

Tenth Session of the Assembly
17-18 April 2024, Bishkek, Kyrgyz Republic

Agenda Item 6.2

Introduction to Investment Strategies of Climate Asset Management

1. In reference to the discussion of Agenda 2.4 of the Fourth Session of the AFoCO Assembly, the Assembly tasked the Secretariat to lead and enhance resource mobilization efforts. As a part of the fund mobilization efforts, the AFoCO Secretariat introduced the AFoCO to Climate Asset Management (CAM) during the COP27 which was held in Sharm el-Sheikh, Egypt on 6-18 November 2022.
2. Pursuant of the Decision 49-VIII-23S, the AFoCO Secretariat has developed the AFoCO Climate Action Plan (2025-2034) in line with the AFoCO Strategic Plan (2024-2030). Based on its Climate Action Plan, the Secretariat had a meeting with Climate Asset Management (CAM) in September 2023 to discuss the potential cooperation at the headquarters in London, UK. Both organizations have been developing the MOU for mutual collaboration proposed by the CAM during the said meeting.
3. CAM formed in 2020 as a joint venture of HSBC Asset Management and Pollination, aims to provide investment solutions which generate returns for investors and nature, enhancing ecosystems, protecting biodiversity, accelerating the transition to net zero and combining expertise in investment management and natural capital. The fund will be invested through two strategies with different investor bases.
 - Natural Capital Strategy (NCS) will focus on delivering commercial long-term returns and create impact at scale by protecting and restoring vital biodiversity. With increasing institutional interest in real assets, the strategy invests primarily in sustainable agriculture and forestry projects in developed markets. It does not invest in livestock. It aims to optimize landscapes to produce food and fiber commodities whilst enhancing environmental outcomes for future generations.
 - Nature Based Carbon Strategy (NBCS) taps into increasing corporate demand for verifiable carbon offsets and will finance nature-based carbon projects in developing economies. The strategy seeks to invest across a range of nature based solutions, including agriculture, forestry and other land-use (AFOLU), conservation, restoration and regeneration of mangroves, wetland and peatland (known as blue carbon), and savanna fire management. It aims to create long-lasting, sustainable impact through conserving, restoring, and enhancing biodiversity, as well benefiting local communities and indigenous groups through community programmes and innovative sharing mechanisms.
4. In order to introduce the Investment Strategy of CAM to AFoCO member countries, in particular, Nature Based Carbon Strategy, the information session is organized and will explore nature-based investments, including sustainable forestry, regenerative agriculture, and nature-based carbon projects, alongside exploration of new forms of natural capital.

5. CAM will present the Investment Strategies and potential cooperation in AFoCO member countries. Investment Strategies are grounded in nature-based assets, including sustainable forestry, regenerative agriculture, and nature-based carbon projects, alongside exploring new forms of natural capital.

Points for consideration

6. The Assembly may wish to take note of the information and provide further guidance and recommendations, as appropriate.

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