

## **Statement of The Netherlands – COFO 26 agenda item 6**

### **Ambassador Marcel Beukeboom**

Thank you Mr Chair,

The Netherlands aligns itself with the statement of the EU and its member states.

I would like to take this opportunity to zoom in on one particular aspect of the many linkages between forestry and agriculture.

Our point of departure, or should I say our default position, is clear. If we don't curb the trend, the growing world population will cause further deforestation, caused by our most basic need: food. Investments in food production potentially have detrimental impacts on the planet's natural resources. And this is just one, rather straightforward link. The excellent background document for this session describes many more, covering the broad agenda of the Sustainable Development Goals, including climate change and biodiversity.

I would like to zoom in on the subject of financial inclusion, especially of those men and women working together in cooperatives and comparable producers' organizations.

A significant percentage of the world's food is produced by smallholder farmers. Their enterprises collectively represent a large part of the small-scale private sector in rural areas. As such they can contribute to a sustainable solution for the nexus between agriculture and forests.

Through the Forest and Farm Facility (FFF) The Netherlands supports Forest and Farm Producers Organizations (FFPO's), especially in Africa, as the key agents in delivering climate-resilient landscapes and improved livelihoods. To strengthen their capacity investments are needed, not only by public money.

And that's where I come to my point: on the one hand private banks do not always have the capacity or the knowledge to deal with this kind of producer organizations. On the other hand, cooperatives often lack financial literacy or the skills to interact with financial institutions.

Banks need to learn how to assess risk in agro-forestry, representatives of farmers' collectives need to learn the language of the financial sector. Business cases need to be made bankable propositions, banks need to learn that terms may vary in this sector.

Traditional land management systems of indigenous peoples and local communities already *are* balanced agro-ecological food systems. They already combine the capacities of forests, trees, pasture and farm land. These agro-forestry systems do provide the various public goods that we are talking about here. They just need to be recognized and valued by society, markets and governments.

Our experiences in the Forest and Farm Facility teach us that one lever towards a more sustainable future is improving the interface with the financial sector. I am sure there are more, but this is one that should be easy to adjust.