



Sustainable Supply Chains and Financial Markets

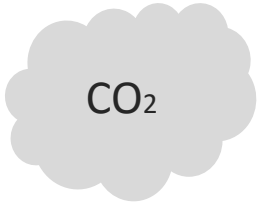
Gordon and Betty Moore Foundation Initiatives Implemented by
Ceres, National Wildlife Federation, The Nature Conservancy,
World Business Council for Sustainable Development, and World Wildlife Fund



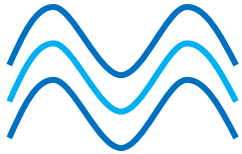
Global population is increasing

Over the next few decades, the global human population will swell; as many as 3 billion people could join the 'middle class' with its associated demand for richer diets.

Agriculture already taxes our environment



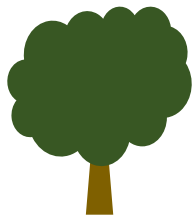
30% of GHG emissions



70% of all extracted freshwater



40% of the ice-free land in the world



50% of all global forest loss

Beef and Soy: Leading Drivers of Deforestation

Total forest loss,
1990–2008 (mha)

■ = 1 mha

Livestock



Beef and
other ruminant
products



Pig and poultry



Crops



Soy



Maize



Palm oil



Wood products



Rice



Sugar cane



Rubber



Avg. annual forest loss,
2001–2011 (mha)

■ Production
■ Export

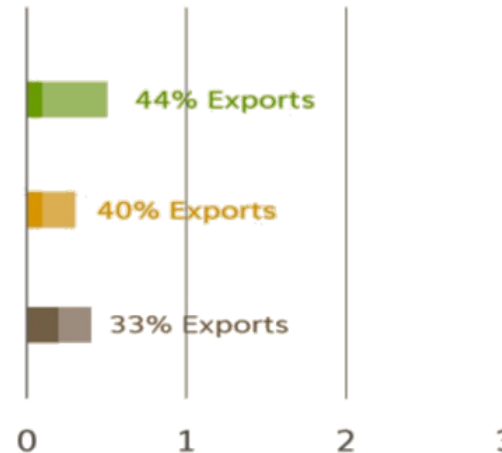
Livestock

Beef



Crops

Soybean



Palm oil

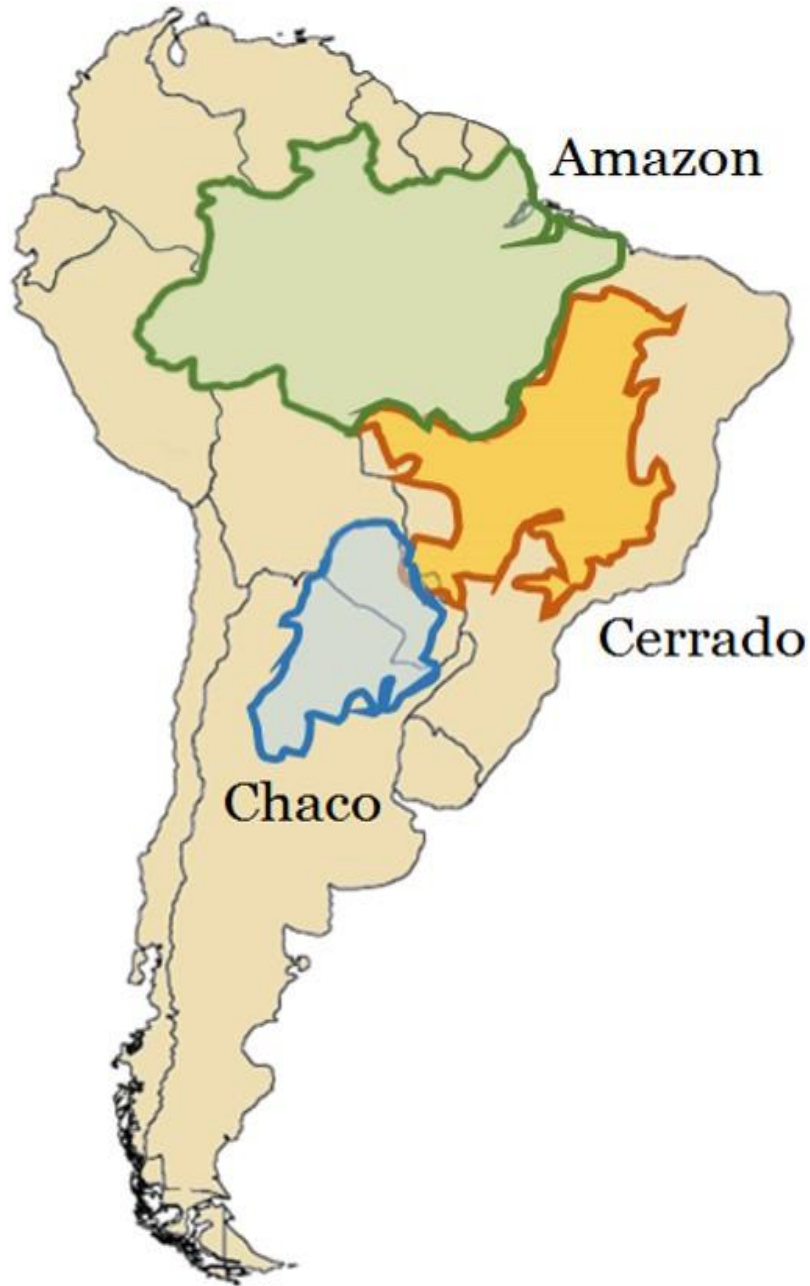
40% Exports

Wood
production

33% Exports

Million hectares/year

Adapted from: Progress on the New York Declaration on Forests: Goal 2 Assessment Report, Climate Focus, 2016.



Beef and Soy in South America

- Three biomes span over 670 million hectares (over 1/3 of the total territory of South America)
- Large-scale commercial agricultural production systems integrated into global commodity markets.
- Well positioned to meet growing global demand in both developed and developing nations.
- Opportunities for increased bi-lateral trade and improved market capitalization.



Distinct Programs, Complementary Objectives

Collaboration for Forests and Agriculture (CFA)

Eliminate deforestation from beef and soy production in the Amazon and Cerrado in Brazil, and the Chaco in Argentina and Paraguay

Conservation and Financial Markets Initiative (CFMI)

Global strategies to leverage the power of financial markets to eliminate deforestation and overfishing

GORDON AND BETTY
MOORE
FOUNDATION







CFA: Protecting the Amazon, Cerrado, and Chaco from Beef and Soy Expansion

1. Foster leadership among producers, traders, buyers to make time-bound commitments
2. Enable companies to report on their progress transparently
3. Align capital markets to provide financial incentives for deforestation-free beef and soy



Aligning Capital

Coordinated by WWF

Help improve access to and the availability of finance and capital that supports the transition to deforestation-free production and sourcing.

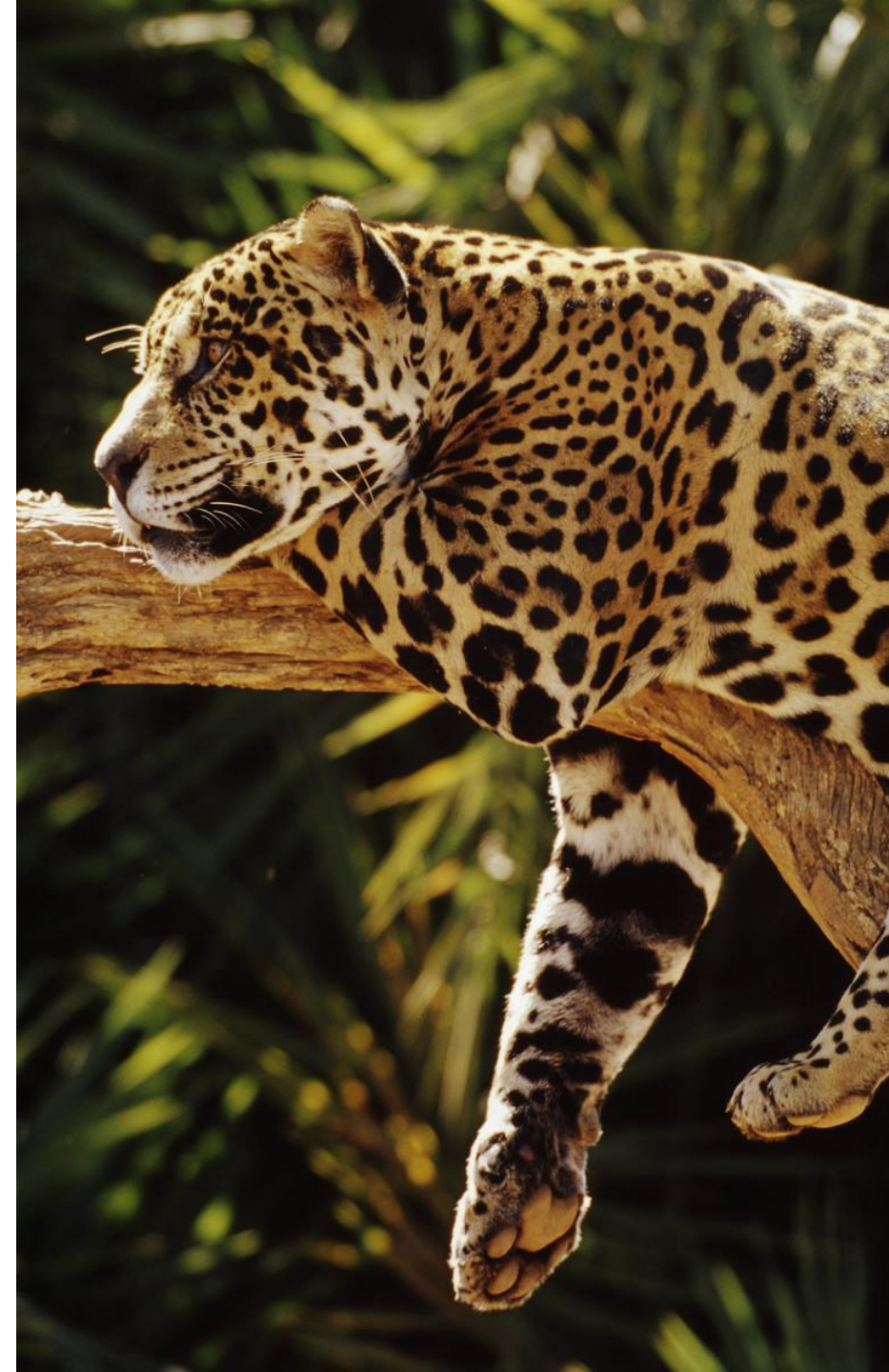
Key Lines of Action

- Private and public finance
- Value chain finance
- Innovative mechanisms

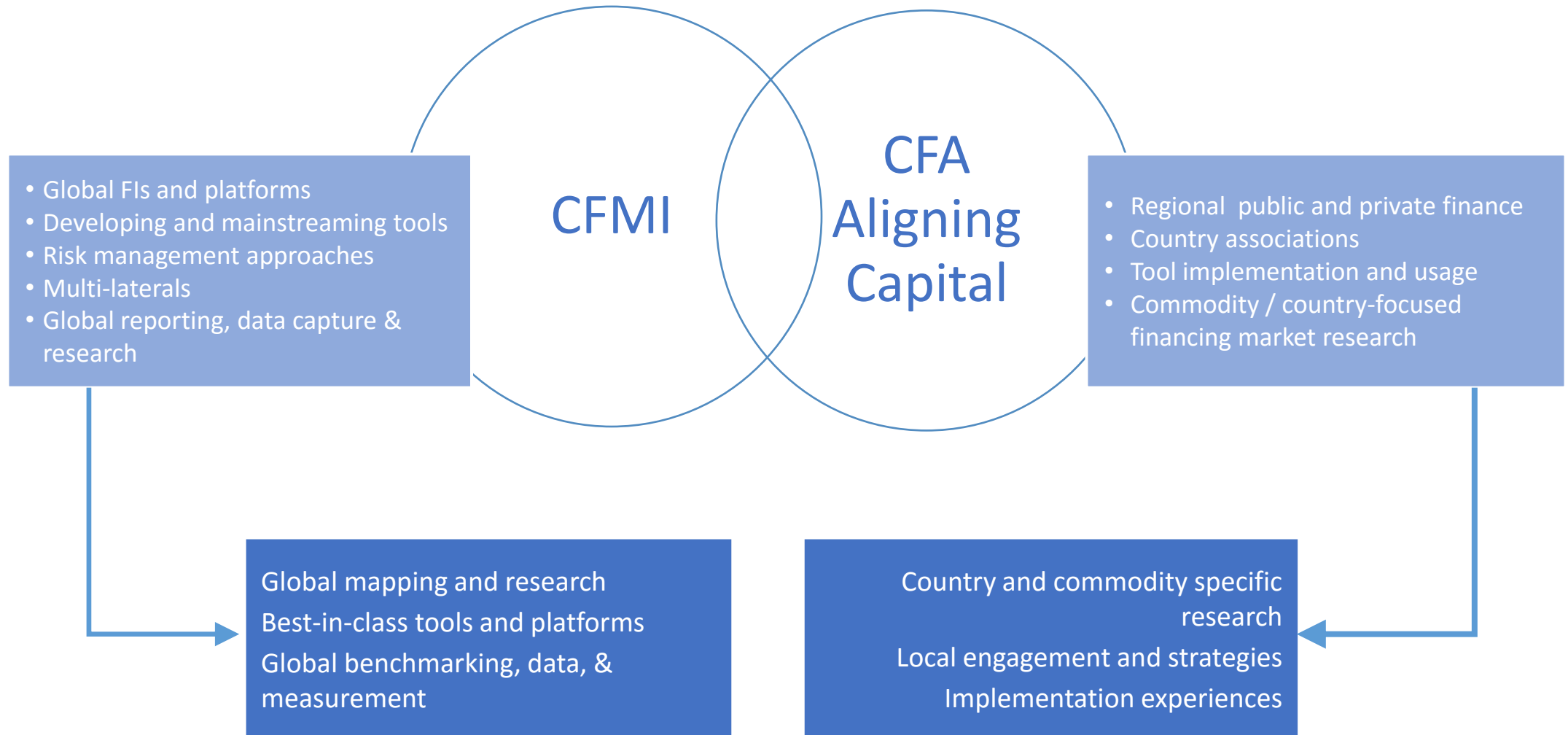
CFMI

Financial institutions developing capacity to assess financial implications of environmental, social and governance (ESG) factors, but don't consistently account for them in investment and lending decisions

If access and cost of capital fails to account for environmental performance, corporate efforts will largely remain relegated to “demonstration” projects rather than being mainstreamed across the business



Finance Strategies Across Initiatives



Implementation Challenges

- Lack of a clear and well understood definition of “deforestation-free”
- Lack of a robust, science-based verification framework to track progress and enable continuous improvement
- Lack of proper incentives that ensure long-term economic viability



Unique benefits

- Focus on the market, not the producer
- Collective engagement & clear roles for all the key global and local partners
- More than a commitment scheme – business cases, research, risk management, market linkages
- Technical tools for monitoring and decision support
- Financial innovations – long term contracting, green finance, new/subsidized incentive capital, etc.





OBRIGADO!