

Civil Society Organizations urge financial institutions to adopt strict no fire policies, ahead of expected strong El Niño

13 July 2026

Dear CEO,

We, representatives of social movements, non-governmental organizations, organized collectives, organizations of indigenous peoples, traditional communities, Afro-descendant peoples, socio-environmental and climate researchers and activists, express our concern regarding the reports and mathematical projections that point to extreme climate events associated with the El Niño phenomenon in the 2026/2027 period. According to news released by the US National Oceanic and Atmospheric Administration (NOAA)¹ and the UN World Meteorological Organization,² El Niño is predicted to intensify to a moderate/strong level this year and could cause extreme weather conditions.

Over the last decade (2016-2025), banks have provided 429 billion dollars in credit to activities related to the exploitation of timber, soy, rubber, pulp and paper, palm oil and beef. Sectors which are responsible for commodity-driven deforestation of tropical forests.³ It is well established that these agricultural and forestry activities contribute to the risk and impact of fires and haze through the use of fire in their land management systems, deforestation and draining peatlands.⁴ These practices induce vicious feedback loops by drying out the forests and peatlands, creating tinder-box conditions which enable fires to spread rapidly.

As a result, tropical forest countries are facing increased vulnerabilities as climate change exacerbates extreme weather events and the El Niño cycle. The disruptions from the El Niño cycle are expected to be most severe in the tropics, with predictions that increased wildfires and drought could hit agriculture and food production. When forests and peatlands burn, the consequences reach far beyond the fires or even the country borders. In Southeast Asia and South America, peak fire seasons produced harms that have accumulated over years. The most severe and well-documented impacts are:

- Forest and peatland fires are a significant driver of climate change.⁵
- Toxic haze kills people and overwhelms public health systems.⁶
- Biodiversity loss from fire is severe and largely irreversible.⁷
- The economic losses are enormous and chronically underestimated.⁸
- Forest and peatland fires destroy food systems and livelihoods of forest dependent communities.⁹

We would recommend that your financial institution takes immediate action to address the risk of forest fires linked to your financing by:

- Strengthening No Deforestation or Conversion, No Peat and No Exploitation policies to reduce deforestation and degradation in tropical ecosystems. This includes the prohibition of the use of fire in any activities.
- Engage clients in forest-risk sectors to confirm they do not use fire in their activities, or allow it within their supply chain.
- In cases where clients do not comply, restrict financial services or terminate the relationship.
- Advise its clients and companies linked to agricultural economic activities to increase care, adding support to fire brigades in their regions;
- Encourage credit and financing for sustainable activities such as agroecological production and agroforestry systems intended for food;
- Refrain from providing new finance, from refinancing or underwriting services to companies or corporate groups that have been held legally responsible for forest and peatland fires, until all court-ordered obligations, restoration commitments, and compensation measures have been fully implemented.

Respectfully,

Agro é Fogo
Forests & Finance Coalition

350 Indonesia
AEER (Action for Ecology and People Emancipation)
AGROBIOFLORESTAL
Alternativas para Pequena Agricultura no Tocantins (APA-TO)
Amazon Watch
Articulação da Comissão Pastoral da Terra na Amazônia (CPTs da Amazônia)
Articulação Nacional das Pastorais da Ecologia Integral do Brasil
Associação Alternativa Terrazul
Associação Ambientalista de Marília (ORIGEM)
Associação da Diversidade em Direitos Humanos do Rio de Janeiro (ADDH/RJ)
Associação de Brigadistas Comunitários de Terra Ronca
Associação de Preservação do Meio Ambiente e da Vida (Apremavi)
Associação dos Produtores e Produtora Rainha do Lar de São Gabriel
Associação dos Servidores da Área Ambiental Federal no Rio de Janeiro
Associação Folclórica Lenda do Apurinã - O Guerreiro Cobra
BankTrack
Brigada Cipó
Brigada Feminina Comunitária da Associação das Mulheres Indígenas Krikati
Campanha Nacional em Defesa do Cerrado
Casa dos Saberes
Center of Economic and Law Studies (CELIOS)
Centro de Formação Saberes Ka'apor (Jumu'e ha renda Keruhu) - Cfsk
Coletivo
Coletivo de Mulheres Trabalhadoras Rurais do Maranhão
Comissão Pastoral da Terra
Comissão Pastoral da Terra - Articulação do Cerrado
Comissão Pastoral da Terra Regional do Piauí (CPT/PI)
Comissão Pastoral da Terra Regional Góias (CPT/GO)
Conselho Indigenista Missionário Regional Maranhão (Cimi/MA)

Conselho Indigenista Missionário Regional Mato Grosso (CIMI/MT)
Coordenação do conselho Indígena T Kumaruara
Coordenação Nacional de Articulação das Comunidades Negras Rurais Quilombolas (Conaq)
Coordenadoria Ecumênica de Serviço (CESE)
Corrente Sindical Vermelha
Cosmopolíticas
CSAA Jardim das Delícias
Dívida pelo Clima
ECOAR
EcoNusa
Environmental Paper Network (EPN) - International
EULAT Network
FSPMI
Global Justice Ecology Project
Greenpeace
HUTAN Group
Indonesian Center for Environmental Law (ICEL)
Instituto Afro Religioso e Cultural Imaculada Conceição
Instituto Embaúda
International Rivers
Irmandade dos Devotos do Glorioso São Sebastião
Japan Tropical Forest Action Network (JATAN)
Jaringan Advokasi Tambang (JATAM)
Kaoem Telapak
Lagartixa na Janela
LBH Marimoi
MADANI Berkelanjutan
Movimento Pela Soberania Popular na Mineração (MAM)
Movimento Sem Terra
Movimento Urbano de Agroecologia (MUDA)
Movimento Xingu Vivo para Sempre
Movimentos das e dos Atingidos pelas Energias Renováveis.
Movimentos das mulheres trabalhadores PB
Pantau Gambut
Pastoral da Aids da Conferência Nacional dos Bispos do Brasil - Regional Norte 2
Perhimpunan Pembela Masyarakat Adat Nusantara (PPMAN)
Perkumpulan HuMa Indonesia
Perkumpulan Rawang
PRAKARSA
Prosjud - Programa de apoio jurídico popular
Publish What You Pay (PWYP) Indonesia
PUSPAHAM
Rádio Educativa Católica São Francisco FM
Rainforest Action Network
Rede Ambiental do Piauí (REAPI)
Rede Cerrado
Rede de Agroecologia do Maranhão (RAMA)
Rede de Apoio às Mulheres Agroflorestoras (RAMA/PA)
Rede de Notícias da Amazônia
Research Centre for Crisis and Alternative Development Strategy (INKRISPENA)
Sahita Institute (HINTS)
Satya Bumi
Tapajós de Fato
Trend Asia
TuK INDONESIA

Umgrauemeio
WALHI East Kalimantan
WALHI Kalimantan Barat
WALHI Kalimantan Tengah
WALHI Nasional
WALHI Riau
Waterkeepers Bangladesh
Yayasan Indonesia Cerah
Yayasan Karya Sosial Pancur Kasih
Yayasan Masyarakat Kehutanan Lestari
Yayasan PIKUL
Yayasan Pusaka Bentala Rakyat

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End Notes

- ¹ <https://www.noaa.gov/news-release/el-nino-forms-expected-to-strengthen-say-noaa-forecasters>
- ² <https://wmo.int/news/media-centre/wmo-prepare-el-nino>
- ³ <https://forestsandfinance.org/banking-on-biodiversity-collapse/>
- ⁴ <https://www.bbc.com/news/articles/c75ylx7g00xo>
- ⁵ <https://www.nature.com/articles/nature01131>; <https://essd.copernicus.org/articles/9/697/2017/>; <https://www.nature.com/articles/s41586-021-03629-6>
- ⁶ <https://doi.org/10.1016/j.pecon.2025.06.003> ; <https://doi.org/10.1088/1748-9326/11/9/094023>; <https://jakartaglobe.id/news/haze-500000-indonesians-suffer-acute-respiratory-infection>; <https://www.hrw.org/report/2020/08/26/air-unbearable/health-impacts-deforestation-related-fires-brazilian-amazon>
- ⁷ <https://www.nature.com/articles/s41586-021-03876-7>;
- ⁸ <https://doi.org/10.1038/s41467-021-27353-x>; <https://www.climatepolicyinitiative.org/publication/when-the-river-runs-dry-how-amazon-deforestation-threatens-the-brazilian-economy/>
- ⁹ Household vulnerability due to land fires, <https://www.mdpi.com/2073-445X/13/5/642?utm>