



BNP PARIBAS



GREEN
CLIMATE
FUND



the sustainable
trade initiative

Concept Note

“Financing Sustainable Landscapes: Global Challenges and Opportunities”

Date and Time: 24 September 2018, 1830 – 2100 hrs

Venue: Conference Room 1, UNHQ, New York, USA

Hosts: UN Environment in partnership with UN Women, BNP Paribas SA, World Agroforestry Center (ICRAF), Green Climate Fund, The Sustainable Trade Initiative (IDH) and other international organizations and financial institutions

Background

It is widely recognized that public funding on its own will not be sufficient to tackle some of the most defining challenges the planet is facing: simultaneously producing more food, while stimulating economic growth and jobs at the same time as reducing deforestation and tackling climate change. It is estimated that global combined aid available for the development sector to address climate change impacts is around USD 150 billion when what is required is close to US\$ 9 trillion. Right now, less than 3 per cent of climate finance, public or private, goes to sustainable land-use – even though it can be more than 30 per cent of the solution.

Globally, more than a billion people depend on nature for their livelihoods. These are producers and consumers in long value chains that affect almost every value chain on the planet, touching almost every human-being on Earth – more than seven billion of us and counting. There is therefore a sound business case for an alternative paradigm of development and land use that could attract significant private sector investment and support, and this case needs to be made now and convincingly. Financial models that generate large-scale financing to address the complex challenges of engaging within and on behalf of ‘nature’ that can generate adequate, sustainable economic, social and environmental returns are required. The good news is that such innovative models are already available for adoption, adaptation and scaling up! Such models can create winning financial environments within which countries can progress towards meeting their Paris Agreement commitments while reaching their Sustainable Development Goals (SDGs) targets.

A major step towards addressing this complex challenge was taken on 12 December 2017 at the One Planet Summit, when UN Environment and BNP Paribas signed a milestone MoU to work together and channel at least USD 10 billion of private finance by 2025 from the global capital markets to large-scale sustainable and climate resilient projects in emerging economies. Such ‘sustainable finance facilities’ aim to provide platforms for the private sector to engage with public and civil society stakeholders by offering their global customers viable economic models to develop sustainable landscape management projects. They employ a ‘distributed risk’ model with innovative credit guarantees to ensure capital can be made available at competitive rates. The first of these facilities, the Tropical Landscapes Finance Facility (TLFF), established in Indonesia, is supporting the government in reducing deforestation as well as restoring degraded lands. The Sustainable India Finance Facility (SIFF), a recent addition, is



BNP PARIBAS



GREEN
CLIMATE
FUND



the sustainable
trade initiative

working with several state governments in India to address the continued depletion of agricultural systems, biodiversity and ecosystem services with a special focus on improving well-being of marginalized communities and assisting the Government of India in meeting its Intended Nationally Determined Contribution (INDC) targets. Both facilities catalyze private sector financing that delivers acceptable, ethical returns to their investors.

Objectives

This event, on the sidelines of the Annual UN General Assembly, will bring key stakeholders, including several international organizations, financial institutions and member nations of the UN together to highlight how 'blended finance' models can support countries in simultaneously achieving inclusive growth and emissions reductions goals. It will offer opportunities to discuss new partnerships and knowledge exchange opportunities, through catalytic institutions like TLFF and SIFF that can scale availability of finance for sustainable economic development. It will provide space to scope out innovative finance approaches that can provide triple-bottom-line social, environmental and economic benefits for developing countries in sectors related to sustainable land management and nature.

Finally, it will explore the need and potential of transformational finance facilities like the TLFF and SIFF to sustainably reduce climate vulnerabilities and generate successful blueprints for deforestation free commodity production in ecologically sensitive regions of the world.

Agenda and Speakers (TBC)

1. **Welcome address:** Mr. Satya S. Tripathi, Chairperson, SIFF and Moderator (3 minutes)

2. **Keynotes (8 minutes each):**

- a) Mr. Erik Solheim, Executive Director, UN Environment
- b) Ms. Phumzile Mlambo-Ngcuka, Executive Director, UN Women
- c) Mr. Jean-Laurent Bonnafé, Chief Executive Officer, BNP Paribas SA
- d) Dr. Jim Young Kim, President of the World Bank
- e) H.E. Mr. Chandrababu Naidu, Chief Minister of Andhra Pradesh state, India
- f) H.E. Mr. Joko Widodo, President of the Republic of Indonesia
- g) H.E. Mr. Paul Kagame, President of the African Union and President of Rwanda
- h) Ms. Amina J. Mohammed, Deputy Secretary-General of the United Nations
- i) Mr. Ed Norton, UN Goodwill Ambassador for Biodiversity

3. **Statements of Support (3 minutes each):**

- a) Dr. Tony Simons, Director General, World Agroforestry Center
- b) Mr. Joost Oorthuizen, CEO, The Sustainable Trade Initiative
- c) Ms. Naoko Ishii, CEO and Chairperson, Global Environment Facility
- d) Mr. Pavan Sukhdev, President of the Board, WWF International
- e) Mr. Elliott Harris, Chief Economist of the United Nations
- f) Mr. Javier Manzanares, CEO a.i., Green Climate Fund
- g) Ms. Christiana Pasca Palmer, Executive Secretary, UN Convention on Biodiversity
- h) Dr. M. Sanjayan, CEO, Conservation International
- i) Representatives of UN Member Nations

4. **Wrap up by the Moderator (3 minutes)**



BNP PARIBAS



GREEN
CLIMATE
FUND



the sustainable
trade initiative

Annexure: Two distinct Sustainable Finance Case Studies

Jambi and East Kalimantan, Indonesia

The first investment announced by the Tropical Landscapes Finance Facility (TLFF) in February 2018 was the financing of a USD 350 million climate smart, wildlife friendly and socially inclusive natural rubber plantation in Jambi, Sumatra and East Kalimantan provinces. The project will regenerate 88,000 hectares of heavily degraded land out of which 45,000 hectares have been set aside for community livelihoods and conservation. Direct employment for 16,000 people is being generated while making 50,000 people living in the region more resilient to climate change impacts. Located in a high-biodiversity area, the plantation will also serve as a buffer to prevent further encroachment in Bukit Tigapuluh National Park, which is one of the last places in Indonesia where elephants, tigers and orangutans co-exist. The reduction in deforestation and protection of High Carbon Stock areas will additionally sequester 15.4 MtCO_{2e} and avoid 24.5 MtCO_{2e} of emissions over the projects lifetime and in so doing, contribute to meeting the government's jurisdictional and national REDD+ objectives. The project provides a replicable and scalable blueprint for deforestation free commodity production that is applicable in ecologically sensitive areas. The TLFF aims to facilitate investments to the tune of at least US\$ 1 billion by 2020 creating sustainable livelihoods for millions of Indonesians in rural landscapes.

Andhra Pradesh, India

In India, the 'Sustainable India Finance Facility' in collaboration with India's leading civil society organizations is supporting the Government of Andhra Pradesh's efforts to become India's first Zero Budget Natural Farming (ZBNF) state by converting 6 million farmers and 8 million hectares of land to 100 percent synthetic chemical free agriculture by 2024. This is an unprecedented transformation towards sustainable agriculture at an unprecedented scale that is enhancing resilience of smallholders in varying agro-climatic zones, promoting gender sensitive development and providing an opportunity for reclaiming planetary boundaries. ZBNF is a unique best-practice model of low-input/high output agriculture that enhances farmer's welfare utilizing by eschewing synthetic fertilizer and pesticides, replacing them with ecologically sustainable, cheaper natural substitutes. The benefits of ZBNF include: a) reduced input costs (and therefore higher net incomes) while offering b) consistent yields and product quality, c) restoration of ecosystem services and improved bioclimates, d) conservation of biodiversity, e) stimulation of local economies and social capital, f) improved carbon sequestration and soil properties, g) improved resilience, especially in the face of extreme climatic events, h) safe and nutritious food, i) improvements in health and j) empowerment of women farmers and lower farmer indebtedness. As of August 2018, over 300,000 farmers in villages across all 13 districts of Andhra Pradesh have been transitioned to ZBNF with a goal of increasing this number to 500,000 farmers by March 2019. As 14 out of the 17 SDGs are dependent on the status of natural resources, the successful scaling up of ZBNF is also delivering an effective cross-sectoral strategy for achieving almost a quarter of the 169 SDGs targets. The ZBNF project is a recognition that sustainable landscapes-based approaches are critical for achieving food security and meeting the needs of a global population of 9.7 billion people by 2050, as arable land area decreases and climate change creates unpredictable weather patterns. SIFF plans to scale its facilitated investments in India to USD 6 billion by 2020; targeted investments of USD 2.3 billion over the next 6 years in ZBNF will result in a vetted solution for global food and health challenges facing countries around the world.