

Press release

New fund initiative hailed as an innovative climate solution at One Planet Summit

Paris, December 12th, 2017 – The ‘Land Degradation Neutrality Fund’ initiative promoted by the United Nations Convention to Combat Desertification (UNCCD) and Mirova (Natixis) to support sustainable land use practices globally is highlighted as a concrete and innovative climate action during the One Planet Summit. Initial investors, including the European Investment Bank and the Agence Française de Développement, have announced financial commitments totalling more than USD 100 million out of a target of USD 300 million.

At the One Planet Summit, organized to celebrate the second anniversary of the Paris Agreement, the ‘Land Degradation Neutrality Fund’ initiative is hailed by Jean-Yves Le Drian, French Minister for Europe and Foreign Affairs, as an innovative solution that aligns sustainable land management with the ambition of the Paris Agreement. Developed by the UNCCD and Mirova, an affiliate of Natixis Investment Managers who also provided initial seeding for the Fund, it is one of the responses to the call for public and private finance in support of global climate action.

Restoring degraded land is a huge, yet greatly underestimated and underutilized opportunity to reduce greenhouse gas emissions and to adapt to climate change. By putting sustainable land use at the heart of its climate action, the ‘Land Degradation Neutrality Fund’ initiative addresses the three summit objectives:

1. **Act concretely and collectively:** This joint effort to put finance at the service of climate action is the outcome of a unique coalition of actors. It will invest in sustainable land management practices all over the world that have already been shown to be effective, but need suitable financing and technical assistance.
2. **Innovate:** This will be the first investment vehicle to focus on a Sustainable Development Goal (SDG) target, and using an innovative public private partnership structure. Success could motivate the development of new investment vehicles for the goals.
3. **Support one another:** Climate change is a global issue, but the effects are distributed unevenly, with especially negative impacts on land users. Acting on a global scale, this investment vehicle will therefore provide flexible financing solutions where traditional bank funding is not available.

As early supporter of the fund, all the way through the design and structuring phases, the European Investment Bank was joined by the Agence Française de Développement to become the anchor investors. Other institutional investors include Fondaction, the first north-American private investor, foundation Fondation de France, insurance companies BNP Paribas Cardif and Garance. The initiative is also backed by de-risking partners including the Government of Luxembourg, IDB Invest and the Global Environment Facility. In total, investors have announced commitments of over USD 100 million out of a target of USD 300 million.

“The public sector must be bold and inventive to unleash a revolution in development and entrepreneurship that can tackle the manifold and complex challenges before us – climate change, loss of productive land, lack of jobs, forced migration, droughts, floods, the list seems endless. The moment we see the land differently our horizons open wide. Then, the options and possibilities are endless,” says **Monique Barbut**, Executive Secretary of the UNCCD.

"Implementing such private public schemes is both a challenge, through the pioneering dimension of the approach and the challenge of coordination, but also a great opportunity, through the exchange of knowledge and know-how. Mirova, as a management company dedicated to responsible investment, is committed to supporting initiatives to redirect financial flows towards sustainable development," comments **Philippe Zaouati**, CEO of Mirova.

Jean Raby, CEO of Natixis Investment Managers added: *'We believe it's our responsibility, as financial institution, to play a role in the transition to a low-carbon and climate resilient economy. This initiative is in line with Natixis' commitments to provide concrete and creative climate solutions.'*

European Investment Bank Vice President **Jonathan Taylor** said: *'Land degradation has negative impacts on water, food and energy security, climate change and biodiversity. That's why, as the EU Bank, we are proud to support the Land Degradation Neutrality Fund – a first of its kind public private partnership, attracting investments for sustainable land management and land restoration projects. This is important for two reasons: one, because we need pilots like this investment vehicle to demonstrate that investing in land degradation neutrality is good business for the private sector; and two because it is key to deliver on the Sustainable Development Goals and Paris Climate targets. We are committed to making the Paris Agreement a reality. Outside the EU, we have pledged 35% of total financing for climate action by 2020. This includes an increased focus on impact, adaptation and mainstreaming climate change considerations into everything we do.'*

For **Rémy Rioux**, CEO of the Agence Française de Développement: *'AFD is excited to join forces with other investors for financing climate resilient projects through Land Degradation Neutrality Fund and to participate to the emergence of a new asset class. This initiative complements AFD's intervention in supporting transition through sustainable management of natural capital resources as common goods, and improving socio-economic conditions for family farmers. The investment policy of Land Degradation Neutrality Fund is in line with our commitment to foster the Paris Agreement implementation'.*

Pascal Canfin, Managing Director of WWF France says: *'Every year, no less than 12 million hectares of arable land are degraded – the equivalent of one football field every two seconds – having major consequences on climate and food security. This Land Degradation Neutrality Fund, the biggest public private fund for sustainable land and followed by WWF France since its creation, is a great opportunity to channel investments towards innovative projects for land restoration. It therefore participates in the fight against climate change and global insecurity, and aims at ensuring food security especially for the most vulnerable populations.'*

Partners of the « Land Degradation Neutrality Fund » initiative

Co-promoters



United Nations
Convention to Combat
Desertification



Anchor investors



European
Investment
Bank

The EU bank



AFD
AGENCE FRANÇAISE
DE DÉVELOPPEMENT

De-risking partners



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG



IDB
Inter-American
Development Bank



Private institutional investors



FONDATION
Donner du sens à l'argent.



Fondation
de
France



GARANCE
Garants de votre
indépendance



BNP PARIBAS
CARDIF



NATIXIS
INVESTMENT MANAGERS

Technical Assistance Facility



idh
the sustainable
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Note

The “Land Degradation Neutrality Fund” has not been authorized by any supervisory authorities and will be qualified as an alternative investment fund. Its investment objective, strategy and main risks are described in its regulatory documentation. Its fees, charges and performances are also described in these documents. Investments in this vehicle are mainly subject to loss of capital risk and reserved for specific investors, as defined by its regulatory documentation. Any subscription in the “Land Degradation Neutrality Fund” will be offered only to professional investors.

About UNCCD

The United Nations Convention to Combat Desertification (UNCCD) is the only legally binding international agreement on land issues. The Convention promotes good land stewardship. Its 195 Parties aim, through partnerships, to implement the Convention and achieve the Sustainable Development Goals. The end goal is to protect our land, from over-use and drought, so it can continue to provide us all with food, water and energy. By sustainably managing land and striving to achieve land degradation neutrality, now and in the future, we will reduce the impact of climate change, avoid conflict over natural resources and help communities to thrive.

Visit: www.unccd.int

About Mirova

Limited liability company – Share Capital: € 7 461 327,50

Regulated by the Autorité des Marchés Financiers (AMF) under n° GP 02014

RCS Paris n°394 648 216

Registered Office: 21 quai d’Austerlitz - 75 013 Paris France

Mirova is an affiliate of Natixis Investment Managers dedicated to responsible investment. Through a conviction-driven investment approach, Mirova’s goal is to combine value creation over the long term with sustainable development. Mirova’s talents have been pioneers in many areas of sustainable finance. Their ambition is to keep innovating to propose the best tailored and most impactful solutions to their clients.

> Further information on: www.mirova.com

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About Natixis Investment Managers

Natixis Investment Managers serves financial professionals with more insightful ways to construct portfolios. Powered by the expertise 26 specialized investment managers globally, we apply Active ThinkingSM to deliver proactive solutions that help clients pursue better outcomes in all markets. Natixis ranks among the world’s largest asset management firms¹ (\$961.1 billion AUM²). Headquartered in Paris and Boston, Natixis Investment Managers is a subsidiary of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France.

¹ Cerulli Quantitative Update: Global Markets 2017 ranked Natixis Investment Managers (formerly Natixis Global Asset Management) as the 15th largest asset manager in the world based on assets under management as of December 31, 2016.

² Net asset value as of September 30, 2017. Assets under management (“AUM”), as reported, may include notional assets, assets serviced, gross assets and other types of non-regulatory AUM.