



The role of finance in transitioning the beef & livestock sectors: lift to shift, lessons from Australia.

Australia-Vietnam symposium

NOVEMBER 2023

COMMERCIAL IN CONFIDENCE

Who are we and what do we do?

—
CLIMATE, NATURE AND
INVESTMENT EXPERTS ACROSS
A GLOBAL TEAM OF

200+

MAJOR ADVISORY
CLIENTS

>150

—



COVERAGE ACROSS AMERICAS, EMEA
AND ASIA-PACIFIC

8 offices 13 countries with
Pollination presence 25+ languages
spoken



SYSTEMS TRANSFORMATIONS

We transition systems across:

- Food and Fibre
- Industrials and heavy-emitters
- Finance
- Environmental markets



SUPPLY-CHAIN SOLUTIONS

We are working on whole of supply chain solutions for:

- Wool
- Potato
- Pork
- Beef sector



Pollination is advising Fonterra, the global dairy solution co-operative, on the financing of regenerative agriculture practices, and wetland restoration.



We designed a regenerative agriculture transition financing model in collaboration with one of the world's largest food companies, one of the largest banks in the US, and one of the largest farming operations in the US.



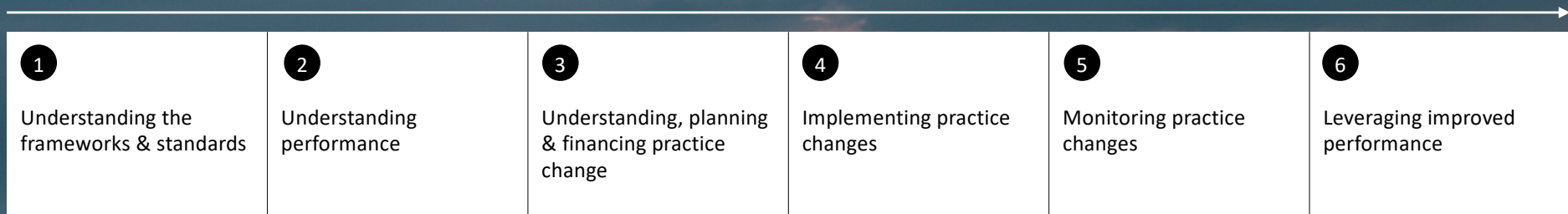
We developed a strategy with U.S. farmer and rancher leaders, financial institutions, and the agricultural value chain to mobilize capital and financial flows for climate-smart agricultural practices and to build producer-led knowledge and capacity.

What have we learned?

Shifting systems, requires *lifting* the burden on producers

How to do it?

Take a systematic approach



How is Vietnam doing it?

Market signals from Vietnam



Understanding the frameworks & standards

- Paris Agreement signatory – Net Zero by 2050.
- COP26 Methane Pledge & Vietnam Plan for Methane Emissions Reduction.



Understanding performance

- Viet Nam Nature-based Solutions for Adaptation in Agriculture through Private Sector Transformation (VN-ADAPT) run by IECM, UNEP, IUCN 2023-2028..



Understanding, planning & financing practice change

- VN-ADAPT.
- NBS Carbon Project finance: The BPP Vietnam Carbon Markets Partnerships



Implementing practice changes

- Biogas & other waste treatment solutions.
- Methane-reducing additives – e.g. Greener Grazing.
- Reforestation & afforestation.



Monitoring practice changes

- Tracking against Nationally-Determined Contributions.
- Tracking against Global Methane Pledge.



Leveraging improved performance

- 90% of Vietnamese consumers willing to pay more for products with verified origin & products using sustainable materials.
- The BPP Vietnam Carbon Markets Partnerships.



Climateworks and Woolworths announce natural capital pilot



QIC buys 80% stake of NAPCO beef business





“Parting” thoughts

Finance should be thinking about how to make the transition as easy as possible, applying a user experience lens over the design of products and processes, and by building the internal capability needed to understand which technologies are needed, and investing in the businesses bringing those online.

Takeaways for financing the transition in Vietnam

- ✓ **Invest in building internal capability** - to support producers with the latest available science, technologies, and commercial opportunities.
- ✓ **Design financial products and services with a user-experience lens** - to mitigate time and resource burdens on producers.
- ✓ **Coordinate capital deployment**– by taking a step by step (programmatic) approach.
- ✓ **Invest in solutions** - such as renewable energy and waste treatment solutions for processors & feedlot owners.
- ✓ **Develop multilateral investment funds** - to provide capital for solutions needed by smaller production segments, who have difficulty accessing finance.
- ✓ **Utilise end-market buying power** - increase expectations for exporters.
- ✓ **Make the commercial rationale clear** – the “pot of gold” at the end of the rainbow.





Delivering *Net Zero*



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