

The role of finance & capital markets to reduce deforestation by 50%

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Reducing tropical forest loss by 50% by 2020 has been a major goal.....

- **European Commission** ‘...set an EU objective to halt global forest cover by 2030 at the latest and reduce gross tropical by 50% by 2020’ (Communication on Deforestation, issued in 2008).
- **New York Declaration on Forests (+200 governments, businesses, NGOs):** “halve tropical deforestation by 2020 (from 2014) and end tropical forests loss by 2030”
- **Consumer Goods Forum (400 consumer goods companies):** “achieve zero net deforestation by 2020” (Board resolution in 2010)
- **Banking for Environment (BEI) Soft Commodities Compact (10 banks):** “achieve zero net deforestation by 2020 through financing of soft commodity supply chains”.

Deforestation; emissions ~ 1.2 Pg C yr⁻¹



...less than 3 seconds to clear a sports field



...every 3 seconds of every day



Despite that forests & land use contribute 30% to the climate solution.....

Institutional investors

- <1% bonds issued are 'green bonds'
- Of all 'green bonds', 6-10% directed to land use (tiny, tiny!)

Commercial banks

- 97% no financing policies for beef, timber, soy, palm oil, etc
- Only 16% banks require clients to adopt no-deforestation policies

Impact investors

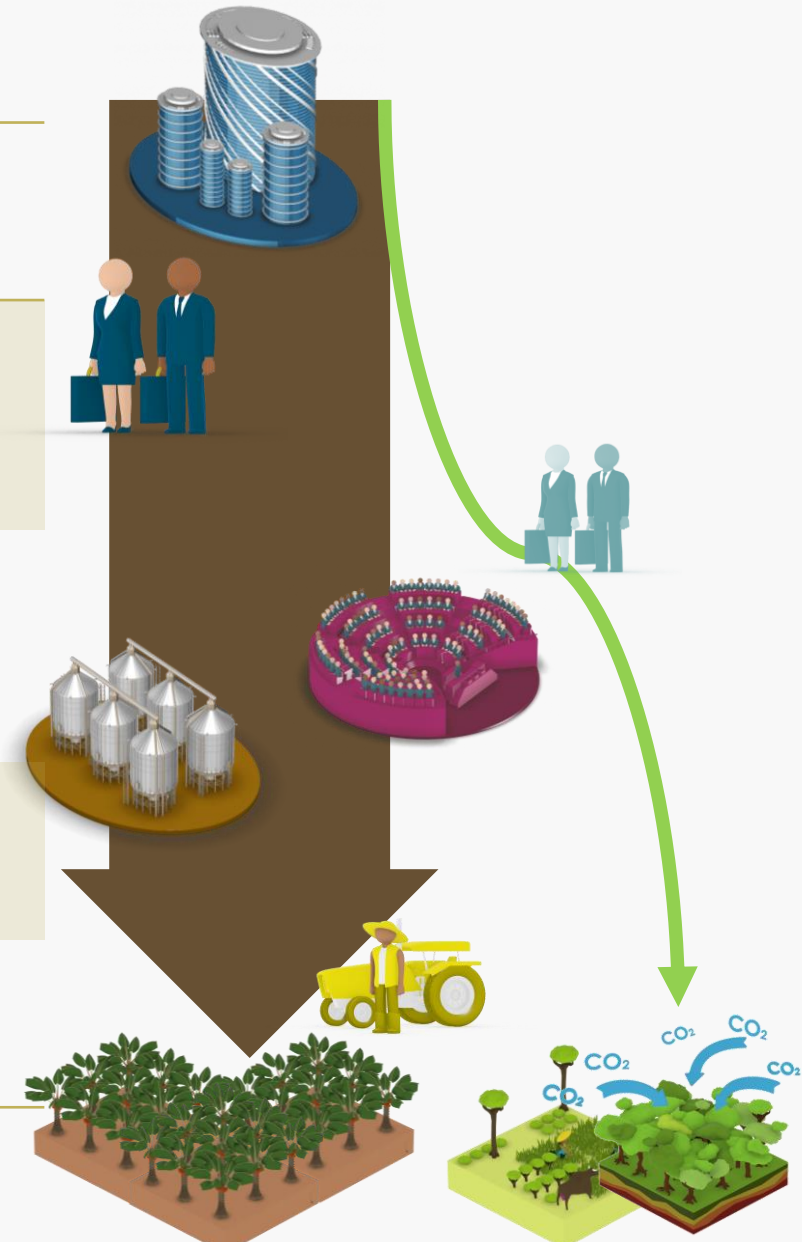
- Out of USD 131 billion AUM by impact investors
- 5% directed to forestry
- 10% to food & agri

Governments

- <3% of public climate finance directed to agriculture, forestry & land use

Agribusinesses & CGC

- 469 companies committed zero-deforestation: none on track to meet commitments by 2020



Objectives of this event

- Call to massively reduce deforestation and increase finance for forest protection is now a few years old.
 - *What is standing in the way of success (perspective European Commission, commercial banks and impact investors)?*
- Looking into the future, are we heading for a game changer moment?
 - *How could collaboration and collective action contribute to delivering on the objectives to reduce deforestation by 50%*
 - *What could be a catalyst for change?*