around 49,900 hectares lost in the first half of the year [3]. Conversion to pasture, certain extensive cattle-ranching practices, extractive activities such as mining, and unplanned roads are linked to land occupation and forest conversion [4]. FCDS sees deforestation as the visible consequence of a crisis of territorial governance in which legal, illegal and informal economies operate in an integrated way, and proposes to address it through its Multidimensional Security Model. Within this framework, the impact of harmful incentives must be taken into account: public interventions that alter the costs, benefits, risks or conditions of access

to, use of and control over resources, and that encourage behaviour that puts pressure on forests and biodiversity. Identifying these incentives requires examining how each instrument works and how it is implemented, not just the economic activity it supports.

Target 18 of the Kunming-Montreal Global Biodiversity Framework calls for identifying harmful incentives and making progress towards their elimination or reform [5]. However, a review of national reports to the Convention on Biological Diversity (CBD) reveals a gap between declaring identification complete and actually publishing a verifiable method or using the results to guide reform. To support progress on Target 18, FCDS and Rainforest Foundation Norway (RFN) are collaborating on the project "Sustainable Amazon: Governance and Incentives for Protection" (*Amazonía sostenible: gobernanza e incentivos para la protección*). Their work combines a comparative review, methodological development and sector-level analysis. The Multidimensional Security approach, built on four interdependent dimensions (climate, economic, human and national security) and a cross-cutting dimension



of international involvement and cooperation, guides the analysis of local conditions and of the possible impacts of reform options. International leadership and Amazonian cooperation can support this work through information sharing, capacity building and the exchange of experience among countries.

The methodology is being applied sector by sector to cattle ranching, mining, forestry, and roads and infrastructure, each at a different stage depending on data availability and ongoing consultations. Cattle ranching was the first sector examined and is the most advanced; it therefore serves as a first test case of how the available evidence can guide in-depth analysis and the design of reform options. The cattle-ranching pilot is used to examine risk mechanisms in financing, in the allocation of land rights, and in traceability and oversight systems. In financing, the pilot examines in depth the Special Credit Lines (*Líneas Especiales de Crédito*, LEC) administered by the Fund for the Financing of the Agricultural Sector (FINAGRO), a second-tier financial institution that channels agricultural development finance through

financial intermediaries. These lines lower the cost of credit through an interest-rate subsidy. This analysis points to possible adjustments in eligible loan purposes, geographic targeting, and conditions of access and monitoring, while evidence on where loans are located and how they relate to the forest is still being gathered. This work leads to three proposals for the seventeenth meeting of the Conference of the Parties to the CBD (COP17): making countries' reported identification of harmful incentives verifiable; funding participatory, place-based inventories; and promoting reform agendas for instruments linked to pressures on tropical forests, with transition measures that safeguard communities' livelihoods and rights.



Protecting the Amazon requires coherent policy decisions

Cumulative forest loss reflects persistent pressure on the Colombian Amazon, which covers about 42% of the country's mainland territory [1]. Between 2001 and 2025 the region lost 2.1 million hectares of forest, according to IDEAM, which is responsible for official forest monitoring in Colombia [2]. In 2025, the region accounted for 65% of the country's deforestation [2]. FCDS has also documented links between land-cover change, infrastructure and cattle expansion: in its monitoring period from April 2024 to March 2025, 80% of forest loss occurred close to road segments, at an average distance of 1.2 km between 2017 and 2024, the cattle herd in the arc of deforestation of the northwestern Amazon grew by 86.1% [4]. The pressures behind these patterns combine differently from place to place: land occupation may precede road building or follow the access a road creates, farming and other economic activities may lock in land-use change, and limited enforcement capacity allows these effects to persist.

Policy decisions shape these dynamics. Credit lowers the cost of productive investment, but it can finance both improvements on established landholdings and expansion into new forest areas. Similarly, a road may meet connectivity needs while altering access to land under pressure. For example, the work of FCDS and WWF on the El Retorno-Calamar road corridor, in the department of Guaviare, shows why infrastructure design must be considered together with land-use planning and the land uses it enables in the surrounding area [7, 8]. These examples describe possible mechanisms; they do not attribute observed deforestation to any particular project or credit line. Quantifying and attributing these impacts requires accounting for the interacting

factors behind deforestation and biodiversity loss, which makes it difficult to isolate the contribution of a specific intervention.

The distinction between an instrument's legitimate public purpose and its possible effects in the areas where it operates raises a policy question: **which policy instruments should be maintained, adjusted or repurposed, and under what conditions, to reduce the risk that they contribute directly or indirectly to forest conversion?**

The complexity of the Amazon context and of the interactions between activities, actors and public interventions calls for a response that considers the different dimensions of security and the well-being of communities. Target 18 provides a framework for examining the risk of harm, the available evidence and the conditions for reform [5]. Answering this question also requires establishing who receives the benefits and who would bear the costs of eliminating or repurposing an incentive.

To help answer this question, and with support from RFN under the project "Sustainable Amazon: Governance and Incentives for Protection", FCDS is analysing public interventions that act as potentially harmful incentives for the Amazon forest, together with possible reform options. FCDS has worked in the Amazon region for 15 years and has the technical and advocacy capacity to analyse potentially harmful incentives and develop reform pathways. The aim is to help authorities and other stakeholders consider feasible changes that reduce pressures on the forest and protect the livelihoods and rights of its inhabitants. The proposals for COP17 build on the progress presented in this brief.



A place-based analysis grounded in Multidimensional Security and rights

Public interventions are part of the economic, social, environmental and institutional dynamics of the places where they are implemented. Their effects depend both on their design and implementation and on existing local conditions. In the Amazon, FCDS addresses these conditions through its Multidimensional Security Model, which proposes moving from sectoral environmental policies to a single state architecture that integrates environmental, economic and social components, as well as national and international coordination [6]. The model is built on four interdependent dimensions (climate, economic, human and national security) and a cross-cutting dimension of international leadership and cooperation. Each dimension responds to a distinct structural problem, but all of them operate as a single system [6].

This approach changes the unit of analysis. Responses must operate simultaneously at several scales (a multiscale approach), and coordination criteria among development actors and sectors serve as a rule of consistency for their decisions (a multi-actor approach). The approach treats the biome as a system in which the outcome of each dimension depends on conditions produced by the others, so that a failure in one undermines the performance of the rest, and it characterizes threats as cross-sectoral problems that feed into one another [6].

Economic security includes the progressive and structured redirection or reduction of public policies, instruments and regulatory frameworks that directly or indirectly harm forests and ecosystem services. Because the dimensions are interdependent, the reform of an incentive is also assessed in terms of its effects on forest integrity, livelihoods, people's rights and the institutional capacity to implement it. Multidimensional security strategies deliver more effective results, but over a longer time frame than traditional security measures, which are often favoured because they show short-



term results even though they do not address the underlying problem in depth. This longer horizon is consistent with the gradual nature of the reform options proposed in this brief.

In this policy brief, the approach is used to guide questions about instruments and reform options. From the initial search for instruments onwards, the characterization records where each one operates and under what tenure regime, what behaviour it encourages, who receives the support, what pressure it could create on the forest, and which entities decide on, fund and verify its implementation. Information on beneficiaries and institutional capacities then shows who would bear the costs of a change and which measures would avoid deepening existing vulnerabilities. These criteria guide the contextual analysis; they are neither an automatic inclusion filter nor an approved weighting system.

For FCDS, the well-being and protection of local populations are a central criterion for assessing any intervention in the region. Human security is understood as the condition in which individuals and communities can live with

dignity, exercise their rights, maintain their cultural and territorial ties, and take part in the decisions that affect their lives [6]. Applied to incentive reform, this criterion requires that Indigenous Peoples and local communities have access to information and participate effectively in decisions affecting their territories, including prior consultation (*consulta previa*, the right of ethnic communities in Colombia to be consulted on measures that directly affect them) where applicable. It also requires distinguishing between small-scale producers, larger beneficiaries and intermediaries before the access conditions of an instrument are changed, and anticipating transition measures proportionate to their adaptive capacity and to the potential effects on their livelihoods and territorial rights [5].



Identifying harmful incentives under Target 18

Target 18 of the Kunming-Montreal Global Biodiversity Framework calls on Parties to “identify by 2025, and eliminate, phase out or reform incentives, including subsidies, harmful for biodiversity, in a proportionate, just, fair, effective and equitable way, while substantially and progressively reducing them by at least 500 billion United States dollars per year by 2030, starting with the most harmful incentives, and scale up positive incentives for the conservation and sustainable use of biodiversity” [5]. The 2030 figure is a global target for annual reduction. The Secretariat’s guidance adds two practical clarifications: the identification step “should not preclude immediate action” to reform an instrument when there are grounds to do so, and the most harmful incentives “are not necessarily the ones with the highest financial outlays” [5].

Meeting this target requires defining what counts as a harmful incentive and what is included in inventories. Subsidies are one form of public support. The instruments to be examined include subsidized interest rates, credit guarantees, tax concessions and certain public investments. Non-monetary or non-spending instruments, such as rules governing access to, allocation of rights over, and use and control of resources, can also alter behaviour in ways that put pressure on forests. The CBD Secretariat’s guidance recognizes that “policies and laws governing resource use, such as land tenure systems”, can have harmful effects [5]. In all cases, a specific public intervention must be identified, together with the mechanism through which it alters costs, returns, risks, restrictions or access to resources.

The economic activity supported is not, by itself, sufficient to establish that a public policy instrument is a harmful incentive. An instrument targeting cattle ranching, mining or transport is not harmful *per se*; it may initially be classified as a candidate if a

plausible mechanism linked to forest pressure is identified. Subsequent assessment must establish where it operates, what behaviour it induces, what the evidence of its effect is, and what alternative explanations could account for the observed change. This separation allows the inventory to start with incomplete data and reserves the determination of harm for the cases that pass validation.

The same distinction is useful for comparing international methodologies. Studies differ in the scope of instruments examined, the reference scenario, the environmental pressures considered and the evidence required to classify an instrument. The OECD working paper [9] compares these design choices and provides guidance on examining the mechanisms linking support measures, economic activity and pressures on biodiversity. The Biodiversity Finance Initiative (BIOFIN) of the United Nations Development Programme (UNDP) organizes the work from identification and assessment through to redesign and monitoring, incorporating beneficiaries, social effects and political economy [10]. As a result, two analyses may classify the same support differently if they assess different components, places or implementation conditions; when this happens, the underlying assumptions should be compared before the results are interpreted.

For the Amazon, this diversity poses a practical problem: a national list of potentially harmful support measures does not, on its own, show which of them operate at the forest frontier or which condition would need to change. The analysis must link each intervention to its location, the behaviour it encourages and the relevant pressures, and keep the evidence on design, operation and effects separate. The analysis can then distinguish between reforming the whole instrument, modifying a component or strengthening its implementation.

The gap between reporting, documenting and reforming

The first Target 18 deadline passed in 2025, but available information suggests that the identification of harmful incentives is far from complete. As of 9 March 2026, the CBD, which has 196 Parties, had received 125 seventh national reports in time for the first global review of collective progress [11]. Drawing on these reports and on others submitted by a later cut-off date of 1 July, Carbon Brief examined 134 reports and found that 21 countries appeared to have completed identification; however, the analysis acknowledges that the metrics for determining which countries have met this milestone are not explicitly defined [12].

In the Carbon Brief sample, 113 reports, around 84%, fell outside the group of 21. This is a share of the 134 reports examined, not of the 196 Parties, and it does not show that those countries have been inactive. In fact, 66 countries stated in their seventh national reports that they had begun identification [12]. These figures point to a significant challenge for the collective review of progress on Target 18 at COP17: progress reports do not always show which instruments were examined,

using which criteria and methodology, and whether the work led to reform options.

To examine this issue, FCDS reviewed the methodological documentation of the 21 cases highlighted by Carbon Brief. The initial review, with a cut-off date of 2 September 2026, found five cases whose documentation allows the procedure to be reconstructed within its scope: Mongolia, the Netherlands, Switzerland, Thailand and the United Kingdom. The review compared scope definition, sources, selection rules, treatment of the harm mechanism and documentation of results; it also assessed reproducibility in terms of the published procedure, without validating the completeness of country information or independently replicating all calculations. Table 1 summarizes what these cases contribute and how they relate to reform. Annex 1 presents the 21 countries, the review criteria and the status of the documentation found, together with the sources consulted. The classification shown describes the documentation found by FCDS and does not constitute an official assessment of country performance.

Table 1. Documented country cases and their link to reform options

Country and source	Methodological contribution	Link to reform and limitations
Mongolia · BIOFIN [13]	Selection of agricultural incentives, in-depth assessment and stakeholder consultation.	Milk and wheat as redesign cases; the options examined are not equivalent to implemented reforms.
Netherlands · WUR [14]	Instrument-level register, reference scenario, pressure drivers and expert review.	Generates evidence for redesign decisions; an impact assessment does not establish that a reform pathway has been implemented for each measure.
Switzerland · WSL/SCNAT [15]	Broad inventory, available quantification, intensity and the share assessed as harmful.	Examines difficulty and scope for modification; expert judgement on alternatives does not demonstrate that reforms have been implemented.
Thailand · BIOFIN [16]	Sectoral assessment covering beneficiaries, ecological context and alternatives.	Analyses coastal infrastructure and nature-based alternatives; transfer to the Amazon requires place-based adaptation.
United Kingdom · JNCC [17]	Updatable inventory and screening based on World Trade Organization (WTO) and OECD sources.	Its indicator does not develop an instrument-level reform pathway and covers a limited set of instruments.

In the Amazon context, the gap is more specific. Peru was the only Amazon Basin country among the 21 highlighted by Carbon Brief and, as of the review cut-off date, FCDS had not found a complete and reproducible public method for that case. Other countries in the same group that are relevant to tropical forests are Cameroon, Côte d'Ivoire, Gabon, Indonesia, Liberia and Thailand. A documented procedure was found for Thailand and partial documentation for Liberia; for the other four, no protocol sufficient to reconstruct the identification was found. These results describe the documentation available at the review cut-off date and should not be used to draw inferences about the work under way within each government. Explicit sources and procedures are particularly important for exchanges among tropical forest countries. In shared ecosystems such as the Amazon, these exchanges can advance through compatible registers and common place-based criteria, while respecting each country's sovereignty and information systems.

FCDS's comparative review also covered 41 methodological studies and country cases, as well as nine frameworks or guidelines. This body of work broadens the basis for examining how the scope of instruments is defined, how pressure mechanisms are documented, and how beneficiaries, territories and reform options are considered. Its purpose is to identify procedures and lessons that can be used in the Amazon analysis. The comparison of methodologies is kept separate from the application of the institutional Multidimensional Security framework to public interventions: the presence

of territorial or social elements in a study does not mean that it adopts that framework.

The challenge identified by this review is to compare results based on different sets of instruments, criteria for establishing harm and analytical coverage. A monetary total or a progress category can conceal relevant exclusions, regional differences and missing information on beneficiaries. Therefore, while leaving countries free to adapt definitions and methodologies, FCDS proposes publishing a common set of traceability fields for Target 18: scope and exclusions, sources, risk mechanism, available evidence and date of analysis. Place-based modules would add information on forests, tenure, beneficiaries and rights where these are decisive for designing reform options. Compatible fields would also allow instruments that operate on the same ecosystem to be compared across jurisdictions.

From a Multidimensional Security perspective, this traceability should relate forest pressure to land occupation and use, livelihoods, the protection of rights, community participation and the capacity of institutions to enforce the rules legitimately and respond to pressure from criminal power structures. These links help reveal what an aggregate figure does not show: who benefits, which populations depend on the support, and under what conditions a reform could reduce pressure without worsening local or economic insecurity. Analysing local conditions thus identifies the additional information needed to design reform options and to define transition measures commensurate with their possible effects on people and territories.

From identification to reform priorities in the Colombian Amazon

International experience shows that inventorying, assessing and reforming are distinct steps that involve different decisions. The OECD review provides criteria for defining the scope and examining the harm mechanism [9]; BIOFIN develops a sequence that links selection, assessment, political economy and redesign [10]; and the Dutch and Swiss procedures document instrument-level judgements and their limitations [14, 15]. The FCDS proposal builds on this body of work. To explain the decisions involved and the results of its application, this document presents five phases, summarized in Table 2: define the scope, build the inventory, assess, prioritize and design reform options. This is a simplified presentation that does not alter the methodology's technical design; progress in documenting instruments should not be read as validation or implementation of reforms.

Applying the methodology to Amazon forests requires specifying the unit of analysis: an identifiable public intervention, or a distinguishable component of one, that alters costs, returns, risks, restrictions or access. This extends the analysis beyond fiscal and financial support to enabling investments,

rules allocating rights of access to land and resources, and the conditions under which regulation is enforced. An implementation failure is included as a candidate only when a public duty, the competent authority and a gap capable of altering incentives can be identified. A generic institutional weakness is not sufficient to constitute a unit of analysis.

Each unit is documented in an assessment record (*ficha*) covering identification and legal basis, legal and operational status, incentive mechanism, behaviour encouraged, forest pressure, location, beneficiaries, evidence for each link in the causal chain, and open issues. The record also keeps track of relationships between programmes and components to avoid double counting. The Multidimensional Security framework guides what information should be gathered and how these relationships are interpreted: forest pressure is examined together with livelihoods, rights and conditions of legitimate governance. How to incorporate these elements into the weightings used to prioritize potentially harmful incentives for reform is still being developed within the project.

Table 2. Analytical phases to identify, assess and reform harmful incentives

Phase	Decision question	Verifiable output	Caveat
1. Define the scope	Which instruments are in scope?	Scope, sources and exclusions.	Avoid omissions and duplication.
2. Build the inventory	Which instruments warrant examination?	Version-controlled register of candidates.	Candidate status does not imply harm.
3. Assess	How could harm be induced?	Causal, place-based and distributional assessment record.	State evidence, alternatives and uncertainty.
4. Prioritize	Which cases should be addressed first?	Matrix with rationale and gaps.	Keep risk, evidence and feasibility separate.
5. Design reform options	What should change, who decides and how?	Pathway, responsibilities, transition and indicators.	Verify results and distributional effects.

A first round of analysis can draw on secondary data and existing sector studies to identify candidates even when data on how they operate or on their effects are missing. The procedure records information gaps and distinguishes between candidates, preliminary inclusions, validated cases and cases with sufficient evidence for prioritization. With this sequence, consultations and reform options can begin in a timely manner. Before an instrument is restricted or eliminated, or definitive conditions are set for its use, the evidence must be proportionate to the decision and its effects on the people concerned. Urgency criteria do not turn a hypothesis of forest pressure into demonstrated harm.

The prioritization phase considers four sets of criteria: relevance and potential forest harm; magnitude and scope of the instrument or of its risk component; strength and coverage of the evidence; and feasibility and timing of reform. Keeping them separate prevents fiscal expenditure from being confused with ecological harm, and political expediency from automatically displacing the cases that matter most for forests. Rights, participation and distributional costs are examined when each instrument is characterized and the response is designed. These elements are part of the multidimensional analysis and must be considered in prioritization and reform decisions, although how to incorporate them as weighted criteria or specific safeguards is still being analysed as the methodology is developed further.

The Multidimensional Security approach guides how these sets of criteria are read together. The risk to forest integrity is examined together with livelihoods and lawful economic activities, people's rights and the legitimate governance needed to implement changes [6]. This helps

anticipate what a transition would require: an environmentally desirable option may require technical assistance and alternative sources of income for small-scale producers, or coordination between land and environmental authorities. Questions about these conditions complement the analysis of risk and feasibility.

Finally, political economy considerations complement the prioritization phase by examining the concentration of benefits, small-scale producers' dependence on the support, the mandates of the entities involved, the actors able to support or obstruct change, and budgetary or regulatory windows of opportunity. These elements, developed by BIOFIN in its methodological proposal [10], inform the design of consultations, sequencing and transition measures. In the FCDS proposal, these analyses inform the assessment of options' feasibility and distributional consequences. From a Multidimensional Security perspective, they help determine whether an option that is feasible for the implementing agency would also be workable on the ground and acceptable to those who depend on the support. This shows where participation, institutional coordination and support will be needed during the transition.

The methodological approach set out here can contribute to the discussions at COP17 by showing that disparate existing information can be turned into evidence-based reform options: each reform option should be linked to a specific unit, a plausible place-based mechanism, the evidence supporting it, the people affected and a competent authority. Countries can move forward as evidence accumulates and update their analysis as they validate it, preserving their ability to act on sufficiently substantiated cases while they complete their inventories.

Pilot analysis of potentially harmful incentives in the Colombian Amazon: preliminary results and outlook

Under the FCDS-RFN collaboration, the analysis in Colombia addresses potentially harmful incentives and the corresponding reform pathways in the cattle-ranching, mining, forestry, and roads and infrastructure sectors, each at a different stage depending on the information available and the analysis under way. Cattle ranching is the first sector to which the methodology has been applied and is the most advanced. The initial pilot analysis compiled 120 records on public programmes, regulations and mechanisms in the agricultural, energy, road and land sectors. They include preferential credit, guarantees, tax benefits, co-financing, productive programmes, and rules on access to and control of resources. For comparison, they were grouped into eight categories according to their intervention mechanism. This database is intended to test common rules and identify ways to broaden the search; it is neither an exhaustive national inventory nor a list of confirmed harmful incentives.

The review of the cattle sector expanded and reorganized the relevant source material into 93 entries in the analysis database. These distinguish umbrella programmes, which group several measures; components of those programmes; disaggregated interventions that can be counted as units of analysis; context information; and entries pending additional information. This separation avoids counting a programme and its components as separate instruments. Within this set, a more in-depth desk review was conducted for 23 interventions that are either specific to cattle ranching or cross-cutting, that is, applicable to several sectors and relevant to cattle ranching, such as credit, land or traceability instruments. In 19 of these units, a plausible mechanism was

identified through which the intervention could encourage behaviour that puts pressure on the forest; in the remaining four, that mechanism has yet to be specified. In addition, preliminary inclusion requires establishing a plausible link to forest pressure and a minimum of evidence supporting the causal chain. When these criteria are applied, 16 of the 19 cases meet the conditions for preliminary inclusion, subject to confirmation. The other three remain candidates: in one, the forest link needs to be corroborated, and, in two, the attribution and materiality of the implementation failures considered still need to be established.

This differentiation helps guide the next steps of the work. Although preliminary inclusions do not yet confirm that the interventions are harmful, they provide a basis for deciding which cases to examine in depth, what information to request, and with which entities and stakeholders to test the hypotheses. The results are thus beginning to guide the examination of possible adjustments to the design, targeting or implementation of instruments, while the validation needed to support reform recommendations is still under way.

The units examined include FINAGRO's Special Credit Lines (LEC); the Rural Capitalization Incentive (*Incentivo a la Capitalización Rural*, ICR), an investment incentive linked to agricultural credit; the Agricultural Guarantee Fund (*Fondo Agropecuario de Garantías*, FAG), which guarantees agricultural loans; agricultural insurance; co-financing of productive activities; land-related interventions; and traceability and oversight mechanisms. LEC reduce the cost of finance through a public interest-rate subsidy, funded by the Ministry of Agriculture and Rural Development (MADR),

channelled through financial intermediaries and administered by FINAGRO [18]. To compare different types of intervention, the project standardizes sources, identifies each unit and its status, and documents its possible causal pathways. Separating design rules from information on their operation shows how the effect depends on location, beneficiaries and implementation conditions.

This work builds on earlier initiatives. UNDP-BIOFIN examined and prioritized agricultural instruments in 2023 [19]; FINAGRO and BIOFIN subsequently developed a pathway to review credit in six value chains, including cattle [20]. Those results are credited to these processes. In the project with RFN, FCDS combines this earlier work with its field experience in the departments of Guaviare and Caquetá and with ongoing sectoral consultations. The contribution of this collaboration is to make units comparable, to specify where and how forest risk could operate, and to document the additional evidence needed to assess a reform option.

Within this set, LEC offer a case for in-depth analysis because they involve an explicit financial mechanism, public rules that can be updated and authorities with the power to change conditions. Their selection builds on the prioritization carried out by BIOFIN and on the desk review conducted in this collaboration. When their magnitude is analysed, the loan principal, the interest-rate subsidy and the share exposed to risk because of its location or productive use must be distinguished. Values from different instruments and periods cannot be added up as an aggregate value of potentially harmful incentives, nor attributed in full to the Amazon.

The LEC analysis distinguishes two pathways that require further assessment in their local context. The lower cost of credit could encourage agricultural expansion into forest when it finances activities at the forest frontier without

sufficient safeguards; it can also facilitate productivity investments on previously modified land, whose effect depends on design and implementation conditions. The review of loan purposes (*destinos*) such as pastures and forage illustrates the need to separate the improvement of established landholdings from possible expansion into forest areas [21, 22]. On the basis of this result, the case remains a preliminary inclusion, and further analysis will focus on the purpose financed, location and land-use change. The result does not yet establish which operations contributed to forest loss, nor does it quantify an effect attributable to LEC. The assessment record compares design, operation, mechanism, financed activity and forest link. In this case, the documentation substantiates the interest-rate subsidy and supports two possible pathways of impact on the forest, but the specific location, the areas affected and the use of funds still need to be verified.

The characterization of LEC also identifies a reform opportunity: eligible activities and the conditions of access and operation could be adjusted through administrative decisions, in line with the mandates of the responsible authorities. The National Agricultural Credit Commission (CNCA), the body that sets agricultural credit policy, establishes the general conditions for these incentives; MADR funds the subsidy; and FINAGRO administers the credit lines and communicates the applicable rules [18, 23]. Given this distribution of functions, changes in targeting or in the conditions for new loans can be examined within the current framework. Any specific reform pathway must specify which authority can adopt each adjustment, the resources available and the corresponding participation procedures.

Because of this scope for adjustment, options can be prepared even without a full estimate of the effect on the forest. Design information alone already points to options such as verifying the location of land parcels, making access to support conditional on avoiding forest

conversion, or differentiating support by type of producer. Deciding their scope requires data on loan purposes, subsidies, land parcels, beneficiaries and use of funds, cross-checked against forest cover. Table 3 organizes this in-depth analysis according to the four security dimensions of the institutional framework, separating the available documentary evidence from outstanding questions and the options to be examined. Missing information limits the decisions that can be substantiated, but it does not prevent reform options from being formulated and assessed [5].

The review must also consider the agricultural credit system as a whole: setting conditions for a single credit line may shift lending to other credit products, and closing one line does not eliminate the support provided by others [24, 25]. The options identified for LEC should therefore be assessed alongside other financing instruments, using data from information systems on land, production and forests. FINAGRO and BIOFIN are already working on environmental alignment options

[20]. The FCDS-RFN project contributes a documented characterization and a multidimensional perspective to examine the relevance of those options in the Amazon and identify how they could be implemented.

The application proposed in Table 3 shows how the analysis of financing can guide questions on forest integrity, economic dependence, rights and legitimate governance. For example, verifying the location of an investment allows its forest risk to be assessed, but adopting that requirement also calls for knowing what assistance producers need and which entities can carry out the verification. The characterization provides a first distinction between risk pathways and conditions; completing parcel-level data and consulting stakeholders would provide the basis for assessing options for adjusting the instrument and their distributional effects. International leadership and Amazonian cooperation, as a cross-cutting component, can support information sharing and capacity building without replacing national decision-making.

Table 3. Applying the Multidimensional Security approach to the in-depth analysis of the LEC case

Dimension	Available documentary evidence	Information needed for further assessment	Adjustment options to examine
Climate security	The characterization distinguishes a possible pathway of expansion into forest from one of investment on previously modified land. The forest link remains preliminary.	Location of the land parcel, purpose of the investment, forest cover and land-use change.	Examine requirements to avoid forest conversion and place-based monitoring, distinguishing productivity improvements from expansion.
Economic security	LEC subsidize the interest rate and provide for different types of beneficiaries and differentiated approaches [18, 21].	Dependence on the support, distribution of the subsidy, productive purpose and costs of complying with new conditions.	Differentiate requirements and support by type of producer, while maintaining forest protection conditions.
Human security	The institutional framework requires respect for rights and participation [6]. The LEC assessment record does not yet validate the distributional effects of a reform.	Possible access barriers, territorial rights, participation and transition needs.	Plan assistance and participatory procedures to avoid unjustified exclusion and protect livelihoods.
National security (legitimate governance)	The characterization separates financial design from operation. Parcel-level information and the forest link require validation.	Capacity to verify location, tenure and traceability; responsibilities for applying the rules legitimately.	Coordinate land, cattle and forest data and verification responsibilities, while respecting legal safeguards.





Three proposals for COP17

Building on the progress and results presented above, this section sets out three proposals for the discussions at COP17. The first proposal aims to **make identification verifiable**. Parties, with technical support from the CBD Secretariat, could link their Target 18 reports to an updatable register documenting the instruments examined, coverage, exclusions, sources, risk mechanisms, evidence and review dates. The register would distinguish the total value of the instrument, its potentially harmful share and any estimate of damage. This would provide comparable information for discussions on headline indicator 18.2 and the review of collective progress without requiring a single method across countries. A first step would be to agree on a common minimum assessment record and an update date; each country would identify the entities responsible for supplying and validating fiscal, sectoral and environmental data.

Such a register requires the capacity to generate evidence where harm occurs.

The second proposal is therefore to **fund participatory, place-based inventories** in tropical forest countries that request such support. Development partners and national authorities can help prepare assessment records that link fiscal, sectoral and environmental data, document gaps and incorporate the effective participation of Indigenous Peoples and local communities. For shared ecosystems, cooperation can promote compatible data fields and protocols that allow instruments to be examined across municipal, departmental or national boundaries. From a Multidimensional Security perspective, inventories should link forest pressure, tenure, economic dependence, rights and enforcement capacity, in order to prepare reform options suited to each area and its inhabitants. In the Amazon, an initial application could involve agreeing on common spatial identifiers, data-exchange rules and responsibilities for updating records among environmental, agrarian and financial authorities, with community participation and data protection.

The third proposal is to **turn inventories and sectoral analyses into reform agendas**



for the public policy instruments linked to pressures on tropical forests. The cattle-ranching pilot developed under the FCDS-RFN collaboration offers a starting point for a coordinated review of financing, co-financing of productive activities, land-related interventions, and traceability and oversight systems. Competent authorities, with the participation of producers and communities, could select cases with sufficient information, specify possible adjustments and agree on responsibilities, monitoring mechanisms and transition measures differentiated according to local conditions. For Colombia, this brief proposes a technical review by MADR, CNCA and FINAGRO, involving financial intermediaries, environmental and land authorities, producers and communities. This review could specify what changes to make to eligible loan purposes, parcel location requirements, forest protection conditions and the monitoring of support, and which authority should adopt them. An initial output would be a pathway for each instrument identifying the administrative act required, the missing data, those responsible and the transition measures. The Multidimensional Security approach would guide this agenda

by examining its effects on livelihoods, tenure and rights, together with the institutional capacity to implement the changes.

The 2025 deadline for identifying incentives harmful to biodiversity has passed, but CBD guidance allows action on specific instruments while inventories are being completed [5]. The progress of the FCDS-RFN collaboration shows how characterization can identify reform options and the conditions needed to examine them, even with incomplete information on local conditions. Advancing Target 18 therefore requires going beyond the preparation of inventories to promote evidence-based reform decisions that consider local conditions, institutional capacities and the potential effects on people's livelihoods and rights. Bringing these options to the COP17 discussions would connect the monitoring of progress on Target 18 with decisions by national authorities that reduce pressures on forests and take into account the security and rights of the people who live in them.

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Annex 1. Documentary review of the 21 countries identified by Carbon Brief

This annex summarizes the information on the 21 countries that, according to Carbon Brief's classification, reported having completed the identification of their harmful subsidies in the reports received by 1 July 2026 [12]. The table summarizes FCDS's documentary review, with a cut-off date of 2 September 2026. It describes the sources found at that time; it does not certify compliance with Target 18 or the completeness of any inventory.

The review compared the scope examined, sources, selection rules, harm mechanism and documentation of results. *Reconstructible* indicates that the source allows the procedure to be followed within its scope; *partial*, that steps or annexes are missing; *aggregation*, that figures or indicators are reported without a substantive instrument-level protocol; and *not found*, that the search did not find a sufficient public method. This last category does not demonstrate an absence of work in the country.

The source column refers to the document or input considered in the analysis. ORT (Online Reporting Tool) is the CBD's national reporting portal. The links are those used up to the review cut-off date of 2 September 2026.



IDENTIFYING AND REFORMING POTENTIALLY HARMFUL INCENTIVES THROUGH A MULTIDIMENSIONAL SECURITY APPROACH

Table A1. Documentary review of the 21 countries that reported having completed the identification of harmful incentives: scope and limitations

Country	Status of the method	Scope or evidence found	Limitations	Source
Australia	Partial	OECD agricultural and fisheries support series.	Sectoral coverage; does not demonstrate an exhaustive national inventory.	Background
Bangladesh	Not found	Fertilizer and gas items reported.	The selection and closure rules of the inventory could not be reconstructed.	ORT
Burkina Faso	Not found	Fertilizer and pesticide figures.	Sectoral figures do not allow the procedure to be reconstructed.	ORT
Cameroon	Not found	Multisectoral information reported.	No protocol sufficient to reconstruct the identification was found.	ORT
China	Not found	Statement of identification and reform.	No protocol was found to verify the scope and the closure criterion.	ORT
Côte d'Ivoire	Not found	Statement included in the Carbon Brief dataset.	No public method was found; scope cannot be determined.	ORT
Egypt	Not found	Statement included in the Carbon Brief dataset.	No public method was found; scope cannot be determined.	ORT
Gabon	Not found	Statement included in the Carbon Brief dataset.	No public method was found; scope cannot be determined.	ORT
Indonesia	Not found	Statement included in the Carbon Brief dataset.	No public method was found; scope cannot be determined.	ORT
Liberia	Partial	BIOFIN assessment and inter-institutional validation reported.	The approach is known, but the full report needed to replicate it was not found.	Background
Mexico	Aggregation	Selection of indicators and aggregation of agricultural programmes.	The reporting method is not equivalent to identifying each incentive.	Background
Mongolia	Reconstructible	BIOFIN assessment and in-depth review of agricultural incentives [13].	Milk and wheat as redesign cases; does not imply implemented reforms.	Report / method
Netherlands	Reconstructible	WUR method, assessment records and pressure assessment [14].	Allows the assessment to be reconstructed within the selected scope.	Report / method
Niger	Not found	Aggregate total reported.	No protocol detailing the scope, sectors and filters was found.	ORT
Peru	Not found	Specific values reported.	No complete and reproducible method was found at the cut-off date.	ORT
Poland	Aggregation	Aggregation of potentially negative incentives.	The figure does not allow the selection or the ecological attribution to be reconstructed.	Background
Saint Vincent and the Grenadines	Not found	Participatory validation of the national report.	Validating the report does not replace a specific identification protocol.	Background
Switzerland	Reconstructible	Inventory and assessment by intensity and harmful share [15].	Expert judgement allows options to be assessed; does not demonstrate implemented reforms.	Report / method
Thailand	Reconstructible	BIOFIN assessment and sectoral cases [16].	Documents alternatives; transfer to the Amazon requires place-based adaptation.	Report / method
United Kingdom	Reconstructible	JNCC indicator based on WTO and OECD sources [17].	Reconstructible procedure for a limited scope; does not develop instrument-level reform.	Report / method
Uzbekistan	Not found	Sectoral information on agriculture, energy, water, infrastructure and transport.	No reproducible protocol was found; sectoral breadth does not prove completeness.	ORT

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