How to get private financing to flow for conservation outcomes
5th BioBiz Exchange webinar
12 December 2019

Welcome to the webinar!
Your microphones are on mute. If you would like to ask a question
• use the Q&A function here or
• click on the hand/arrow icon to request to unmute.

PANORAMA SOLUTIONS: Kangaroo Conservation Program (TKCP): A Successful Initiative to Finance Conservation & Community Well-Being in Papua New Guinea by Lisa Dabek from Woodland Park Zoo
Sharing and scaling up solutions to your challenges

PANORAMA - a partnership promoting examples of **inspiring, replicable solutions** across a range of **conservation and development** topics, to enable **cross-sectoral learning** and upscaling of successes.

- **Visit** the business engagement thematic community @ panorama.solutions/en/portal/business-engagement
- **Contribute** your own “full” or “snapshot” solution @ panorama.solutions/en/solution/add
**Agenda**

- **Welcome and introductions** - Nadine McCormick, IUCN Global Business and Biodiversity Programme
- **How private finance can flow into conservation outcomes** - Frank Hawkins, IUCN Director US office
- **Lessons from mobilising green finance** - Romie Goedicke, Senior Expert Green Economy, IUCN Netherlands Committee
- **Q&A**
- **Case study: mobilising finance in the shea value chain** - Daryl Bosu, Deputy national manager, A Rocha Ghana
- **Q&A**
- **Discussion**
Who are you?

• Poll #1: Which type of organisation are you with?
• Poll #2: Which continent are you sitting in?
Poll #3: What about your experience?

What is your experience with mobilizing finance for conservation?

PANORAMA SOLUTION: Biodiversity Tax Incentives For South Africa’s Protected Area Network by Candice Stevens from Wilderness Foundation Africa
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• Discussion
How private finance can flow into conservation outcomes
Why conservation finance?

A significant conservation finance investment gap: an additional 200-300 billion USD annually is necessary to deliver the Sustainable Development Goals and to maintain healthy ecosystems that can continue to provide for people and wildlife*.

A significant unmet demand for funding of conservation: There is substantial demand from potential investors, but few available financial products for such investments.

The underlying problem

- Investment in conservation needs to deliver a good balance between the return on investment and the risk of failure, if institutional investors are to be engaged
- Current investment deals do not have the track record, scale or risk profile that investors need
How to fix problems of risk, scale and familiarity

Use successful conservation deals as *blueprints* for new ones
Build the capacity of developers using these blueprints
Reduce the risk to investors using *blended finance*
Spread expertise through information dissemination, convening, and promotion.
Aggregate projects into *investment vehicles* amenable to large investors
The Coalition for Private Investment in Conservation

CPIC Secretariat
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What CPIC does

CPIC facilitates the scaling of conservation investment through the use of replicable investment models that incorporate innovative blended finance to enable the participation of return-seeking private investors.

We do this across 6 thematic areas:

- Coastal Resilience
- Forest Landscape Conservation and Restoration
- Green Infrastructure for Watershed Management
- Sustainable Agriculture
- Sustainable Coastal Fisheries
- Landscapes and Seascapes

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A blueprint example: Intensification of cattle ranching in S America to reduce deforestation

**Problem:** Cattle ranches destroy forest and biodiversity and the cost of moving to sustainable ranching is too high for individual ranchers

**Solution**

- Develop a *blueprint* (=replicable business model) for loans to ranchers to move to intensified cattle production, producing certified “no-deforestation” beef for sale to US markets
- Apply blueprint to individual ranches to bring public finance grant funding and concessional finance to reduce private investment risk and cover costs of transition
- Agree pricing arrangement with product buyer (e.g. McDonalds)
- Aggregate individual ranch agreements into single large deal
- Repay investors from increased ranch revenue

**Result**

- Reduced deforestation- emissions of carbon reduced
- Increased revenue for ranchers
- Biodiversity conserved
- A model available and applied across an entire landscape, resulting in lower transaction costs and sector-level change
IUCN’s role in CPIC

• Ensure that investments generate measurable impacts on biodiversity
  • Species Threat Abatement and Restoration Metric
• Support projects in important places by managing blended finance
  • Conservation Finance Initiative
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WEBINAR PANORAMA SOLUTIONS LESSONS FROM IUCN NL COMMITTEE

Romie Goedicke
Senior Expert
IUCN NL

A just world that values and conserves nature.
Trends in conservation finance

Figure 2: Private Capital Committed Across All Tracked Years, 2004–2015
Mind the gap!

- Conservation investments
- Government and philanthropic conservation efforts (e.g., donations)

The position of this line depends on government funding (assumed to at least double) and government regulatory intervention to enable private sector conservation investment.

(Source: Credit Suisse, World Wildlife Fund, and McKinsey & Company 2014)
WHY Missing link

THE MISSING LINK

PRACTICAL STEPS TO MOBILIZE CLIMATE AND LANDSCAPE FINANCE AT SCALE

Synthesis report
WHAT: Investment continuum

BRIDGING THE GAP

- GFA
- Mobilizing More
- LIFT
- Start-up fund
- Building Local Capacity and knowledge
- PIONEERING
  - Direct vs. Indirect
  - Pioneer vs. Distorting
  - Temporary vs. Perpetual Subsidy
- CPIC Landscape working group & NL FIs
- Deal Rooms
  - Engagement around issues
  - Sustainable Finance principles
- Dialogue and engage with investors, governments and CSOs
- Building capacity of investors
  - Scaling
  - Innovation
  - Skimming
CURRENT PROJECTS

DACWA PROJECTS
With an innovative idea for sustainable timber plantation management, the organisation Viet Nature is the winner of the Mobilising More 4 Climate (MoMo) Challenge 2018. With this project they contribute to both climate adaptation and mitigation in Vietnam.

Viet Nature has a long term wildlife and habitats conservation project in Vietnam, where illegal logging continues to be a problem. Their innovative model combines large timber plantations of acacia with Tarrietia javanica – a native timber species.

Combining these different tree species leads to a mixed plantation and a resilient ecosystem. In the Viet Nature model, wood is harvested after 12 years in contrast to harvesting after 6 years. This doubles the rotation time of the forest. This results in a financial advantage because the value of the wood has at least tripled and allows the plantation owners to work towards FSC certification. In addition, a longer rotation time contributes to a greater capacity of the plantations to sequester CO2 and reduce greenhouse gas emissions.
BEST PRACTICE CASE
TANZANIA

• With their climate smart avocado, beans and bees project, Birk Agri Company is the winner of the Mobilising More 4 Climate (MoMo) Tanzania Challenge 2019. With this project they contribute to climate adaptation and mitigation in Tanzania.

• Birk Agri Company proposes an innovative combination of bee keeping with the production of beans and avocado. This inclusive economic activity in the Tanzanian southern highland region of Iringa contributes to food productivity, reversing loss of natural resources and climate mitigation action.

• “Apart from the obvious advantages of the avocado (as tree) to the environment, the benefits of bees are apparent in enhancing food productivity through pollination,” Shukrani Biseko, co-founder and director of Birk Agri, explains. “Approximately one third of all food is dependent on pollination. Therefore, this soilless nursery innovation will minimise the amount of polybags used by many tree and avocado nursery operators and consume significantly less water.”
Lessons learned so far

• Look for entry points for the clarification, formalization and recognition of rights
• Benefit from the technical, management and financial expertise of companies
• Don’t blind-stare on private finance; engineer public-private finance
• Attract resources within and outside the landscape
• New vocabularies and resources to address threats and opportunities
• Metrics needed for the monitoring of social, climate and ecological impact have to be applied
• Competitiveness between companies” in the area of green and inclusiveness can be “exploited
Thank you! / Dank je wel!

Romie Goedicke
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Questions or comments?

Please ask your questions using the question box in the control panel on the right hand side of the screen.
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Mobilising finance in the shea value chain

Daryl E. Bosu, Deputy National Director – Operations at A Rocha Ghana
Mobilising finance in the shea value chain

• **Context**
  • Mole National Park is Ghana’s largest protected area
  • Communities who depend on this area for food, income and energy use natural resources in an unsustainable manner, which negatively affect Mole National Park’s ecosystem.

• **What did we do?**
  • A Rocha & IUCN NL implemented the Community Resource Management Area (CREMA) framework in the community to work with the people to design a shared vision and roadmap for conservation and income generation activities.
  • They identified the Savannah Food Company (SFC) which partners with women’s groups who collect shea nuts, and supports the community for their conservation activities.

• **What happened? (the change/impact)**
  • The shea value chain was developed in the CREMA community and attracted other companies
  • A leveraged fund through SFC financed conservation and reforestation activities, which in turned contributed to the recovery of Mole National Park
    • The project has to date mobilized 300,000 Euros in public funding and 4.2 Million Euros pledges in private sector funding, mostly from the Shea Alliance.
  • Since their incomes increased, women could afford to buy what they wanted, save, invest and loan money to others
Mobilising finance in the shea value chain

• What were the building blocks of success?
  • A clear governance and management framework, CREMA
  • A collaboratively designed vision and management plan around conservation and its benefits
  • A responsible business partner to improve the shea value chain and contribute to a fund for conservation activities
  • Build Effective Partnerships – Work with trusted partners
  • Rally the people behind the vision, and put in the early leg work

See full solution on Mobilizing finance in the shea value chain (soon online!).
Solution presenter: Daryl E. Bosu from A Rocha Ghana
Questions or comments?

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Other relevant case studies on mobilizing finance for conservation

• **A regional sustainable financing architecture for conservation** – by the Caribbean Biodiversity Fund (CBD)
• **Conserving biodiversity in Chiapas natural protected areas through an innovative financial mechanism** – by Fondo de Conservación El Triunfo
• **Crowd funding for Marine Protected Area management** - by Nature Seychelles
• **Mobilizing More for Climate: a competition for funding solutions that address climate change** – by the IUCN Netherlands Committee
How did we do?

- Poll #4: To what extent has this webinar helped improve your understanding of how to get finance to flow for conservation?
Wrap up and next steps

1. Complete the post-webinar survey

2. Submit your solutions, especially on using legal frameworks to influence business practices

3. Note our next webinar: 19th March 2020 CET


Thank you!
Thank you!

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