Saving the Amazon: One Investment Strategy at a Time

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The Amazon Investor Coalition seeks to advance forest-friendly economic development across the Amazon region of South America by facilitating new global partnerships among businesses, philanthropies, NGOs and governments.

The Amazon rainforest is an unwilling partner of a tragic love affair between humanity and our future. As the largest rainforest on earth, it is also deemed to be the center of the global water cycle and a critical ecosystem for climate stability. Loved for its biodiversity yet victim to rampant deforestation in the name of economic progress, scientists have suggested we may be near a tipping point - beyond which further deforestation will catalyze diebacks with large parts of the ecosystem turning into savannah.

Motivated by this urgency and convened by the United Nations 75 Global Governance Forum, a group of organizations and companies have come together to create the Amazon Investor Coalition to help ensure that the forest is worth more alive and standing than cut and burned. The group believes that there are many opportunities for forest-friendly economic development in the region, and, that by designing the right financial products that reflect such wisdom they can change the game.

Take for example, Conexus, the Sustainable Connections Institute: founded in 2018, the organization has mapped hundreds of "bioeconomy" cooperatives across the Amazon region which earn income without deforestation through forest-friendly industries like açaí cultivation, wild harvesting of Brazil nuts, handcraft production and more. Conexus supports the development of the entrepreneurial ecosystem with diverse interventions that range from derisking the loans of rural producers to providing access to markets.

On the investor end, the Partnership Platform of the Amazon is also an ally. By convening investors and pooling investment resources, they develop entrepreneurship pipelines and support business models that use sustainable forest products and benefit local communities. Started in 2017, the program has mobilized millions of Brazilian Reals in private sector financing to date.

These institutions, their stories, their partner companies and their industries need to scale.

At the regional and inter-governmental level, Initiative 20x20 has recruited dozens of impact investors, technical advisors and private sector companies mobilizing more than $2.5 billion for reforestation and other kinds of sustainable development across Latin America. Started in 2014 at COP 20 in Chile, so far partners have committed to begin restoring more than 50 million hectares of degraded land by 2020.
Despite this success, economic advance is hindered by limitations in the rule of law. While an estimated 90% of deforestation is illegal, land title fraud persists and the sale of illegally mined gold and the corresponding mercury pollution continues to rise.

It is at this intersection between future economic hopes and the limitations of law enforcement, that the Amazon Investor Coalition has chosen to raise its flag. Through a four-part strategy that touches on impact investing, governance, carbon market innovation and investor education, the Coalition seeks to design new Amazon-focused financial products, develop an Amazon Legal Defense and Planning Network, and more.

From its origin, the Coalition is not financier, but a convener - uniting investors and innovators. Originating from the Global Governance Philanthropy Network and the young philanthropy mobilizing efforts of NEXUS (a global network of young investors and allies), the Coalition convenes some online events, but ultimately hopes to elevate Amazon impact investing and philanthropy on to the world stage through alignment with larger investor networks. By serving as a formal partnership platform of the UN 75 Global Governance Forum, the Coalition plans to support collaboration between investors and investees, grantmakers and grantees, policymakers and innovators, by:

A) Hosting online meetings with a call-and-podcast series
B) Researching and reporting about both regional impact investing and rule-of-law philanthropy
C) Fostering new partnerships to help new and existing initiatives scale across the region
D) Supporting the UN Decade on Ecosystem Restoration, the UN Race to Zero Campaign and other strategies of global collaboration

To learn more about the Amazon Investor Coalition, visit:

www.amazoninvestor.org

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