The Good Food Finance Network's High Ambition Group: leading by example

Given the lack of guidance around target-setting efforts in the agrifood sector, an important leadership initiative has been working to show how various types of financial institutions can set impactful targets in practice.

The GFFN's High Ambition Group comprises various types of financial institutions from public sector and environmental funds to the banking industry, asset managers and agri-businesses. Its members are working on setting specific and time-bound targets across significant impact areas and geographies, putting a roadmap for implementation into place, and pioneering sustainable finance solutions.

The first targets under the Good Food Finance Network (GFFN) exemplify how finance can be redirected towards sustainable food systems through concrete, time-bound steps (short term to 2023, medium term to 2025, and long term to 2030) and by addressing different ESG dimensions and geographies from Malawi to Mexico. Targets include a wide range of environmental and social goals to build a sustainable food system including increasing use of technology to modernize agricultural practices, avoiding deforestation, investing in adaptation, and unlocking new smallholder farmer income through incentivised carbon removal.

Examples of targets by members of the High Ambition Group of the Good Food Finance Network

Global Environment Facility (GEF): Restore 420,000 hectares of degraded land, improve land management practices in more than 20 million hectares, mitigate 223 million tons of CO_2 while at the same time reducing the use and waste of chemicals of global concern by 21 million tons by 2030. GEF will also promote innovative financial mechanisms, including microfinance for SMEs, and blended finance for investments to scale nature-positive production and achieve landscape regeneration.

Rabobank (Netherlands): Support millions of smallholder farmers to transition to agroforestry, growing trees with annual crops and livestock through its Agroforestry Carbon Removal Units for the Organic Restoration of Nature (ACORN) programme. It uses remote sensing techniques and artificial intelligence to measure carbon sequestration. Under this initiative, 80% of revenue flows directly to smallholder farmers. The programme has an ambition for total sequestration of 100 megatons of CO_2 per year by 2030. As an example of a climate mitigation target aligned with the UN-convened Net-Zero Banking Alliance (NZBA), it has disclosed reduction targets for its financed emissions from eight sub-sectors: dairy, pig farming and horticulture in the Netherlands, beef in Australia and United States, dairy in New Zealand, soy in Brazil and tractors internationally. This accounts for around 70% of their climate-material loan portfolio.
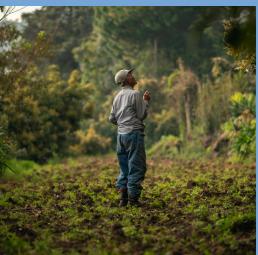
FIRA (Mexico): Grow its USD 350 million climate adaptation and resilience portfolio (guided by a taxonomy built with Carbon Trust) 5% year-on-year, starting 2023, with the target of increasing the flow of financing towards adaptation and resilience to USD 540 million by 2030, which means FIRA would finance around USD 3.6 billion across eight years.

Nuveen Natural Capital (US): The land-focused asset manager with approximately 3 million acres (1.2 million hectares) in assets under management, has set a target to, by 2023, upgrade its existing zero deforestation policies and roll them out to all product lines and regions, with a focus on materiality, while completing a natural capital inventory of all properties to identify opportunities for further improvement.

Phatisa (Mauritius): Plans for 100% of portfolio companies to have a gender policy and stretch targets to increase female employment across different skill levels by 2025.

Selected first tranche targets from the Good Food Finance Network's High Ambition Group

The [first tranche of targets was released by seven members of the GFFN's High Ambition Group](#) (Rabobank (NL), Nuveen Natural Capital (US), Signature Agri Investments (NL), Global Environment Facility-GEF (US), Phatisa (Mauritius), Yara (Norway), and Trust Funds for Agricultural Development (FIRA) (Mexico)) in November 2022, covering USD 108 billion of business volume (table 3 and appendix 2).

Appendix 2. Selected first tranche targets from the GFFN's High Ambition Group

Financial institution	E&S target	Target coverage (USD)*	Target	Summary
Phatisa (Mauritius): Focus in Africa	Gender equality	Phatisa Food Fund 2 (USD 143 million)	**Medium-term target (2025):** By 2025 (and thereafter), 100% of portfolio companies will have a gender policy and stretching targets to increase female employment across different skill levels.	Globally, the food and agriculture industry remains male dominated. Phatisa will ask all portfolio companies to set a gender policy and ambitious targets to increase female employment across different skill levels, intervening in areas such as recruitment, capacity-building and workplace harassment.
Signature Agri Investments (Netherlands): Focus in Africa, Southern Europe	No deforestation	USD 180 million as of 2022	**Short-term targets (2023):** Zero clearance of High Conservation and High Carbon Stock areas across whole portfolio **Medium-term targets (2025):** - Net-zero deforestation across whole portfolio - Implementation of Monitoring & Evaluation (M&E) system at every farm that measures impacts on biodiversity and other forms of natural capital.	Signature has set targets to develop its ability to monitor and manage its biodiversity impacts. These include plans for all portfolio farms to be run on regenerative farming principles by 2030. With a focus on natural processes and cycles, regenerative agriculture enables farms to benefit from nature while also helping support soil health, aquatic and terrestrial ecosystems. Signature is developing targets to make the area of land conserved or restored to indigenous vegetation equal to, or greater than, the area of land being actively farmed for all land under Signature control. Restoration will take place in partnership with local communities, with benefit-sharing arrangements implemented as applicable (e.g sustainable use, beekeeping, tree nursery programmes). In addition, Signature will plant a tree mix that combines the most resilience against increasing climatic hazards with high biodiversity benefits.
Nuveen Natural Capital (United States of America): Presence in c. 10 countries	No deforestation	USD 10.5 billion of assets under management as of December 2021.	**Short-term target (end of 2023):** Roll out zero deforestation* statement to all regions/product lines, with a focus on regions of materiality. *aligned with definition according to FAO fao.org/3/ap862e/ap862e00.pdf	In 2018 Nuveen Natural Capital (NNC) signed and implemented its zero-deforestation policy in Brazil with retroactive cut-off dates per biome protecting the region where there was the highest risk of deforestation in the portfolio. A global statement will be defined and published for the rest of the portfolio. NNC also aims to implement a natural capital asset register for all properties (~500−600, combining satellite imagery and on-the-ground information) and define a 'nature-positive' baseline and targets for practices that improve biodiversity, ecosystem resilience, water optimisation, and soil health, considering evolving global definitions.

Financial institution	E&S target	Target coverage (USD)*	Target	Summary
FIRA (Mexico)	Climate Change Adaptation: Increasing financial flows	ca. USD 712 million (MXN 14,247 million) as of December 2021. This represents FIRA's total sustainable financing balance.	**Short-term target (2023):** Achieve a 5% increase over the baseline amount. **Medium-term target (2025):** FIRA will support financing for a total of MXN 24,000 million (USD 1,200 million) between 2023 and 2025; Annual growth rate of 5%. **Longer-term target (2030):** FIRA will support financing for a total of MXN 73,000 million (USD 3,650 million) between 2023 and 2030; Annual growth rate of 5%.	FIRA is a public second-tier financial institution and one of the largest sources of financing in Mexico for the agrifood and rural sectors. It has developed a taxonomy to define those investment concepts that help improve adaptation and resilience in Mexican municipalities and has committed to activities that support a steady increase in financial flows to such projects. By 2030 they aim to be financing a total of USD 3.6 billion for the 2023–2030 period.
GEF (Focus on low and middle-income countries)	Climate change mitigation; land restoration, biodiversity, climate change	USD 307 million allocated (associated with GEF-7 replenishment cycle)	**Short-term targets (2023):** GEF will support financing of projects to reach 290 million tCO_2e of greenhouse gas emissions mitigated, 2.3 million hectares of land restored, 42 million hectares of landscapes under improved practices, and 1.2 million hectares of terrestrial protected areas under improved management for conservation. **Longer-term target (2030):** As a result of the Food Systems Integrated Program (GEF-8), GEF will restore 420,000 hectares of degraded land, improve land management practices in more than 20 million hectares, and mitigate 223 million tons of CO_2 while at the same time reducing the use and waste of chemicals of global concern by 21 million tons by 2030. GEF will also promote innovative financial mechanisms, including microfinance for SMEs, and blended finance for investments to scale nature-positive production and achieve landscape regeneration.	As part of the GEF's healthy people, healthy planet approach in GEF-8, it aims to show how investing in sustainable food systems can help reverse this degradation and deliver on net-zero targets, be nature positive, and support key Sustainable Development Goals.
Rabobank (Netherlands and global focus)	Climate change mitigation, adaptation; just transition	EUR 103 billion (USD 101 billion) total Food & Agriculture loan portfolio. Target coverage reaches 95% of this portfolio by 2025—USD 96.4 billion.	**Short-term targets (2023):** ■ Contracts with 290,000 farmers ■ Sequester 1,000,000 tCO_2 ■ Generate a total additional farmer income of USD 20 million ■ Publish climate targets for 25% of food & agriculture exposure, aligned with their commitment under the Net-Zero Banking Alliance (NZBA). **Medium-term targets (2025):** ■ Expand the scope of finance emissions disclosure to 95% of the entire private sector loan portfolio. **Longer-term targets (2030):** ■ Acorn ambitions to support 15 million farmers in developing countries in the transition to agroforestry. ■ Sequester 100 MT CO_2 annually ■ Generate an additional cash flow of USD 2 billion flowing to the Global South ■ Have set targets and decarbonisation pathways for their complete financed emissions portfolio (scope 3 category 15).	The millions of smallholder farmers in the world should be incentivised to contribute to the sequestration of carbon from the atmosphere, with combined efforts creating a large impact. Unlocking capital for these farmers, many of which will struggle as climate change impacts the productivity of land and labour, will also help to ensure a just transition to a more sustainable food system.

* This value indicates how much of an institution's portfolio is covered by all their targets submitted as part of this initiative. Assets under management are not translated immediately into green financial 'flows/transactions'. They are 'financial stocks', already on the books of the financial institutions, that over time will be adjusted to meet the targets at hand.

*For more information, see page 20 of the Report **Driving Finance for Sustainable Food Systems***