



MEDIA RELEASE

CDC Group, Finnfund, Norfund propose innovative partnership with New Forests with an ambition to raise \$500m for sustainable forestry across sub-Saharan Africa

LONDON/SYDNEY: 03 November, 2021 - CDC Group (“CDC”), the UK’s development finance institution; Finnfund, the Finnish Fund for Industrial Cooperation; Norfund, the Norwegian Government’s investment fund for developing countries; and New Forests, a global investment manager focusing on sustainable landscapes, have today announced an intention to partner to develop investment strategies designed to scale and transform the sustainable forestry sector in sub-Saharan Africa. This new partnership will aim to raise up to \$500 million over the next three to five years in the fight against climate change.

Africa is home to around 17 per cent of the world’s forests, including 20 per cent of all tropical forests. These vital ecosystems are under pressure from biodiversity loss and deforestation, as the continent faces a growing wood products shortage as economies and populations grow. Increasing the sustainability of timber production and improving forestry and landscape management practices is critical in combatting climate change and creating nature-positive outcomes in the region.

The new partnership will aim to provide much-needed capital to:

- support the development and effective management of sustainable forestry practices, including conservation of remaining natural forests.
- responsibly expand productive forest plantations, community forests and forest restoration projects across the region.
- facilitate development of nature-based climate solutions that will help prevent forest loss and preserve Africa’s natural capital.
- Accelerate the creation of green jobs, improve livelihoods, and generate sustainable and inclusive economic development in rural communities across sub-Saharan Africa.

The partnership builds on each organisation’s existing commitments to responsible forestry, bringing together CDC, Finnfund and Norfund’s expertise in investing for development in Africa, with New Forests’ track record in scaling investment and climate finance in forestry into new geographic and market segments.

David Brand, CEO at New Forests shared: “We are excited to partner with like-minded investors in developing a scaled approach to investing in sustainable forestry in Africa. New Forests’ vision is to see the forestry and land use sectors as central to the transition to a sustainable future. As we look towards fulfilling this vision, sub-Saharan Africa must be part of the equation.”

The partnership highlights an ambition by the DFIs to catalyse climate positive investments across Africa in the coming years.

Nick O’Donohoe, CEO of CDC Group, said: “We believe that responsible investment in sustainable forestry will preserve Africa’s rich natural environment and is a key step toward addressing the climate

emergency, while bringing prosperity and green jobs to rural communities. As each COP conference demonstrates, co-operation is at the heart of climate action. We've already assembled a wealth of expertise to work together and as we develop the partnership, we will be looking to invite other like-minded leaders in the sector to join us."

Jaakko Kangasniemi, CEO of Finnfund, said: "Sustainable forestry is one key way to curb deforestation as well as climate change. Investing in responsible forestry companies has long been one of Finnfund's focus areas. Besides the benefits to nature and climate, forestry can significantly contribute to people's livelihoods - particularly in Africa. The forestry sector in Africa has enormous growth potential and by partnering with fellow development financiers and New Forests, we believe we can together bring the change needed to unlock that potential."

Tellef Thorleifsson, CEO of Norfund, said: "We are confident that this partnership will catalyse sustainable growth of the African forestry sector, thereby creating jobs, reducing deforestation and addressing climate change."

Baemnet Aschenaki, Regional Director East Africa, Partnerships for Forests (P4F), said: "Partnerships for Forests (P4F), a UK FCDO funded programme, will fund the setup of a technical assistance facility to support the long-term environmental and social viability of the investment strategies. It will identify investments with opportunities for smallholders' inclusion in the business model, as well as ensuring forest protection and landscape restoration activities are incorporated appropriately in the partnership's target landscapes."

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Notes to Editors:

About CDC Group

CDC Group is the UK's impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa. The company is a leading player in the fight against climate change and has committed more than \$1bn of climate finance over the last four years. CDC is also a founding member of the [2X challenge](#) which has raised \$10bn to empower women's economic development.

The company has investments in over 1000 businesses in emerging economies and total assets of \$9.3bn. In 2020, CDC committed over of \$1.5bn to businesses in Africa and Asia and aims to invest up to \$1.75bn in 2021 – with a focus on driving inclusive growth, job creation and supporting economic recovery from COVID-19. CDC is funded by the UK government and is a champion of the UN's Sustainable Development Goals. All proceeds from CDC's investments are reinvested to improve the lives of millions of people in Africa and South Asia. CDC's expertise makes it an ideal partner for private investors looking to devote

capital to making a measurable environmental and social impact in countries most in need of investment. For more information, please visit www.cdcgroup.com

About New Forests

New Forests is a global investment manager offering high-impact strategies in sustainable forestry and related sectors, with AUD 7.7 billion (USD 5.9 billion) in assets under management across 1.1 million hectares (2.7 million acres) of investments. New Forests' investment portfolio consists of sustainable forest plantations, areas of natural forest conservation, carbon projects, rural land and row-cropping, and timber processing. Since its inception in 2005, New Forests has earned a reputation for its value-adding approach to the assets it owns and manages, including protecting biodiversity and supporting rural livelihoods

New Forests' vision is to see the forest and land use sector as being central to the transition to a sustainable future. To achieve this vision, New Forests' investment strategies support the role of forests as nature-based climate solutions, provide sustainable timber for the growing circular bioeconomy, and contribute to the sustainable development of regional economies and rural communities. Headquartered in Sydney, New Forests is a Certified B Corp and operates in Australia, New Zealand, Southeast Asia and the United States. For more information, please visit: www.newforests.com.au.

About Finnfund

Finnfund is a Finnish development financier and professional impact investor. We build a sustainable world by investing in responsible and profitable businesses in developing countries. Each year we invest 200-250 million euros in 20-30 projects, emphasising renewable energy, sustainable forestry, sustainable agriculture, financial institutions and digital infrastructure and solutions. Today Finnfund's investments and commitments total approximately 1070 billion euros, half of them in Africa. The company has around 90 employees. For more information, please visit, www.finnfund.fi

About Norfund

Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty. Norfund's committed portfolio totals 3.3 billion USD in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Clean Energy, Financial Institutions, Scalable Enterprises and Green Infrastructure. 50% of the portfolio is in Sub-Saharan Africa. For more information, please visit: www.norfund.no