

FINANCE FOR FORESTS

INITIATIVE



The Finance for Forests Initiative advances the private sector's understanding and support for forest conservation via REDD+, the United Nations program for reducing emissions from deforestation and forest degradation.

A joint initiative of BHP, Conservation International and Pollination, the Finance for Forests Initiative encourages greater private sector engagement in projects that reduce emissions by protecting and restoring forests.

Finance for Forests leverages the experience gained through BHP's investment in the Alto Mayo REDD+ project and its support of the Forests Bond issued by the International Finance Corporation (IFC), a member of the World Bank October 2016 – the first bond to support a REDD+ project – to help companies develop actionable plans based on proven models.

The Finance for Forests Initiative provides the foundation and framework for private sector actors to lead on climate change solutions.

The Initiative targets industries such as oil and gas, mining, and aviation, along with institutional investors such as pension funds, financial institutions, and bond investors. The Initiative also targets other influential investors, such as technology companies and foundations.

UNLOCKING THE POTENTIAL OF FORESTS TO ADDRESS CLIMATE CHANGE

Forests absorb carbon dioxide from the atmosphere and are crucial for a stable climate. When damaged or degraded, they release this carbon back into the atmosphere, increasing global emissions.

Forests also regulate global water cycles, contain some of the world's most important biodiversity, provide livelihoods for local communities, and support Indigenous cultures. Yet deforestation continues to contribute approximately 11 percent of human-caused greenhouse gas emissions — more than all passenger cars on Earth.

Avoiding deforestation and degradation benefits both communities and the environment, and has become a key way countries will meet their obligations under the Paris Agreement.

Now, after more than a decade of on-the-ground experience and rapid advances in new assessment practices and technologies, REDD+ projects are viewed as among the most robust and immediately available of all carbon offset activities.

LEARNING FROM THE BHP EXPERIENCE

BHP is now seeking to advance REDD+ by demonstrating the value it offers the private sector.

With support from CI, BHP integrated support for REDD+ into its climate change strategy across two areas: project support and market stimulation.

In the area of project support, BHP made a two-year USD \$5 million commitment to support the Alto Mayo Protected Forest, located in northern Peru. Despite its protected status, deforestation from agricultural encroachment and illegal land and timber trafficking threaten the forest and the lives of local families who depend on the its resources.

In the area of market stimulation, BHP worked with the IFC, a member of the World Bank Group, to develop the Forests Bond.

This first-of-its-kind, award-winning investment mechanism unlocked private financing for reducing deforestation. In the absence of a global market for REDD+ credits, BHP plays a critical role in the Bond by providing a price support mechanism, guaranteeing that a minimum quantity of credits are purchased over the five-year life of the Bond.

The Finance for Forests Initiative combines the expertise of CI and Pollination and the lessons from BHP's experience to help more private sector actors invest in this powerful climate solution.

Halting the destruction of tropical forests and allowing them to regrow is one of the most cost-effective, immediately available solutions for rapidly mitigating climate change.

ENGAGEMENT OPPORTUNITIES

The Finance for Forests Initiative helps companies identify investment options that will combat deforestation and address climate change while also fulfilling CSR commitments. Investment options could include:

- Supporting future forests bonds
- Providing direct project support for REDD+
- Purchasing carbon credits as offsets
- Creating a trust fund for REDD+ projects
- Other customized investment opportunities

Finance for Forests also hosts events, roundtables, webinars, and develops white papers for companies interested in learning about opportunities available for immediate investment.

To learn more about Finance for Forests engagement opportunities, visit conservation.org/F4F or make an appointment for Finance for Forests to meet directly with your company.

For additional information on this initiative, please contact Jennifer Blaha at jblaha@conservation.org

Learn more: www.conservation.org/F4F

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FORESTS

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