

Understanding our Deforestation Impact Assessment

What is a Deforestation Impact Assessment?

A Deforestation Impact Assessment (DIA) is a structured evaluation we use to understand whether a project has the potential to reduce, avoid or mitigate deforestation, either directly or indirectly.

The assessment examines the relationship between a project's activities and relevant deforestation drivers to assess whether the project has potential to reduce identified drivers and avoid deforestation. It forms a key component of the project assessment and due diligence process, helping identify projects that align with our mission of supporting forest conservation, economic growth and sustainable development across the region.

Why We Conduct DIAs

Projects working to protect forests operate across very different sectors, contexts and landscapes. That diversity makes it difficult to compare outcomes, monitor progress consistently and see where support can have the greatest effect. The DIA provides a common methodological framework that allows us to:

- Determine the business-as-usual scenario to understand what would happen without the project's intervention.
- Ensure that projects do not put additional pressure on forests, directly or through their supply and value chains.
- Evaluate a project's contribution towards reducing deforestation, and prioritise those with the greatest potential impact (measured in hectares of avoided deforestation and associated climate mitigation, measured in tonnes of CO₂ equivalent).
- Establish a baseline against which future change can be measured, and monitor progress over time.
- Compare results across and within sectors, generating comparable data from a diverse portfolio.
- Strengthen compliance and reporting, helping projects align with global standards such as the EU Deforestation Regulation (EUDR) and IFC Performance Standards.
- Reduce the risk of double counting environmental impacts across projects and reporting systems.
- Account for additionality, leakage and permanence to ensure that estimated impacts are real, durable and attributable to the project.

Above all, the DIA supports evidence-based decision-making, improving impact potential, transparency and accountability across our work in the Congo Basin.

How the Assessment Works

The assessment begins by defining the project's area of influence. This provides a clear geographic basis for understanding forest conditions, deforestation risk and the potential impact of project activities.

- To keep assessments grounded in local realities, we draw on local knowledge, available environmental data and project-specific information. Because projects differ widely in their activities and contexts, the approach is tailored to each project, but we aim to gather data on the following questions:
- Which deforestation drivers might the project address, both in terms of its activities and the region in which it operates?
- How significant are those drivers within the project's area of influence?
- What impact can realistically be attributed to the project, considering additionality, leakage and other factors?
- Approximately how much deforestation might the project reasonably help to avoid (expressed as an estimate in hectares)?

The DIA is not just an item on a checklist. Rather, we monitor projects over time to strengthen the evidence base behind these initial estimates.

From Assessment to Long-term Support

Where an assessment shows strong potential to mitigate deforestation within the project area, the project may become eligible for additional technical assistance and investment through Canopy Trust, helping strengthen its design, build capacity, address implementation challenges and enhance long-term impact.

By connecting targeted support to demonstrated potential, we focus our resources on the projects most likely to protect the Congo Basin's forests, strengthen local livelihoods and contribute to the long-term resilience of one of the world's most vital forest landscapes.