

European Business & Nature Summit

Plenary 3 – Kick-starting a European business commitment for nature

Biodiversity: the new frontier of impact finance

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MIROVA

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#BusinessNatureSummit



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



althelia
funds



mirova
Investing in sustainability

- 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



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



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

Project examples

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 TA Facility for technical support. The project has not been approved by the Fund yet

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

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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