Biodiversity: the new frontier of impact finance

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About Mirova

- Mirova is an affiliate of Natixis Investment Managers (BPCE Group)
- 100% dedicated to sustainable development
- Key figures as of June 30th, 2019:
  - 5 centres of expertise: listed equities, sustainable bonds, social impact investing, energy transition infrastructure and natural capital
  - 101 experts
  - 4 offices: Paris, Luxembourg, London and Boston
  - €12.2 billion under management
Our Commitment to Biodiversity

• Mirova has been a front runner in sustainable finance:
  renewables > carbon finance > green bonds > natural capital

• Biodiversity is integrated in our core strategy via 2 main legs:
  1. Integrating biodiversity criteria into all portfolios (listed equities, bonds, etc.)
  2. Developing a platform dedicated to direct investment in conservation / restoration
Natural Capital Investment Platform

• A leading platform in Europe with **USD 400m** under management

• Range of funds dedicated to **protection and restoration of nature**
  • Althelia Climate Fund
  • Althelia Sustainable Ocean Fund
  • Land Degradation Neutrality Fund
  • Althelia Biodiversity Fund Brazil
  • Other funds in development

• With the acquisition of Althelia, Mirova’s Natural Capital platform gathers a unique team of **20+ natural capital investment experts**

• Same level of robustness as renewable energy fund
## Business Case: the LDN Fund initiative

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<th>Promoters</th>
<th>An innovative collaboration between the United Nations and a private asset manager, Mirova</th>
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<td>Objectives</td>
<td>Aligned with the UN Sustainable Development Goals (SDG) - SDG target 15.3 Land Degradation Neutrality by 2030</td>
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<td>Standards</td>
<td>Robust environmental and social standards, and multiple impacts targeted (climate, biodiversity, livelihoods, gender)</td>
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<td>Strategy</td>
<td>Providing long term finance to viable sustainable land management and land restoration projects</td>
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<td>Structure</td>
<td>A blended finance vehicle, combined with a TA Facility, to encourage the development of the market</td>
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Business Case: the LDN Fund initiative

Achievements

• **USD150m** commitments from institutional investors
  - Initial commitment from public investors
  - Followed by private investors: insurance companies, pension funds, etc.

• A database of **200+ projects** analysed
  - Activities: agroforestry, agroecology, regenerative agriculture
  - Geographies: Latin America, Africa, Central and South East Asia
  - Network of Partners: NGOs, SMEs, local banks, aggregators, developers
### Business Case: the LDN Fund initiative

#### PERU

**Objective:** Implementation of agroforestry systems and development of sustainable production  
**Sector:** certified organic, fair trade coffee  
**Beneficiaries:** 2,000 small-scale producers  
**Target restored surface:** 8,000 hectares (and conservation of 12,000 hectares of forest)  
**Target captured CO2:** 1.2 million tons  
**Status:** approved by the Fund and its TA Facility, investment signed and disbursed

#### BHUTAN

**Objective:** Restoration of degraded land by sustainable orchards and development of production  
**Sector:** hazelnut  
**Beneficiaries:** 15,000 small-scale producers  
**Target restored surface:** 10,000 hectares  
**Target captured CO2:** 1.5 million tons  
**Status:** approved by the Fund (IC1), in progress

#### KENYA

**Objective:** Reclamation of degraded land through forestry practices according to “small-scale farmers” model  
**Sector:** wood  
**Beneficiaries:** 14,000 small-scale producers (37,000 targeted)  
**Target restored surface:** 20,000 hectares (already 4,000 ha)  
**Target captured CO2:** 300,000 tons (with a target of 1.7 million tons)  
**Status:** approved by the Fund and its TA Facility, investment signed and disbursed

#### INDONESIA

**Objective:** Restoration of deforested area by agroforestry (wood, cacao, peanut) and conservation of the surrounding natural forest  
**Sector:** wood, cacao  
**Beneficiaries:** 2,000 small-scale producers  
**Target restored surface:** 1,500 hectares, and conservation of 2,500 ha of forest for the phase 1; 10,000 hectares restored for the phase 2  
**Target captured CO2:** 200,000 tons - phase 1. **Status:** approved by the TA Facility for technical support. The project has not been approved by the Fund yet.
Ambition and lessons learned

• Natural capital has the potential to become an asset class
  • Proven agronomic solutions
  • Strong market demand
  • Promising project developers dedicated to restoration economy

• The need to pave the way for more private investment
  • Transition phase with blended finance
  • More coordination and mapping of actors
  • Convergence of impact reporting frameworks and robust standards
Thank you!

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