

FREQUENTLY ASKED QUESTIONS

LDN FUND

1. WHAT IS THE LAND DEGRADATION NEUTRALITY (LDN) FUND?

In a nutshell, the LDN fund is a socially responsible impact fund with a strong alignment with the United Nations Sustainable Development Goals (SDG), particularly SDG target 15.3 of achieving LDN. The LDN Fund will invest in financially viable sustainable land management (SLM) and land restoration projects and programmes worldwide. The Fund draws resources from both public and private investors committed to halting land degradation, by providing long-term financing to the projects that meet strict environmental and social standards. The Fund will be managed within the natural capital investment platform of Mirova, an affiliate of Natixis Investment Managers dedicated to responsible investment. Mirova has \$11.4 billion in assets under management as of March 2018

2. WHAT TYPES OF PROJECTS WILL THE LDN FUND INVEST IN?

Land use projects and programmes that generate environmental and socio-economic benefits, alongside financial returns. In particular, the LDN Fund will invest in sectors such as sustainable agriculture, sustainable forestry, and other related sectors. The LDN Fund only invests in profit-generating private sector-led projects, not in public projects or programmes. It is focused on scaling up projects that have already completed a successful pilot phase, so will not normally consider very early-stage projects.

3. WHO WILL INVEST IN THE FUND

One of the key aims of the Fund is to encourage more private investment in sustainable development. Targeted investors include private investors such as pension funds and insurers, as well as public entities, Development Finance Institutions and philanthropic donors. The Fund will be capitalized by public and private investors with a target final size of \$300m.

4. WHAT IS THE TYPICAL SIZE OF LDN FUND INVESTMENTS

. LDN Fund investments will typically be between \$10 million and \$40 million, for up to 15 years, mainly in the form of debt instruments

5. HOW CAN I SUBMIT MY PROJECT TO THE LDN FUND?

. Project developers can submit their proposals directly to the LDN Fund investment team by sending a short summary of the project aims, current status, and financing needs to: Gautier Quéru, Director LDN Fund project, gautier.queru@mirova.com; Boris Spassky, Investment Director, boris.spassky@mirova.com; James Rawles, Investment Manager, james.rawles@mirova.com; Caroline Bouquet, Investment Manager, caroline.bouquet@mirova.com

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6. WHAT ROLE DO THE UNCCD AND THE NATIONAL FOCAL POINTS (NFPs) PLAY?

UNCCD Global Mechanism (GM), together with Mirova, spearheaded the creation of LDN Fund. As an independent entity, the LDN Fund operates externally to UNCCD. Once the Fund becomes operational, UNCCD Executive Secretary will chair the Advisory Board in order to strengthen the linkages to UNCCD initiatives such as LDN Target Setting Programme.

Mirova seeks to engage UNCCD NFPs and other authorities to include their views in the project selection process. As part of the LDN Fund's due diligence, the Fund will consider whether a project is aligned with a country's development priorities. NFPs are encouraged to introduce relevant project developers to the LDN Fund, and highlight how projects can contribute to the social and environmental aims of the country.

7. WHAT ROLE WILL THE TECHNICAL ASSISTANCE FACILITY (TAF) PLAY?

The LDN Fund TAF will complement the LDN Fund in supporting the development of a large portfolio of attractive sustainable land management projects, by focusing on improving the technical and operational capacity of key stakeholders, and strengthening environmental and social aspects. The TAF is focused on project preparation (and post-investment TA) for projects that are very close to being investment ready; it will not support pilot projects or other early stage activities. The TAF is managed by the IDH sustainable trade initiative, a Dutch NGO working with smallholder farmers and sustainable supply chains.

8. HOW DOES THE LDN FUND SAFEGUARDS AND REDRESS MECHANISM WORK?

The LDN Fund, together with an independent internationally acknowledged expert and through public consultations, has developed an [Environmental and Social Management System \(ESMS\)](#) that follows international best practices and robust environmental and social standards. The ESMS includes a Complaint and Compliance Mechanism to ensure that project-affected populations have formal ways to voice their concerns about project matters.

9. WILL THE LDN FUND ONLY INVEST IN COUNTRIES THAT HAVE SET NATIONAL LDN TARGETS?

Priority is given to countries that participated in the UNCCD LDN Target Setting Programme, but this is not a requirement. It is expected that the Fund will invest mainly in countries that have made an LDN national commitment, but this commitment is not required for an investment to be considered.