

EVENT REPORT



Global Landscapes Forum **The Investment Case**

10-11 June 2015, London

landscapes.org





Executive Summary

Global Landscapes Forum: The Investment Case, convened at the Royal Society in London on 10–11 June 2015, brought together 220 experts on public and private finance, representatives from the corporate sector, senior government officials, and leading thinkers from research and civil society. The invitation-only expert symposium sought to overcome barriers to sustainable landscape investments and to scale up existing solutions.

The event was coordinated by the Center for International Forestry Research (CIFOR) together with the European Investment Bank, UNEP, the World Bank and PROFOR. More than 20 organizations and companies – among them OECD, UNCCD, Unilever and the Climate Bonds Initiative – shaped the agenda as session co-hosts. Participants included high-level representatives from Credit Suisse, Danone, Bank of America Merrill Lynch and Willis Ltd.

On the first day, all participants took part in interactive expert clusters and a range of networking opportunities. On the following day, organizations followed up on concrete investment opportunities and projects in open discussion groups.

Event outcomes have fed into a roadmap toward sustainable land-use investments at scale. As an immediate next step, the draft of the roadmap will provide the basis for a side event with land-use experts at the World Forestry Congress in Durban (9 September 2015). Key ideas will also be presented to the UNFCCC Standing Committee on Finance.

Participants agreed that:

- **The capital is ready.** High-net-worth individuals and institutional investors could put **\$200 billion to \$300 billion a year** into projects – a significant share of the estimated \$300 – \$400 billion a year needed to conserve natural resources.
- **The project ideas are there.** From sustainably growing **export foods** in Ethiopia to making Indonesia's **palm oil supply chain** deforestation-free, a range of initiatives offer financial returns and environmental benefits. However, more information is needed to develop a deep pipeline of investment opportunities.
- **It is time to scale up.** Innovative, credible and bankable **projects need to be tested and brought to the next level**, so that smallholders and foresters around the world can get access to cheaper, more reliable capital.

82%

of survey participants rated the event as successful or very successful

97%

reported that they met new potential partners

97%

said that the event has helped them find ways to scale up land-use finance

4.1
million

Twitter accounts reached using event news

>6,000

individuals read updates and background papers online

The Challenge

In the world's poorest but often resource-rich countries, access to finance remains inadequate and comes at high interest rates for rural communities. Farmers, foresters and their networks lack the capital to invest in land-use activities that would help raise their incomes while protecting the environment. On the global level, funding for REDD+ and other conservation and climate initiatives is insufficient and unreliable. Experts from the conservation, finance and development sectors widely recognize a need for a significantly larger amount of capital than is currently available through bilateral sources, national governments and philanthropy.

Private capital at scale – flowing in through large institutional investors instead of individual projects – has the potential both to increase incomes for the poor and to achieve environmental goals. The sustainable investments market has grown significantly, from \$13.3 trillion in 2012 to \$21.4 trillion in 2014. Credit Suisse's global investments group estimates that wealthy investors and pension funds could put \$200 billion to \$300 billion a year into sustainable land use if market-rate returns are offered. That is a significant share of the \$300 to \$400 billion a year that is likely needed to tackle climate change and the loss of biodiversity.

To unlock unexploited private investment, investors, researchers, civil society, development banks and policy makers will have to jointly overcome existing hurdles. Many of the solutions necessary to overcome these hurdles are available now and ready for piloting and scaling up. But the enabling frameworks, partnerships and data needed to put the funds into good use are still lacking. For the first time, Global Landscapes Forum: The Investment Case convened those banks, financial advisories, companies and research centers that pioneered sustainable finance solutions, creating new partnerships in the process.



**It is not enough to be right.
For a great transformation,
you need three things:
Love, reason and power...
If we are to make a
transformation in the society
in which we live, we have to
focus on relationships.**



James Cameron

Co-founder of Climate Change
Capital and Chair of the Overseas
Development Institute (ODI)



Sessions and Flow

To maximize engagement and productivity, the expert symposium on **June 10** offered three types of sessions:

High-level plenaries brought together thought leaders to set incentives for the day's discussions. The opening plenary featured representatives from finance, the corporate sector, research and policy who had all undertaken significant investments in sustainable landscapes. The closing plenary reflected on outcomes of discussions and major lessons learned by focusing on the experience of key participants.

A **first set of expert clusters** assessed the roadblocks that investors meet when directing funds to sustainable land use – and how these could be overcome. In the lead-up to the event, organizers conducted in-depth discussions with expert practitioners, from which they identified six hurdles that prevent sustainable investments at scale:

- Incomplete understanding of available financial tools
- Challenges related to tenure and governance
- Lack of clarity around the role of insurance in addressing climate- and policy-related risks
- Failure to consider private sector and investment impacts (both negative and positive) in many REDD+ projects
- Inefficiency of public–private partnerships
- Underdevelopment of indicators of success for landscape-level investments.

A **second set of expert clusters** provided a platform for investors and project developers to explore existing funds and mechanisms. Organizers chose to showcase four potential solutions that have already reached pilot phase and are ready for scaling up:

- The Landscape Fund
- Sustainable palm oil in Indonesia

- Land Degradation Neutrality Fund
- Initiative 20x20 and other large-scale restoration initiatives

The complete event program, with full session descriptions, is available at www.landscapes.org/london/agenda.

On **June 11**, organizers used the space to convene sessions for following up on the discussions of the expert symposium. These sessions were highly productive, resulting in new partnerships and the identification on concrete, next steps:

- CIFOR and TMP Systems laid out priorities for the next phase of The Landscape Fund together with invited partners
- The World Bank / Profor hosted an open exchange on private-sector partnerships that brought together investors, entrepreneurs and finance experts, directly building on expert cluster outcomes of the previous day
- The European Investment Bank met with interested participants to further explore EIB's work on financial tools
- UNEP used the opportunity to introduce a new system linking smallholders to green finance

To facilitate an open working atmosphere, Chatham House Rules applied to the two rounds of expert clusters and the follow-up meetings of June 11. The plenary sessions were open to and covered by bloggers and media.

“ These are complicated issues with many competing interests. Organizers did a great job with facing the complexity directly rather than just advocating easy solutions that fail when faced with reality.

Participant, finance sector

Event Structure

Opening plenary: Building the Investment Case for Landscape

Expert Cluster I: Removing Roadblocks

Financial
tools

Tenure &
Governance

Risk
management
& insurance

REDD+ & the
private sector

Public-private
partnerships

Landscape
investments
& indicators

High-level keynote

Expert Cluster II: Scaling up solutions

Financial solutions
at scale
The Landscape Fund

No-deforestation
commodities
The case of palm oil

Profitable interventions
**Land degradation
neutrality fund**

Large scale restoration
**Initiative 20x20
and beyond**

Afternoon Q&A - Lessons Learned

Closing Plenary – Towards a roadmap for integrating landscape investments

Beyond the event: From White Papers to Roadmap

All sessions were targeted at an expert audience: No time was set aside for general introductions to the topics. To ensure that participants attended expert clusters sufficiently prepared, session co-hosts jointly drafted White Papers that outlined current knowledge, open questions and next steps related to cluster topics.

The White Papers were shared online ahead of the event and soon turned into a popular online resource: the White Papers section on www.landscapes.org/london/ was the most popular page after the agenda. The post-event survey shows that 90% of event participants

made use of this resource. In total, the White Papers were read 1,498 times, indicating that they reached an audience beyond the 200 people that gathered in London.

Following the event, session co-hosts were asked to prepare short reports to show how the open questions raised in the White Papers were addressed during the session and to itemize decisions on next steps. Together, the reports provide the basis for the roadmap toward sustainable land-use investments at scale.

White Papers are available online: <http://www.landscapes.org/london/white-papers/>



Integrated landscape investments: How to coordinate for impact and measure effectiveness across landscapes?

This White Paper was produced by :
EcoAgriculture Partners



Tenure and governance in agricultural and forestry supply chains: Undertaking risk-based due diligence

This White Paper was produced by :
OECD; Center for International Forestry Research (CIFOR); The World Bank



Investing in no-deforestation commodities: The case of palm oil

This White Paper was produced by :
Unilever; Climate Policy Initiative (CPI); World Economic Forum (WEF); Tropical Forest Alliance 2020 (TFA2020); United Nations Environment Programme Finance Initiative (UNEP FI)

Speakers

Global Landscapes Forum: The Investment Case brought together a unique mix of senior professionals from across sectors, and focused on encouraging interactive exchange among them. Session hosts were encouraged to keep formal speaker interventions to a minimum, shifting the emphasis to knowledge sharing.

Following is a list of the participants who shared their ideas and raised questions as speakers and moderators in plenaries.

Opening Plenary: Building the investment case for landscapes

- Peter Wheeler, Executive Vice President, The Nature Conservancy
- Bernard Giraud, Senior Sustainability Advisor Danone, President of Livelihoods Venture
- Bilal Rahill, Director, Environment and Natural Resources Global Practice, World Bank Group
- Leslie L. Durschinger, Founder and Managing Director, Terra Global
- Mark Burrows, Managing Director and Vice Chairman Global Investment Banking, Credit Suisse
- Peter Holmgren, Director General, Center for International Forestry Research (CIFOR)

Lunchtime keynote: Inspirations

- James Cameron, Co-founder of Climate Change Capital and Chair of the Overseas Development Institute's Board and Council

Closing Plenary: Toward a roadmap for integrated landscape investments

- Abyd Karmali, Managing Director Climate Finance, Bank of America Merrill Lynch
- Daniel Gad, Entrepreneur and farmer, World Farmers Organisation
- David Pitt-Watson, Executive Fellow at the London Business School and Chair of the UNEP Finance Initiative
- Nurdiana Darus, Executive Director, Indonesia Palm Oil Pledge (IPOP)
- Sean Kidney, CEO, Climate Bonds Initiative

“ One of the highlights of the event was how in the plenary sessions banks and farmers organizations could talk the same language and found common ground.

Participant, civil society



Participant Feedback



Originally, the targeted number of participants at the expert symposium was 100, with participants to be personally invited by the organizers. However, due to the overwhelming interest in the event, organizers decided to increase the number of participants to 200. This number was set as maximum in order to limit the number of discussants within expert clusters.

After the event, organizers collected feedback through an online survey to assess the event's impact. The link to the survey was then sent to all participants. In addition, organizers looked at registration data to analyze participants' background.

Undoubtedly, the **mix of participants** was among the event's biggest achievements:

- **59%** of participants work in the **finance or corporate sector** (32% finance, 13% corporate, 12% advisories, 2% business networks); research, civil society, government and international organizations were evenly represented with 8–12% each.

The majority of participants are in leadership positions within their institutions:

- Almost half are acting as **Directors (25%), CEOs (15%) or Heads (9%) of organizations**
- **19%** are **senior managers or researchers**

The Forum succeeded in reaching out to stakeholders outside its normal constituency:

22% had attended a GLF event before

49% now plan to attend the 2015 Global Landscapes Forum in Paris

91% would like to attend another Global Landscapes Forum focused on finance

“ We all agreed it was one of the most outstanding cross-section of participants we had seen at a conference of its size.

Participant, finance sector



“ Although finance and business people speak a foreign language to researchers, this meeting was an unprecedented opportunity for these two communities to learn to talk together.

Participant, research

“ The London GLF was a great initiative for getting the investment community and the private sector to explore possible applications of the landscape approach and innovative financial schemes/instruments. A follow-up Forum seems to be necessary.

Participant, government

When asked about the content and structure of sessions, the response was overwhelmingly positive. Importantly, participants from all backgrounds – from entrepreneurs trying to make REDD+ work for Latin American communities to bankers managing global portfolios – took away lessons applicable to their daily work.

Key results

- 82% rated the Forum as “successful” or “very successful” – only one person (3%) thought the Forum was not successful
- 97% said the event helped in developing new partnerships
- 97% identified ways to scale up land-use finance
- 100% said the event was important for general networking
- Top 5 expert clusters that respondents felt were most valuable:
 - » Expert Cluster 1.1: Financial Instruments
 - » Expert Cluster 2.1: Financing solutions at scale – The Landscapes Fund
 - » Expert Cluster 2.2: Investing in no-deforestation commodities – the case of palm oil
 - » Expert Cluster 1.4: REDD+ and the private sector
 - » Expert Cluster 1.2: Tenure and governance
- 90% made use of the White Papers, 70% of those found them very helpful

“ I have scheduled a series of meetings with key actors in Peru to analyze how forest bonds could be applied in-country.

Participant, corporate sector

“ [We will start] presenting our funding proposals offering different capital tranches adapted to each investor profile for our projects and programs.

Participant, civil society

These numbers are supported by examples of knowledge-uptake that participants shared in the survey.

In survey comments and individual exchanges, participants also made some constructive suggestions for improvement, which will help to improve future events. Participants’ suggestions referred to the design of individual expert clusters, content of sessions and potential invitees for future events.

One participant remarked that the quality of sessions was patchy. Sessions that made space for interactive exchange, such as the session on no-deforestation commodities, received a lot of praise while others were encouraged to cut lengthy presentations, in order to make more time for discussions. In the future, organizers will aim to work even closer with hosts in session preparation.

In terms of content, participants highlighted some topics that should be picked up at future events; in particular, they suggested looking more closely at different commodities as well as specific landscapes and how these could be matched with funds and finance tools. These ideas will serve as initial guidance for the preparation of future events.


The event proved to be a huge step forward in connecting the finance, research and development practice communities around sustainable landscapes. Nevertheless, further work is needed to include specific sub-groups, such as representatives of pension funds as well as farmer and smallholder networks.

Communication and Outreach

Although Chatham House Rules applied to most sessions, CIFOR implemented a broad outreach campaign around the event to enable interested stakeholders to follow from afar. Immediately after the event, www.landscapes.org/london was converted into an online archive for easy access to all event outcomes, media articles, related blog posts, White Papers, presentations and videos. Throughout the campaign, resources reached thousands of people around the world.

Key communication tools included the following:

Website: A dedicated event page was set up on www.landscapes.org, a collaborative, unbranded platform. The event page was visited 13,226 times by at least 3,094 unique visitors (up to 6,000) in the weeks around the event. White Papers were read 1,498 times, blog posts 1,108 times. The bounce rate (44%) was extremely low when compared to similar sites, indicating that the majority of users stayed on to explore related content.

11 June 2015

Event wrap: After London, investors want to fund sustainable landscapes

HEADLINES

- Unlocking capital for landscapes: the opportunities in 9 White Papers
- Event wrap: After London, investors want to fund sustainable landscapes
- WATCH NOW: plenary sessions and video interviews
- What investors want – and what they need, in 24 presentations

GLF: The Investment Case brought together 200 experts from finance and investment focusing on scaling up sustainable landscape solutions.

Scroll down for video interviews, presentations and finance White Papers.

10 June Royal Society, London

[Click here for more information](#)

Videos

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&A: Divestment from fossil fuels points to shift



Q&A: New investment funds for sustainable



Q&A: BNP Paribas tackling the sustainability



Q&A: Sustainable development and



Q&A: Sustainable investment no longer a



Q&A: Multiple routes to bring investment to



Q&A: Multiple routes to bring investment to



Facebook: The Global Landscapes Forum Facebook account was used to share stories and facts around land use finance worldwide. Posts reached 11,711 people and were shared, liked and commented on 370 times.



Twitter: 130 tweets were sent from @GlobalLF throughout June, potentially reaching 4,117,172 people.

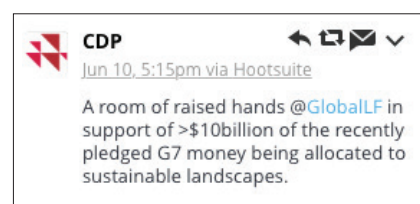


Presentations: 24 presentations from the event were made accessible on Slideshare. They have been viewed 3,879 times in total (average of 162 views per presentation).



Videos: Speaker interviews, an event video news package and recordings of the lunchtime keynote are all accessible online. The clips were watched 662 times in the month following the event.

Tweeting the investment case...



Media outreach: Organizers worked with international media firm Burness Communications to attract journalists' attention. Several journalists attended the plenary sessions, including from Reuters, Bloomberg and Devex. The event was covered in 18 articles – a good number for such a small gathering, considering that the UNFCCC SBSTA took place in parallel

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Investors could pour billions into farm, forest protection: bankers

BY LAURIE GOERING

LONDON (Thomson Reuters Foundation) - Protecting the world's dwindling forests and making small farms more productive will cost hundreds of billions of dollars annually – money governments and charities do not have to spend, experts said at a London conference.

REUTERS VIDEO

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Next Steps

Toward a roadmap for finance at scale

Following the two-day event, there was a clear call for follow-up activities: 90% of respondents to the survey indicated that they would like to see another Forum focused on finance. In London, the business case for investments in sustainable landscapes was made. But the real work starts now.

Across sessions, three issues emerged as priority areas for immediate action.

1. An enabling environment, created by private and public forces

Repeatedly, participants cited risks related to unclear tenure and under-development of regulations and market structures as among the main factors hindering the flow of investments. Governments can play an enabling role by providing a coherent policy framework. They can also help reward sustainable business practices and discourage those that are environmentally and socially harmful by pursuing progressive public policies. In the short term, public funds can help reduce risks.

“ We need the donor-backed financial agencies to come and guarantee some of these projects and get some bonds out there...then we need a 3-5 year strategy to withdraw those supports.



Sean Kidney
CEO Climate Bonds Initiative

However, businesses need to do their share to create a level playing field – by supporting these regulations instead of lobbying against them. The Indonesia Palm Oil Pledge (IPOP) – a business-driven initiative for zero-deforestation standards – is an example of where this cooperation is starting. But such examples are too few and too limited. More needs to be done concerning law enforcement, tenure rights for indigenous peoples and the transition from project level to jurisdictional level.

2. Rigorous data to support investment decisions and enforce standards

Throughout sessions, investors cited available funds in the magnitude of hundreds of billions of dollars per year. At the same time, financial service providers are hesitant to pledge large sums to individual solutions. And even if a trend is emerging – as has been the case with microfinance, albeit on a smaller scale – it is hard to track whether investments achieve the objectives that were set out.

“ Too much money has chased too few of the projects in too quick a time. The entire value chain... needs to be filled with expertise, with in-depth knowledge of what really is needed so that the right interventions are happening.



Elvira Lefting
Managing Director,
Finance in Motion

But improved data and collection methods are only part of the solution. Financial sector professionals, governments and those developing projects at the landscape level need to improve their technical capacity and knowledge of sustainability concepts. This, in turn, requires information that is easy to access and grasp, independent of professional backgrounds.

“Is it possible to find generic parameters that are valued across the landscape? ... If that is the case, then we might have a much more effective way of both monitoring and measuring, but also of communicating to the wider public that this is the way we want things to move.



Peter Holmgren
Director General, CIFOR

Several initiatives to address this knowledge gap are underway, ranging from modeling tools to performance matrixes and methodologies for M&E. But for uptake by mainstream investors, collaborative approaches and testing are key.

3. Tools and instruments that make the link between farm and fund

“The importance of the private sector” is now firmly established in development jargon. What is often overlooked is that the private sector does not form one cohesive group – it consists of a variety of

players with their own values, business models, risk appetites, return expectations, and time horizons. The challenge lies in providing formal finance for rural smallholders and businesses. Linking those entrepreneurs to the wider financial system could translate to improved access to fair, affordable and long-term capital. But these solutions need to be embedded in local contexts.

“Market interest rates might be cheaper than borrowing from local informal money lenders. But you are headed for serious trouble when farmers are being forced to pay up to 35% on unsecured loans.



Daniel Gad
Ethiopian farmer, entrepreneur and representative of the World Farmers Organisation

These concerns are echoed by financial service providers, who also fear high transaction costs in the process of connecting farmers to large capital. To reap the potential benefits of scaling up smallholder finance, innovative schemes are needed. At the same time, existing solutions need to be grouped and evaluated for impact.

The list of alternative financial instruments in pilot stages is long: from a public–private partnership to protect Kenya’s Lake Naivasha to financing large-scale restoration in Latin America. These are ready for comparison and could offer valuable lessons for other contexts.

“Our private sector clients — even our public sector clients — very often find that engagement with communities, with smallholders, is the most difficult part of developing a bankable project. That whole social dimension is incredibly important as we look at expanding investments in landscapes.



Bill Rahill

Director, Environment and Natural Resources
Global Practice, World Bank Group

As a next step, organizers of the Global Landscapes Forum: The Investment Case will host an exchange with land-use experts during a side event at the **World Forestry Congress in Durban**. These discussions will draw on the initial recommendations to the roadmap collected from session reports and further enhance the document.



Photo by Thomas Hubert/CIFOR



Coordinating partners



Strategic partners



Funding partners



Session hosts

