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The Initiative for the Adaptation of African Agriculture to Climate Change (AAA) and the Land Degradation Neutrality (LDN) Fund Project join forces to support land rehabilitation in Africa

Within the project development framework of the LDN Fund, which is co-developed by the UN Convention to Combat Desertification (UNCCD) and the responsible investing firm Mirova, with the support of the European Investment Bank (EIB), Mirova has concluded a partnership agreement with the Ministry of Agriculture and Fisheries of the Kingdom of Morocco related to the AAA Initiative. It aims at helping African smallholder farmers to restore degraded land and avoid further degradation of fertile land.

Aziz Akhannouch, Minister of Agriculture and Fisheries of the Kingdom of Morocco, and Philippe Zaouati, Chief Executive Officer of Mirova, signed an agreement that will enable the AAA initiative to help identify potential investments for the LDN Fund project. It will also be a framework for strengthening cooperation and coordination among project developers, local communities and public institutions.

The partnership was formalized through a Memorandum of Understanding on the occasion of the 22nd session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP22) that is taking place in Marrakesh, Morocco.

The partnership is expected to start with a project to set up argan orchards in Morocco's degraded areas and to structure its supply chain in order to reverse desertification and support sustainable land management.

According to the Minister of Agriculture of Morocco: "The AAA Initiative, capitalizing on the experience of the Green Morocco Plan, Morocco's framework for agricultural transformation, will leverage climate funding to support the development of agricultural development projects contributing to food security. It will also be the mouthpiece of African Agriculture in climate discussions".

The AAA Initiative, formalized in Morocco in September, is one of the priorities of the COP22. It has put the adaptation of Africa's agriculture at the heart of climate change debates and negotiations and is expected to attract a substantial share of the funds for climate change actions.

"At Mirova, we think that natural capital represents a promising new asset class, which can create value for investors over the long-term while contributing to sustainable development. We are proud to be working with the UNCCD to launch the LDN Fund and to

team up with the AAA Initiative to facilitate investments in Africa,” Philippe Zaouati commented about the new cooperation.

With a minimum target size set at USD300 million, the LDN Fund Project is the boldest global response yet by private sector investors to address land degradation. It will be an innovative investment vehicle for leveraging public money to raise private capital for sustainable land management and rehabilitation projects, mainly in developing countries. Mirova and the Global Mechanism of the UNCCD, as co-promoters, are finalizing the structuring of the LDN Fund. Its key objective is the achievement of the land degradation neutrality target (SDG 15.3) agreed under the Sustainable Development Goals.

Once fully developed, the LDN Fund will have a Technical Assistance Facility (TAF) alongside it to support the development of transformative projects. TAF will scale-up projects, make them investment-ready and support collaborative pilot projects among all concerned stakeholders.

“More than 30 million people in just one sub-region of Africa became food insecure due to drought this year. Unless we act urgently on the adaptation of Africa's agriculture, especially its small-farm holders, the region will only be able to meet 13% of its food demands by 2050¹. I am delighted to announce that we are making good progress towards the expected launch of the LDN Fund that, in addition of financing large scale transformative projects, will ensure smallholder farmers also get the resources they need to keep their lands healthy and producing over the long term. This is why a partnership agreement is also signed with Crédit Agricole du Maroc in order to reach smallholders in Africa,” Monique Barbut, UNCCD Executive Secretary, said during the signing ceremony.

About this partnership, Tariq Sijilmassi, Chairman of the Group Crédit Agricole du Maroc underlined that climate change adaptation is deeply linked to the access of small holders to finance. Thanks to its internationally recognized innovative and inclusive model, the Group CAM is the best tool to transform international public or private funds to a large number of customized loans to each category of farmers whatever their size. This achievement was demonstrated through its significant contribution to the Plan Maroc Vert implementation. “We started to share our expertise through our involvement in the AAA Initiative. The partnership with Mirova, that aims land degradation neutrality, proves our strong commitment to a sustainable development” he said.

Christopher Knowles, Head of Climate Change and Environment Division at EIB, commented: “The LDN Fund is an exciting and ambitious project. The EIB is pleased to have contributed to the design and structuring phase of this strategic initiative, including through the Advisory Group, and we have now formally launched due diligence with a view to becoming a cornerstone investor”.

¹ Source: <http://www.impactagri.com/food-supply-chain-global-context/>

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About the AAA initiative

Launched upstream of COP22 organized in Morocco, the initiative for the Adaptation of African Agriculture (AAA) aims to reduce the vulnerability of Africa and its agriculture to climate change. It promotes and fosters the implementation of specific projects to improve soil management, agricultural water control, climate risk management and capacity building & funding solutions. The initiative is an important response not only to climate change, but also to food insecurity. Its objective is to place the Adaptation of African Agriculture at the heart of climate debates and negotiations, and to attract a substantial share of climate funds. As for the solutions, it also aims to contribute to the roll-out of specific agricultural projects.

<http://www.aaainitiative.org>

About the UNCCD and the Global Mechanism

The United Nations Convention to Combat Desertification (UNCCD) is the sole legally binding international agreement on land issues. The Convention works, with its 195 Parties and other partners, to promote good land stewardship as many of them aim to achieve land degradation neutrality (LDN) through voluntary national targets. By achieving LDN, we will secure the health and productivity of the land, mitigate the effects of drought and make people and ecosystems more resilient to climate change.

www.unccd.int

The Global Mechanism (GM) is the financial mechanism established by the UNCCD to support developing countries in the mobilization of resources for combating desertification, land degradation and drought. In October 2015, the 12th Conference of the Parties to the UNCCD (COP 12) requested the GM, in consultation with the UNCCD Secretariat, "to develop options to increase incentives and financial support for DLDD (Desertification, Land Degradation and Drought) activities, including the possible creation of an independent LDN fund".

www.global-mechanism.org

About Group Crédit Agricole du Maroc

The Group Crédit Agricole du Maroc (GCAM) is a universal bank, with investment bank activities and commercial bank activities. In addition, GCAM fulfills a public service mission that consists in financing agriculture and promoting rural economy. Over the last 50 years, GCAM has gained agriculture-related knowledge, know-how and expertise in financing projects, advising investors and reporting to its trustees, namely the Ministry of Agriculture and the Ministry of Finance.

The GCAM has adopted an integrated approach with a differentiated offer of products and services that are adapted to the different segments of the agricultural sector. Today, the Moroccan agricultural market comprises 1.5 million farms. Only 10% of these farms are businesses and bankable and they are financed by CAM in a commercial manner. The segment of small and micro rural entrepreneurs represents 40% of the rural financial market and is served by GCAM through ARDI, its Foundation for Microcredit. In the middle between commercial banking and microfinance are smallholder families which represent 50% of the rural financial market and are supported by Tamwil El Fellah, a specific and innovative lending model adapted to this segment.

End of 2015, GCAM had a network of 800 agencies, a workforce of approximately 4,000 employees, a balance sheet of about 9 billion USD. Its credit to the economy was of approximately 7 billion USD.

About Mirova and Natixis Asset Management

Mirova, the Responsible Investment subsidiary of Natixis Asset Management, offers a global responsible investing approach with a single offer revolving around 5 pillars: equities, bonds, infrastructure, Impact investing,⁽¹⁾ voting and engagement.

Mirova brings together 66 multi-disciplinary experts and has €6.6 bn in AuM, as well as €40 bn in voting and engagement.

Mirova's fund range is distributed by Natixis Global Asset Management's global distribution platform and Groupe BPCE's two retail networks, and is designed for all types of investors, both professional and non-professional.

> Further information:  www.mirova.com

> Follow Mirova on  

Natixis Asset Management ranks among Europe's leading asset managers with more than 355 billion euros and 742 employees. Natixis Asset Management owns also three subsidiaries asset managers: Mirova, Dorval Asset Management and H2O Asset Management.

Source: Natixis Asset Management as at 30/09/2016.

⁽¹⁾ Impact investing; management having a strong social or environmental impact.

Mirova is a wholly-owned subsidiary of Natixis Asset Management.

Dorval Asset Management is a 50,1 % subsidiary of Natixis Asset Management.

H2O Asset Management is a 50,01 % subsidiary of Natixis Asset Management.

About Natixis Global Asset Management

Natixis Global Asset Management serves thoughtful investment professionals worldwide with more insightful ways to invest. Through our Durable Portfolio Construction® approach, we focus on risk to help them construct more strategic portfolios that seek to endure today's unpredictable markets. We draw from deep investor and industry insights and partner closely with our clients to put objective data behind the discussion.

Natixis Global Asset Management is ranked among the world's largest asset management firms.⁽¹⁾ Uniting over 20 specialized investment managers globally (\$897 billion AUM⁽²⁾), we bring a diverse range of solutions to every strategic opportunity. From insight to action, Natixis Global Asset Management helps our clients better serve their own with more durable portfolios.

Headquartered in Paris and Boston, Natixis Global Asset Management, S.A. is part of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Natixis Global Asset Management, S.A.'s affiliated investment management firms and distribution and service groups include Active Investment Advisors;⁽³⁾ AEW Capital Management; AEW Europe; AlphaSimplex Group; Axeltis; Darius Capital Partners; DNCA Investments;⁽⁴⁾ Dorval Finance;⁽⁵⁾ Emerise;⁽⁶⁾ Gateway Investment Advisers; H2O Asset Management;⁽⁵⁾ Harris Associates; IDFC Asset Management Company; Loomis, Sayles & Company; Managed Portfolio Advisors;⁽³⁾ McDonnell Investment Management; Mirova;⁽⁵⁾ Natixis Asset Management; Ossiam; Seeyond;⁽⁷⁾ Vaughan Nelson Investment Management; Vega Investment Managers; and Natixis Global Asset Management Private Equity, which includes Seventure Partners, Naxicap Partners, Alliance Entrepreneurs, Euro Private Equity, Caspian Private Equity and Eagle Asia Partners. Visit ngam.natixis.com for more information.

⁽¹⁾ Cerulli Quantitative Update: Global Markets 2016 ranked Natixis Global Asset Management, S.A. as the 16th largest asset manager in the world based on assets under management (\$870.3 billion) as of December 31, 2015.

⁽²⁾ Net asset value as of September 30, 2016. Assets under management (AUM) may include assets for which non-regulatory AUM services are provided. Non-regulatory AUM includes assets which do not fall within the SEC's definition of 'regulatory AUM' in Form ADV, Part 1.

⁽³⁾ A division of NGAM Advisors, L.P.

⁽⁴⁾ A brand of DNCA Finance.

⁽⁵⁾ A subsidiary of Natixis Asset Management.

⁽⁶⁾ A brand of Natixis Asset Management and Natixis Asset Management Asia Limited, based in Singapore and Paris.

⁽⁷⁾ A brand of Natixis Asset Management.

Note to the reader

This document (the "Document") is being circulated as an information-only document and does not constitute an offer, a proposal, or a solicitation to investors to invest in the land degradation neutrality fund, (the "LDN Fund"). This Document has been prepared for indicative purposes only. This Document does not represent a commitment on the part of the Secretariat and the Global Mechanism of the United Nations Convention Desertification ("UNCCD") and Mirova to structure the Fund described herein, nor any other fund.