



PRESS RELEASE

Paris, 3 December 2015

Mirova and the Global Mechanism join forces to establish the Land Degradation Neutrality Fund

The United Nations Convention to Combat Desertification (UNCCD), through its operational arm - the Global Mechanism – together with Mirova, the responsible investment management company of Natixis group, have signed an agreement to structure the first global fund dedicated to achieving Land Degradation Neutrality - the LDN Fund. French Caisse des Dépôts is supporting the initiative.

The Global Mechanism and Mirova are pleased to announce the signature of a Memorandum of Understanding with the objective of structuring the Land Degradation Neutrality Fund. The LDN Fund aims at creating a new investment territory: land rehabilitation and avoided degradation. The LDN Fund will be launched in December 2016.

French Caisse des Dépôts has agreed to support the project. International institutions, including the European Investment Bank (EIB) and the Multilateral Investment Guarantee Agency (MIGA), World Bank Group, are supporting the creation of the Fund and intend to accompany the structuring phase.

Every year, we degrade an area about half the size of the UK to sustain our global economy. Land degradation comes with huge environmental, social and financial costs. The LDN Fund intends to reward land management practices that help to avoid the degradation of productive land. Its goal is to promote switching to sustainable land uses and restoring already degraded land.

The benefits of preventing and reversing land degradation are greater than the costs of land rehabilitation. For instance, [The Value of Land: Prosperous Lands and Positive Rewards through Sustainable Land Management](#) shows that the adoption of sustainable land management (SLM) practices alone could generate up to US\$1.4 trillion in increased production value.

Achieving LDN is one of the year 2030 targets (target 15.3) of the Sustainable Development Goals (SDG). LDN refers to a state whereby the amount of healthy and productive land resources necessary to support ecosystem services in a given community or country, or globally, remains at least stable.

In October, the Parties to the UNCCD agreed to set up voluntary national targets to support the realization of the LDN target on a global level.

The concept of an LDN Fund emerged in 2014 following consultations among institutions that were engaged in the identification of sustainable solutions to the challenge of land degradation. The Global Mechanism presented the first concept at the World Investment Forum in Geneva in October 2014.

The fund should provide a coordination platform for blended finance and is expected to be set up as a Public-Private Partnership among institutional investors,

impact investors, development finance institutions and donors committed to supporting LDN. It should be structured as a privately managed layered fund intending to generate returns for investors in line with their respective risk/return profiles.

The Global Mechanism and Mirova are joining forces to turn the project into reality, and to create the conditions vital for this investment vehicle to work. A joint project team will start structuring the fund across six interconnected working groups, including the identification of bankable projects across different sectors and geographies.

According to Stéphane Le Foll, Minister of Agriculture, Agrifood and Forestry, France, said, "This is a fund in the making that will harness the power of the private sector to support a global policy and investments that agriculturalists the world over cannot do without. When it is launched in 2016, this fund will become an important vehicle to rehabilitate millions of hectares of degraded land, making it fertile and productive. This commitment is totally consistent with the "4 for 1,000: soils for food security and climate" initiative launched by France at COP21."

Annick Girardin, Minister of State for Development and Francophony in the Ministry of Foreign Affairs and International Development says, "to deal with the issues we face, we must offer real opportunities and hope. That's why we must invest substantially in the land. The idea of creating a land degradation neutrality fund that, simultaneously, drives private sector investment, revitalizes degraded areas and scales up sustainable land use practices, is truly innovative, and deserves the support of the global community."

Monique Barbut, Executive Secretary of the UNCCD declares, "I am pleased to announce our collaboration with Mirova to structure the fund, and with the support of EIB, Caisse des Dépôts, and WWF among others. The conditions for the existence and success of a LDN Fund, which UNCCD imagined more than a year ago, are now taking shape."

Mirova's CEO Philippe Zaouati comments, "At Mirova, we believe that integrating sustainable development themes can generate solutions that create value for investors over the long term. We are honoured to join forces with the UNCCD to structure the LDN Fund that we hope will be a triple success: financial, environmental and social."

"Caisse des Dépôts approves the LDN Fund initiative, in its intentions as well as its methods and is ready to support it when the time comes and according to the business model proposed", says Pierre-René Lemas, CEO of the Caisse des Dépôts group.

EIB also supports the initiative. "The European Investment Bank, as the world's largest financier of climate action, recognises the crucial need to address land degradation, including deforestation and desertification. The LDN Fund is an ambitious and innovative initiative with an impressive potential to fight the local and wider impact of a changing climate and the EIB is committed to ensuring the successful implementation of this important new fund" says Ambroise Fayolle, Vice-President responsible for Innovation at EIB.

According to Marco Lambertini, Director General of WWF International, "For the first time, we have an universal agreement to halt and reverse land degradation in the form of the recently approved SDGs, and its target to achieve land degradation neutrality by 2030. Achieving this target will require substantial amounts of public and private resources. In this context, WWF welcomes the thinking, the efforts, and the spirit behind the LDN Fund - it is a very exciting development and one we stand ready to support."

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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.

About the UNCCD

Desertification, along with climate change and the loss of biodiversity, were identified as the greatest challenges to sustainable development during the 1992 Rio Earth Summit. Established in 1994, UNCCD is the sole legally binding international agreement linking environment, development and the promotion of healthy soils. The Convention's 195 Parties work to alleviate poverty in the drylands, maintain and restore the land's productivity, and mitigate the effects of drought.

About the Global Mechanism

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".
<http://www.global-mechanism.org/>

About Mirova

Mirova offers a global responsible investing approach involving Equities, Fixed Income, General and Renewable Energy Infrastructure, Impact Investing, and Voting and Engagement. It has €5.8 billion in assets under management and €42.9 billion in Voting and Engagement. Its team of circa 50 multidisciplinary experts includes specialists in thematic investment management, engineers, financial and environmental, social and governance analysts, project financing specialists and experts in solidarity finance.

www.mirova.com



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About Natixis

Natixis is the international corporate, investment, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France with 36 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Épargne.

With more than 16,000 employees, Natixis has a number of areas of expertise that are organized into three main business lines: Corporate & Investment Banking, Investment Solutions & Insurance, and Specialized Financial Services.

A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of Groupe BPCE's banking networks.

Figures as at June 30, 2015

About the Caisse des Dépôts group

Caisse des Dépôts and its subsidiaries together form a State-owned group that is a long-term investor serving France's public interest and local and regional economic development. This role was reaffirmed by the French economic modernisation act of 4 August 2008. The Group has renowned expertise in managing public-service mandates and focuses its efforts on four types of transition that are strategic for France's long-term development: regional, environmental/energy, digital and demographic.

<http://www.caissedesdepots.fr>

About the European Investment Bank

The European Investment Bank (EIB), whose shareholders are the Member States of the European Union (EU), is the EU's long-term financing institution. The EIB provides long-term finance in support of quality projects to contribute towards achieving the EU's major objectives.

About WWF

WWF is one of the world's largest and most respected independent conservation organizations, with over 5 million supporters and a global network active in over 100 countries. WWF's mission is to stop the degradation of the Earth's natural environment and to build a future in which humans live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

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About Miga

MIGA was created in 1988 as a member of the World Bank Group to promote foreign direct investment into emerging economies to support economic growth, reduce poverty, and improve people's lives. MIGA fulfils this mandate by offering political risk insurance and credit enhancement to investors and lenders.