



Green Finance in Practice

Successes and Challenges

GLSTF Sub-Forum 4
Keynote, Session I
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Successes and Challenges of Green Finance

The growth of green finance

Our experience financing land-use

Key issues to be resolved

Paths forward

The growth of green finance

Green finance according to the **UN Environmental Programme**
(www.unep.org)

*“opportunities that bring both **a decent rate of return**
and **environmental benefit...**”*

Current status:

- **Instruments:** green loans, green bonds, micro-credit insurance etc.
- **Assets under management:** approx. USD 1 trillion



Our experience financing land-use

Agroforestry

- **Benefits:** carbon sequestration, biodiversity, soil improvement, additional income
- **Drawbacks:** land competition, obstacles for mechanisation, absence of markets

Regenerative Agriculture

- **Benefits:** enhanced yields, lower production risk
- **Drawbacks:** new skills, additional labour, and specialized equipment required

Climate-smart Agriculture

- **Benefits:** climate adaptation
- **Drawbacks:** specialised knowledge and scale required

Plantation Forestry

- **Benefits:** deforestation free timber, biodiversity, community income opportunities
- **Drawbacks:** trust, conflicts with traditional land tenure, long term income horizon



Key issues to be resolved

Inclusion of **marginalised groups**

- Slash-and burn farmers and artisanal loggers are key to deforestation
- Have little access to resources, knowledge, or financial support
- Are excluded due to informal status, lack of collateral, or perceived high risk

Measuring **true impact**

- Land-use practices impact carbon emissions, biodiversity, and sustainable livelihoods
- Investing in measurement of positive impacts can attract additional funding
- Misrepresentation threatens credibility and access to funding



Paths forward...

1. Capacity Building and Community Engagement

- Technical training, ongoing support, and education on sustainable practices
- Transparent communication, shared decision-making, and fair benefit-sharing

2. Market Development and Access

- Create reliable and transparent markets for e.g. ecosystem services
- Connect sustainably produced goods with consumers willing to pay a premium
- Develop local processing facilities to add value close to the source



...Paths forward

3. Tailored Financial Solutions

- Align incentives and meet needs of agricultural and forestry SMEs and smallholders
- Patient capital, concessional loans, risk-sharing, and results-based payments
- **Highlight:** CFC, ITTO, and CAFI collaboration on PES for Central African forestry

4. Adaptive Management and Monitoring

- Combine monitoring of environmental and socioeconomic impact
- Continuous feedback loops and adaptation





Concluding remarks
and
Thank you!