



The Global Fund for Forests and Nature

A financing facility

Preeti Sinha, Geneva,
21 November 2019



Where is the capital?

Public Finance

Donor Governments



Multilateral Development Banks (MDBs)

Bilateral DFIs

Impact Investing

Impact Investors



Private Finance

Investment Banks



Asset Managers



Insurance Cos

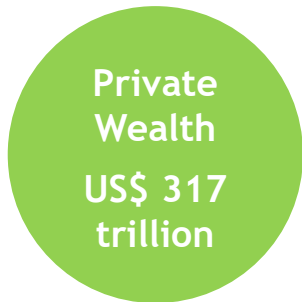


Pension Funds

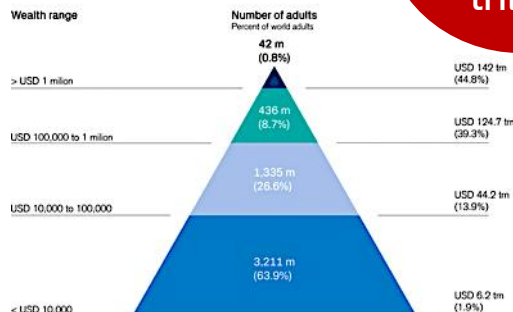
Blended Finance

Individual Giving

Philanthropy



Global wealth pyramid 2018




0.8% of adult population own 45% of household wealth.

SWFs

Corporates

Innovative Financing

The background of the slide is a photograph of the United Nations Secretariat Building in New York City. The building is a tall, modern skyscraper with a glass facade, reflecting the sky. In the foreground, there is a row of flags from various countries, and a street with a traffic light. The overall scene is bright and clear.

Forests are the best Nature-Based Solutions to Absorb Carbon and Reduce Global Warming and Climate Change

Commitments to Climate Finance made the UNGA19

Net-Zero Asset Owner Alliance: Asset Owners managing \$2.4 trillion in investments committed at UN19 to carbon-neutral investment portfolios by 2050.

High-Level MDB Statement: Prevent climate change by investing \$65 billion annually.

The International Development Finance Club (IDFC), the organisations bringing together 24 national development banks from across the world, has committed to providing USD 1 trillion in climate finance by 2025.

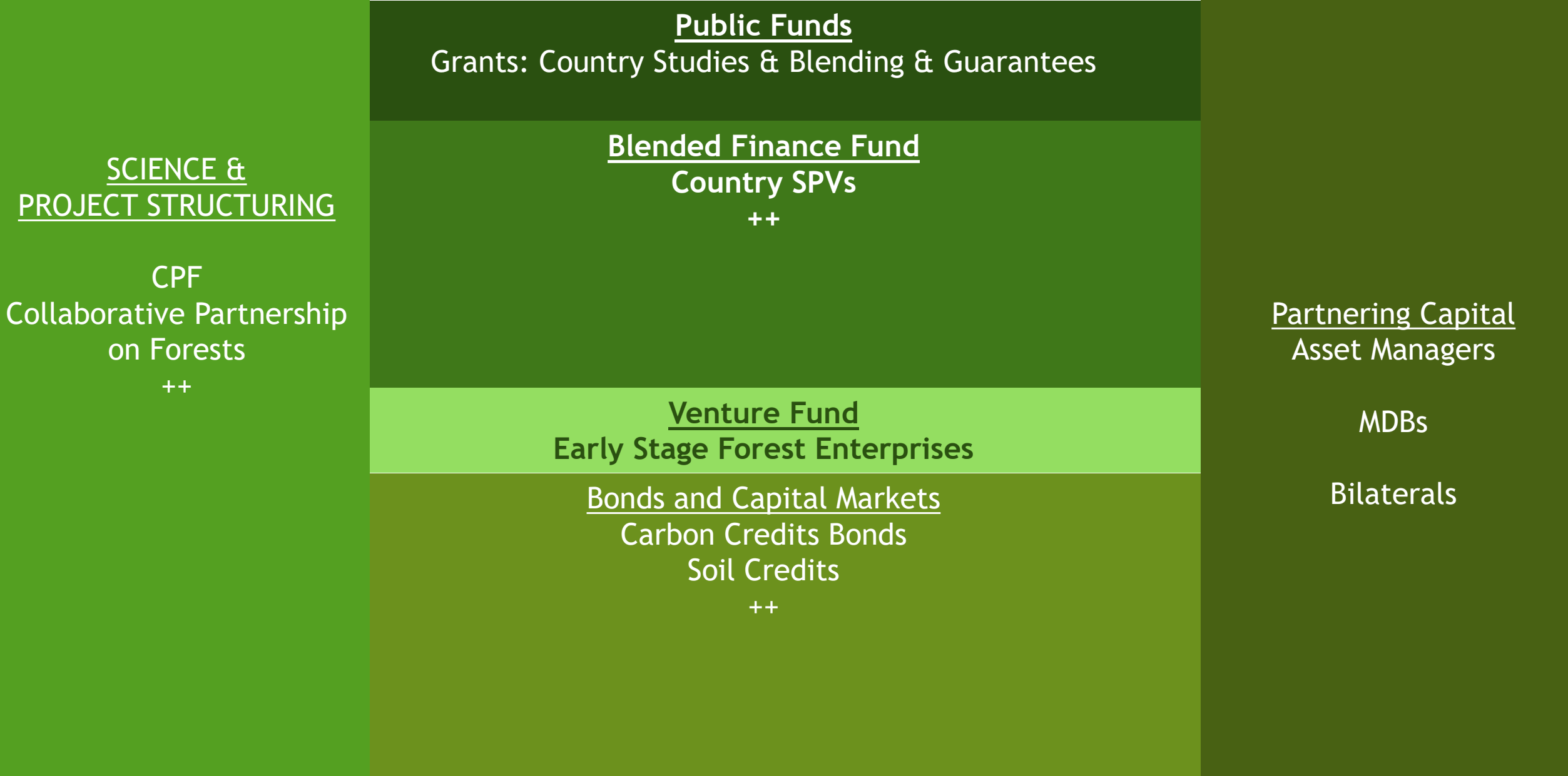
“Business Ambition for 1.5°C – Our Only Future” campaign: UN Global Compact - 87 major companies – with a combined market capitalization of over US\$ 2.3 trillion and annual direct emissions equivalent to 73 coal-fired power plants – are taking action to align their businesses with what scientists say is needed to limit the worst impacts of climate change.

DFID unveiled £1.3 billion (\$1.6 billion) for three new climate change and biodiversity funds to world leaders. £ 1 billion for climate science; £220 million International Biodiversity Fund; £100 million Biodiverse Landscapes Fund to protect mangroves and forests.

Statement in Response to Amazon Fires: Businesses call for deeper partnership to build a more forest positive future - WBCSD, We Mean Business and more.

The Global Fund for Forests & Nature

\$350 billion need to restore degraded forest land



Climate mitigation potential of 20 natural pathways

Climate mitigation potential in 2030 (Gt CO₂e yr-1)



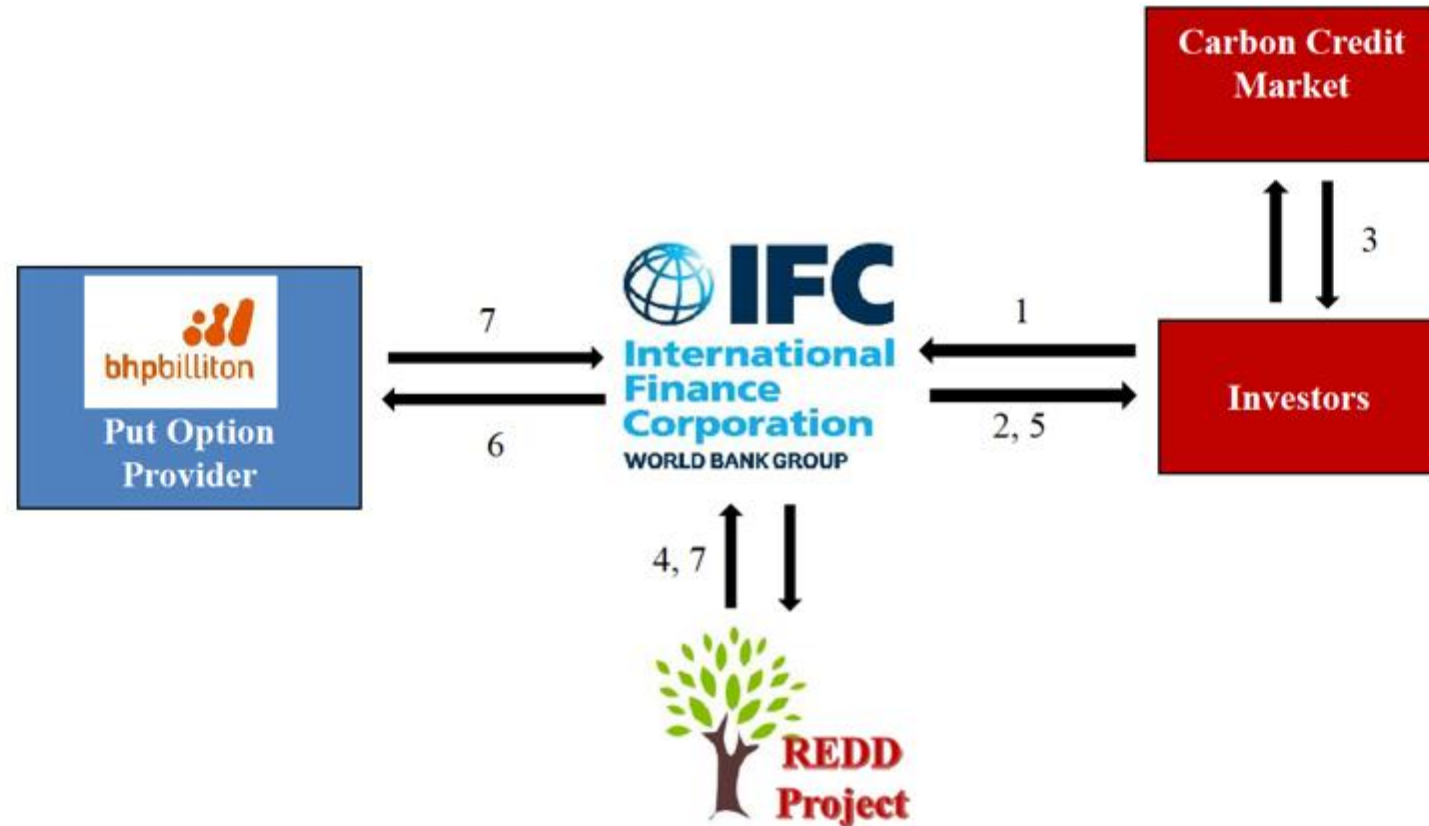
Source: National Academy of Sciences

GtCO₂ e yr-1 = gigatonne (billion) of carbon dioxide equivalent per year including non-CO₂ emissions.

Forests Bond



Structure: Cash coupon with option for a coupon partly or fully deliverable in VCUs
[5 Year up to \$150M Notes]



Notes:

1. On the Issue Date, investors in the Notes will pay up to US\$150 million, in aggregate, to IFC in issue proceeds, in consideration for the issuance of the Notes
2. On an annual basis Noteholders will receive a fixed cash coupon with an option for a coupon partly or fully deliverable in VCUs per Note at a fixed price of \$5 per VCU
3. In addition to having the ability to retire the VCUs a noteholder may also independently sell them into the VCU market

The Supported Project: Kasigau, Kenya

ELIGIBLE PROJECT MUST

- Meet IFC's strict environmental, social and governance performance standards
- Be approved by national or state government actively developing a jurisdiction-wide REDD+ framework
- Be registered under VCS and CCB (or equivalent) standards
- Sign conditional contract with IFC prior to bond issuance.
- Achieve specific milestones/results to receive payments for delivered REDD credits
- Conservation International is providing input to BHP Billiton with respect to conservation and REDD matters, and will facilitate the exchange of lessons learned and best practices on REDD projects.



http://www.wildlifeworks.com/saveforests/forests_kasigau.php

Kasigau, Kenya

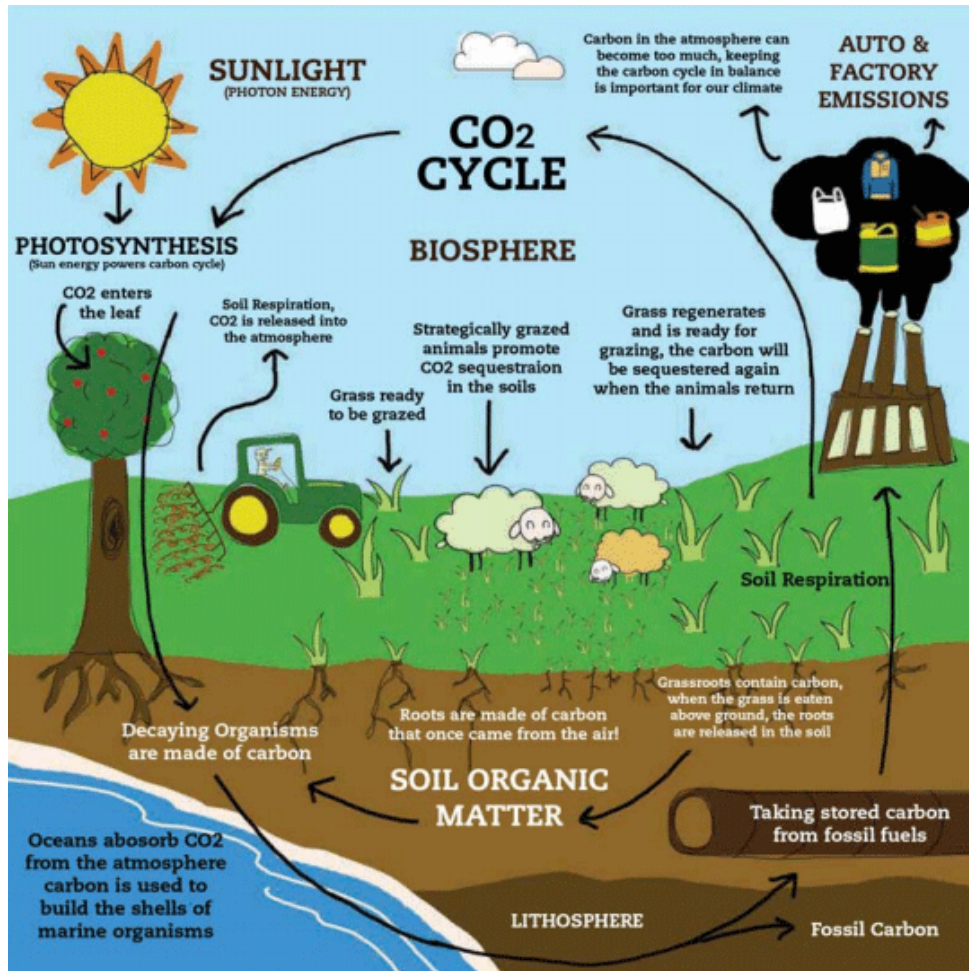
With little economic alternatives, the community surrounding the Kasigau Corridor region in East Kenya, ravished their own forest just to meet their survival needs. Their cattle had grazed the fields into dust and they had clear-cut much of the dryland Acacia-Commiphora forest for firewood and farmland.



Solution: In 1998 Wildlife Works (WW) established the Rukinga Wildlife Sanctuary on 30,000 hectares of now protected land that led to the return of many species that had left the diminishing forest. More recently, WW launched Rukinga as the first REDD project which now provides income to the community and local landowners for protecting their land instead of destroying it. Not only does the program create jobs directly in conservation, it allows WW to develop eco solutions for harmful practices such as cutting down whole trees for charcoal or unsustainable farming.

The protection area has now expanded to 200,000 hectares, which are expected to offset 1.4 million tons of CO₂ emissions per year for the next 30 years. With the dryland Acacia-Commiphora forest under protection and its original biodiversity restored, the Kasigau Corridor REDD Project was awarded the Gold level status by the Climate, Community and Biodiversity Alliance for exceptional biodiversity and climate benefits.

Australia Issues First Soil Carbon Credits





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