

Tropical Landscapes Finance Facility unlocks private sector finance for climate, biodiversity and jobs

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The finance facility can transform the lives and livelihoods of millions of Indonesians. Photo by Ricky Martin for Center for International Forestry Research (CIFOR)

Jakarta, 26 October 2016 - The Tropical Landscapes Finance Facility, launched in Jakarta today, will bring long-term finance to projects and companies that stimulate green growth and improve rural livelihoods.

Consisting of a loan fund and a grant fund, the facility will help Indonesia promote economic development while contributing to hitting its climate targets under the Paris Agreement. The facility will use public funding to unlock private finance in renewable energy production, and sustainable landscape management that reduces deforestation and forest degradation and restores degraded lands.

"This ground-breaking and innovative financial platform, a world's first, can transform the lives and livelihoods of millions of Indonesians in rural areas that deserve it the most," Dr. Kuntoro Mangkusubroto, Chair of the Steering Committee of the facility, told the audience at a launch event hosted by the Indonesian government.

Speaking to representatives of the business community, financial institutions and civil society, Dr. Siti Nurbaya Bakar, Minister of Environment and Forestry, Republic of Indonesia, said, "We need to ensure that our landscapes produce sustainable goods. We fully support the Tropical Landscapes Finance Facility, which is in line with Indonesia's sustainable development aspirations."

H. E. Darmin Nasution, Coordinating Minister for Economic Affairs, Republic of Indonesia, said, "The Indonesian Government realizes that we can only achieve the Sustainable Development Goals through holistic policies such as integrated landscape management. The Tropical Landscapes Finance Facility aims to improve smallholder productivity while at the same time conserving our natural environment."

Key partners include BNP Paribas and ADM Capital, which will act as fund manager for the loan fund. UN Environment will manage the secretariat. BNP Paribas is a member of the UN Environment Finance Initiative.

"The TLFF initiative is aligned with BNP Paribas' strategic development plans for its business in Indonesia, in particular our domestic onshore business development, and is an integral element of the bank's Sustainable Finance and Investment programme," said Luc Cardyn, Head of Country for Indonesia and Chief Executive Officer of PT Bank BNP Paribas Indonesia.

"By joining in partnership with the Tropical Landscapes Financing Facility in the capacity of capital markets and structuring adviser, BNP Paribas will help create innovative and collaborative financing mechanisms to bring private capital at scale and with good governance and risk management principles to fund long-term sustainable development projects."

"We are pleased to be part of an innovative and scalable structure to promote sustainable investment in Indonesia," said Chris Botsford, CEO of ADM Capital. "We believe this partnership will help unlock private finance where it's needed most."

"The Tropical Landscapes Finance Facility is an innovative vehicle to channel private capital to achieve the Sustainable Development Goals," said UN Assistant Secretary General Elliott Harris of UN Environment.

"The facility will trigger progress across a number of the sustainable development goals, including saving the climate, protecting biodiversity and fostering renewable energy. It will provide access to long-term finance at affordable rates, which is essential for smallholder producers and investments into sustainable landscapes."

About the TLFF

The Tropical Landscapes Finance Facility (TLFF) aims to "leverage private finance for public good" by scaling up investment in renewable energy and landscapes resulting in enhancing the "Gross Domestic Product of the Poor" achieved through sustainable production of agricultural commodities, and improved smallholder productivity with reduced deforestation in Indonesia. The TLFF aims to bridge the gap between the government, private sector and communities, coordinating cross-functionally to bring about large-scale social impact and positive change in Indonesia.

About BNP Paribas

BNP Paribas is a global provider of financial solutions to corporate and institutional clients. Across Asia Pacific, BNP Paribas operates in 14 markets, including a fully licensed banking subsidiary in Indonesia. BNP Paribas is committed to developing sustainable finance and investment products and services for its corporate and institutional banking clients.

For more information, contact:*TLFF Secretariat*

Rohin Pathak, rohin.pathak@tffindonesia.org

UN Environment

Tim Christophersen, tim.christophersen@unep.org, Tel. +254 706 044 045

Florian Eisele, florian.eisele@unep.org

BNP Paribas

Jeremy Hughes, Jeremyf.Hughes@asia.bnpparibas.com

