



The United Nations Environment Programme (UN Environment) and BNP Paribas are partnering to bring private capital to sustainable projects in emerging countries

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UN Environment and BNP Paribas have today signed a milestone agreement at the One Planet Summit to establish Sustainable Finance Facilities, collaborative partnerships aimed at raising development capital to drive sustainable economic growth in emerging countries.

UN Environment and BNP Paribas will collaborate to identify suitable commercial projects with measurable environmental and social impact, with a target of capital funding amounting to USD 10 billion by 2025 in developing countries.

The aim is to support smallholder projects related to renewable energy access, agroforestry, water access and responsible agriculture among other sustainable activities.

The Sustainable Finance Facilities programme is the first of its kind in terms of collaboration between companies, investors, development sector partners, and civil society organisations, with the support of national governments.

The Memorandum of Understanding was signed today between Erik Solheim, Executive Director of the United Nations Environment Programme and Jean-Laurent Bonnafé, Chief Executive Officer of BNP Paribas at the One Planet Summit under the patronage of the President of the French Republic, Emmanuel Macron. This landmark agreement is fully in line with both UN Environment's and BNP Paribas' commitments to developing meaningful and sustainable projects addressing environmental and social challenges in emerging countries.

This agreement builds on the Tropical Landscapes Financing Facility, a partnership between UN Environment, BNP Paribas, World Agroforestry Centre and ADM Capital in Indonesia.

UN Environment and BNP Paribas will scale the collaborative effort by establishing **Sustainable Finance Facilities** in many more developing countries, with a target capital funding amount of US\$10 billion by 2025.

Through sourcing funding from third party global investors, and arranging and issuing green loans, Sustainable Finance Facilities will help channel finance from the private sector to fund sustainable economic development in emerging countries.

Projects focused on rural smallholder productivity enhancement, rural renewable electrification and forest landscape restoration and protection will support national climate and sustainable development commitments, build climate resilience, and help countries and communities achieve targets for food, water and energy security.

Projects will recognise the vital role of relevant stakeholders, in particular women, indigenous peoples and local communities in all areas of sustainable growth and the need for their full and effective participation.

The projects could include the restoration of degraded agriculture landscapes through agro-forestry, the improvement of small-holder agriculture or renewable energy investments in rural areas, in particular to replace charcoal. Climate-smart agriculture, stopping deforestation and restoring forests and landscapes at significant scale could together contribute over 30 per cent to the achievement of the Paris Agreement.

BNP Paribas will continue to act as the capital markets adviser and structuring adviser to Sustainable Finance Facilities as they are established, and will bring institutional investor capital to participate in the programme.

UN Environment will ensure that environmental and social impacts of projects are positive and significant, and are at the heart of the work of the Sustainable Finance Facilities.

With this agreement, signed at the One Planet Summit, BNP Paribas reinforces its commitment to bringing pioneering financial solutions at scale and helping the UN achieve the 17 Sustainable Development Goals and advance the 2030 Agenda for Sustainable Development.

Jean-Laurent Bonnafé, Chief Executive Officer of BNP Paribas, said: *"As an international bank, we consider it our duty to contribute to a better future. We have a role to play in leveraging our place at the centre of the economy, where we not only take action ourselves, but also bring diverse players to direct financial capital to projects that address the issue of climate change and more broadly, sustainable economic development. We have*

a particular responsibility to direct this financing to developing countries and vulnerable populations. While some projects may seem to be on a small scale, we must not forget that collectively, these initiatives can make a considerable difference to improving the environment, biodiversity or social development. This agreement marks a new way for governments, businesses and institutions to work together to co-develop solutions.”

Erik Solheim, Executive Director of the United Nations Environment Programme, said: *“The largest untapped potential for climate action is in how we manage our land and soils. The partnership with BNP Paribas sets a signal to the finance industry that ‘business as usual’ is not an option anymore. We need to design sustainable agriculture and forestry in a way that solves the climate crisis, rather than contributes to it. Right now, less than 3 per cent of climate finance, public or private, goes to sustainable land-use - and yet it can be more than 30 per cent of the solution. We need a tenfold increase in climate finance that goes to sustainable land-use.”*

About BNP Paribas (<https://group.bnpparibas/en/>)

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 74 countries, with more than 192,000 employees, including more than 146,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance.

In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending.

BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

About UN Environment (<https://www.unenvironment.org/>)

UN Environment is the leading global voice on the environment. It provides leadership and encourages partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations. UN Environment works with governments, the private sector, the civil society and with other UN entities and international organizations across the world.

About the TLFF (<https://tlffindonesia.org/>)

The Tropical Landscapes Finance Facility (TLFF) aims to 'leverage private finance for public good' by scaling up investment in landscapes resulting in enhancing the 'GDP of the Poor' achieved through sustainable production of agricultural commodities, and improved smallholder productivity with reduced deforestation in Indonesia.

The TLFF was launched by the Coordinating Minister of Economic Affairs of the Republic of Indonesia on 26 October 2016, based on a partnership between UN Environment, BNP Paribas, ADM Capital and The World Agroforestry Centre, receiving strong support from the Indonesian government to create a mechanism to access and deliver private sector capital enabling the country to meet its significant development and climate targets. The objective is to support closing the USD 20bn funding gap in Indonesia for projects with significant environmental and social impact which are critical to securing long-term economic prosperity.



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