

A Horizon Scan of Global Issues on Forests and Livelihoods for 2026

Matilda Kabutey-Ongor, Katie Devenish, Mariana Hernández-Montilla, Lucas Alencar, Sandra Barragan-Contreras, Victorine Che Thöner, Reem Hajjar, Yayan Hidayat, David Kaimowitz, Birendra Karna, Duong Khuu, Anders Krogh, Anne Larson, Estefania Liehr, Doris Mutta, Peter Newton, Sandy Nofyanza, Bryson Ogden, Manuel Pulgar Vidal, Adithya Pradeep, Laura Vang Rasmussen, Sushma Shrestha Sangat, Natalie York, Daniel Miller, Johan A Oldekop.

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SUSTAINABLE
FOREST
TRANSITIONS



OBSERVATORY
FOR FORESTS AND
JUST TRANSITIONS



We present ten emerging issues likely to substantially shape forests and livelihoods in the coming five to ten years.

The problem

Forests and forest-connected communities depend on stable governance, secure rights, and predictable financial flows. Yet rising authoritarianism, shrinking civic space, and intensifying competition for forest lands are outpacing the systems of oversight, participation, and protection that communities and institutions rely on.

How these interacting political, financial, and technological disruptions will reshape forests and forest-connected livelihoods over the next five to ten years remains uncertain, constraining the ability of researchers, practitioners, and policymakers to act on emerging threats and opportunities.

Ten issues

We convened a diverse panel of 25 international researchers and practitioners across academia, policy, and practice to identify ten issues expected to substantively shape forests and forest-connected livelihoods over the next decade.

1. Decline in traditional Global North aid and research funding

Cuts to USAID plus wider reductions in U.S. and European aid and science budgets are withdrawing long-term support for forest restoration, monitoring, and applied research across the Global South.

Philanthropies and private investors are unlikely to be able to fill the gap, leaving the financial and knowledge systems needed to protect forests, uphold rights, and support forest-connected communities severely constrained in the decade ahead.

2. AI and expanding internet connectivity

Rapid advances in AI and satellite internet in remote regions are changing how forests

are detected, mapped, and acted on, often in near real time. Without shared access, local control, and appropriate safeguards, these systems risk widening digital divides, disrupting Indigenous knowledge systems, and enabling criminal networks involved in illegal logging and land grabbing to coordinate and expand their operations.

3. Starkly increasing demand for gold and critical minerals

The clean-energy and digital transitions are driving unprecedented demand for gold, and critical minerals in tropical forest regions across the Amazon, Congo Basin, and Southeast Asia, often under weakened licensing and shrinking civic space.

Communities are increasingly seen as obstacles to progress, without transparency, and enforceable safeguards, this “green” mineral rush risks militarisation, pollution, deforestation, and the erosion of Indigenous and local rights.

4. Rising authoritarianism and shrinking civic space

A global trend toward autocracy and legislation restricting NGOs and civil society is threatening the ability of communities, scientists, and advocates to shape forest governance. This raises risks for environmental and land defenders (nearly 200 killed in 2023) and weakens the oversight needed to prevent land grabbing, pollution, and inequitable restoration.

5. Expansion of carbon markets amidst credibility concerns

Forest carbon markets are expanding as countries and companies respond to climate regulations, despite ongoing concerns about over-crediting and local impacts. Rising prices, and new monitoring and rating tools are reinforcing demand,

but whether these markets deliver real climate benefits and equitable outcomes for forest-connected communities remains uncertain.

6. Decline of the post-WWII global order

The erosion of multilateral institutions is weakening international environmental governance and threatening decades of progress on forest rights, biodiversity, and climate frameworks. As these shared norms on rights, justice, and sustainability lose force, governments and firms may face fewer constraints on deforestation and fewer incentives to respect Indigenous and local rights.

7. Direct financing to Indigenous Peoples and Local Communities

Indigenous Peoples and local communities manage a large share of the world's tropical forests yet have historically received less than 1% of global climate finance, a mismatch that new mechanisms such as the Cali Fund and TFFF are beginning to address. Whether these initiatives represent a true shift toward community-controlled, rights-based finance or remain marginal to dominant top-down funding designs will have significant implications for forest equity and effectiveness.

8. Trade, regulation, and the EU deforestation regulation

The EU Deforestation Regulation is creating significant compliance pressures for smallholder farmers and forest-dependent communities in exporting countries, risking their exclusion from European markets. At the same time, the EU's proposed Omnibus simplification could weaken corporate accountability, shifting where deforestation pressures land rather than eliminating them.

9. African Union agri-food strategy

The African Union's ten-year strategy targets 45% agricultural output growth, which risks driving deforestation unless explicitly integrated with forest-sensitive and agroecological approaches. If implementation prioritises agro-industrial

growth without strong tenure security, smallholder protections, and enforceable safeguards, forest loss will follow and forest-connected communities will bear the costs.

10. Uncertain fate of the Amazon rainforest under upcoming national elections

In 2026, Brazil, Peru, and Colombia, covering most of the Amazon, will hold national elections at a moment when continued degradation risks pushing the ecosystem past an irreversible tipping point. Political outcomes will determine whether commitments made at COP30 translate into action or whether extractive forces regain power and roll back environmental protections and Indigenous land rights.

Implications

The issues identified reveal rapid and interacting shifts in governance, finance, technology, and markets that are reshaping the conditions under which forests and forest-connected livelihoods persist (Figure 1). Authority over forests is fragmenting across national politics, bilateral deals, and corporate-led markets while rights, civic space, and financial flows are being simultaneously restructured, leaving forest-connected communities exposed to overlapping shocks from political instability, funding contraction, and intensifying competition for land.

New mechanisms are emerging alongside these risks (i.e. direct community finance, Indigenous-led governance, and growing regulatory attention to supply chain accountability), however, their impact will depend on whether governance arrangements prioritise rights, accountability, and community leadership over large-scale investment interests.

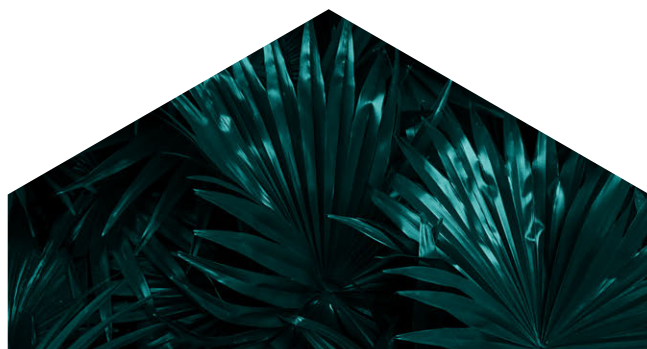




Figure 1. Emerging issues for forests and livelihoods. Ten issues (grey green, outer shapes) are likely to influence social and environmental issues (light blue, centre circle) either directly or indirectly through specific mechanisms (orange, middle shapes).

Priority actions

- Safeguard collective tenure rights and maintain civic space for Indigenous Peoples, local communities, and environmental defenders.
- Establish equitable access to AI tools, remote sensing data, and digital infrastructure with community control and appropriate safeguards.
- Develop long-term, diversified funding mechanisms resilient to donor withdrawal and political volatility.
- Strengthen regulatory frameworks that prevent elite capture of carbon and nature markets and ensure equitable benefit-sharing.
- Integrate forest-sensitive and agroecological approaches into agricultural development strategies, particularly across Africa.
- Build anticipatory governance systems

capable of recognising and responding to early signals of risk from legislative, market, and technological changes.

Research needs to understand

- How governance and rights-based risks are evolving across forest regions.
- Under what conditions do emerging financial systems, deliver equitable outcomes for forest-connected communities.
- How AI-enabled monitoring and data infrastructures are governed, and whether they reinforce or reduce inequalities.
- How geopolitical shifts, mineral extraction frontiers, and market transitions interact to reshape land-use incentives and forest outcomes.
- What mechanisms effectively channel climate finance directly to Indigenous Peoples and local communities at scale.

About the authors

Matilda Kabutey-Ongor - University of Manchester, UK

Katie Devenish - University of Manchester

Mariana Hernández-Montilla - University of Manchester

Lucas Alencar - University of Manchester

Sandra Barragán-Contreras - University of Manchester

Victorine Che Thöner - International Union for Conservation of Nature, Germany

Reem Hajjar - Cornell University, USA

Yayan Hidayat - Indigenous Peoples Alliance of the Archipelago (AMAN), Indonesia

David Kaimowitz - International Land and Tenure Facility, Nicaragua

Birendra Karna - ForestAction, Nepal

Duong Khuu - University of Manchester

Anders Krogh - Rainforest Foundation Norway

Anne Larson - CIFOR-ICRAF, Indonesia

Estefania Liehr - Foreign Commonwealth and Development Office, UK

Doris Mutta - African Forest Forum, Kenya

Peter Newton - University Colorado Boulder, USA

Sandy Nofyanza - University of Manchester

Bryson Ogden - Rights and Resources Initiative, USA

Manuel Pulgar Vidal - World Wildlife Fund, Peru

Adithya Pradeep - Isometric Hq Ltd, UK

Laura Vang Rasmussen - University of Copenhagen, Denmark

Sushma Shrestha Sangat - Conservation International, USA

Natalie York - University of Manchester

Daniel Miller - University of Notre Dame, USA

Johan Oldekop - University of Manchester

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