




# LANDSCAPE FINANCE LAB

ANNUAL REPORT 2018

Partners in  
Incubating  
Sustainable  
Landscapes



 Climate-KIC is supported by the  
EIT, a body of the European Union



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Paul Chatterton

## Letter from the Founder

What a year! Landscapes have become a standard part of the global discourse. But in January 2018 they still seemed very abstract. Now as we enter 2019 solutions are looking a little more concrete.

We have a clearer landscape incubation process wired into the Lab platform. Following this, landscapes are developing Sustainable Development Goals visions and kicking off investment partnerships. The effort to secure the Great Sea Reef in Fiji has been an exciting example. Major corporates have joined the landscape challenge. We've developed methodologies to use landscape solutions to address supply chain risk, such as with H&M and the garment industry in Cambodia. With our inputs, the Climate Bonds Initiative have defined tough and business friendly rules for land and forest investment in what will amount to over \$200 billion of green bonds this year. And look out for our training program in bankable projects and landscapes that will be launched in 2019.

So many experiments. So much learning. And great to see so much of it happening between landscapes and across sectors.

The Lab would like to thank our partners and Community for their active engagement. It's a delight to be on this journey with you.

We look forward to further collaborations in 2019!

Paul Chatterton  
Lead, WWF Landscape Finance Lab

# 2018 Highlights

KEY: **Community/learning** Finance Lab Landscapes **Partners**

## FEBRUARY

**Lab and ClimateKIC workshop**  
The Lab scopes locations for Barry Callebaut



© Juan Pratginestros / WWF



## MARCH

**Landscape case clinics trialled**  
**Lab presents at the UK Innovation Forum and Climate Bonds Annual Conference**  
**SL Challenge launched**



## APRIL

**H&M and Lab program kick-off**  
**500 members on the Lab platform**



© unsplash

## JUNE

### **Lab in Georgia**

The Lab joined the Georgia team to meet local and international forestry experts in Batumi to discuss a business model for sustainable forestry in the Adjara mountains.

### **Lab supports CBI public consultation**

Climate Bonds Initiative released its Forestry Criteria for public consultation in June. Lab makes a core contribution to the Climate Bonds Initiative standards.

**New Communications Advisor [Natalia](#) joins the team!**

### **Dawna Tennaserim Landscape story live**

Through their work, we learn practical advice on how to build peace and establish partnerships in the middle of regional conflicts.







© WWF Paraguay

## JULY

Community Evaluation results are shared with members  
[IKIGAI Advisors](#) launches

Lab signs a partnership agreement with [Commonland](#)

[Ennovent](#) relationship evolves into a partnership

[Paraguay](#) landscape joins the incubator and signs contract with the Lab

The Atlantic forests landscapes team in Brazil sign a contract with the Lab

[Paraguay landscape story](#) live on Medium



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## AUGUST

[SL Challenge Concludes](#)

Lab field visit with WWF Paraguay



## SEPTEMBER

Finance webinar with [Althelia](#)

New Landscape coordinator [Louisa](#) joins the team!

Lab team in Cameroon invited by IDH to present its initial sketches on sustainable landscape and cocoa sourcing at the Green Cocoa Landscape Platform inception meeting.



## OCTOBER

[Launch of Georgia story](#)



© WWF Paraguay



## NOVEMBER

First Bankable Projects Training in Zeist

Joint Webinar with [FAO](#) on Forest Landscape Restoration



## DECEMBER

Lab presents at GLF Bonn Summit - Hosting a [Launchpad on Standardized Approaches to help Scale-up Landscape Restoration](#). The WWF's

Landscape Finance Lab, Commonland and Gold Standard present their complementary approaches for scaling up landscape restoration that combines our respective methodologies.

[Launch of Landscape Sourcing Report](#) team

In an effort to continue our contributions to the body of knowledge around the landscape approach, we're forming a group to write a landscape sourcing report.

# Benefits to thinking BIGGER

**1million+ hectares**

**Cuts through silos, bringing together industries, governments, civil society and local communities as well as investors, corporations, and global entities like the UN and Global Funds**





**The vastness of the Landscape unites those within it.**

**\$100million+**

**Opens the door to many more sources and types of finance beyond grant money, transforming conservation into a bankable opportunity with return on investment**

**Holistic Solutions**

**Working at a landscape level ensures economic, social and environmental development progress in harmony with each other**

# About the Lab

The WWF Landscape Finance Lab (the Lab) works on the belief that restored landscapes will provide sustainable returns for people and nature. The Lab was set up based on experiments carried out on forest and climate programs specifically REDD+ programmes within WWF. Seeing the commitment towards forests it was obvious that there was finance for investing in such programmes. Having seen the success of a WWF proposal in the DRC, which was awarded \$170million investment by the World Bank, it is evident we can work on a much larger scale, over longer time frames and with multiple stakeholder groups to create solutions. The above example is working to prevent emissions from the loss of forests and restoring them over an entire province of DRC. This is the sort of thing we need to address climate change and achieve SDGs. We need to work at a bigger scale, more rapidly if we are to achieve this in time.

**“envision a world where regenerated landscapes create returns for people, nature and economies”**

Since its creation in 2016, the Lab supports and guides both local landscape teams and major corporate actors to identify and develop landscape approaches and sustainable supply chain solutions.

The Lab offers expertise focused on two main objectives:

- Accelerate the development of landscape approaches,
- Unlock public and private finance to sustain both the incubation process cycle and the full implementation of a landscape vision.

After 3 years of operations and with strong support from the WWF Network, the Lab has achieved a lot:

- Building and testing an ambitious business plan
- Developing and simplifying the landscape incubation process
- Gathering a community of experts in key domains of the landscape approach
- Structuring a highly-skilled team of collaborators with eclectic backgrounds



- Modelling 4 distinct service lines and a related service portfolio
- Ramping-up sales by supporting 24 landscape ideas and projects
- Leveraging different sources of financing to sustain its operations and maintain its financials to equilibrium both with the WWF Network and Climate-KIC / EIT.

Most of the emissions, poverty and loss of biodiversity happens in about 100 landscapes and only 100 supply most of our food and water. If we can shift these key landscapes to sustainability in the next decade, we can solve the majority of the problems the world is facing environmentally. And we estimate that this shift in each of these landscapes costs less than an aircraft carrier!

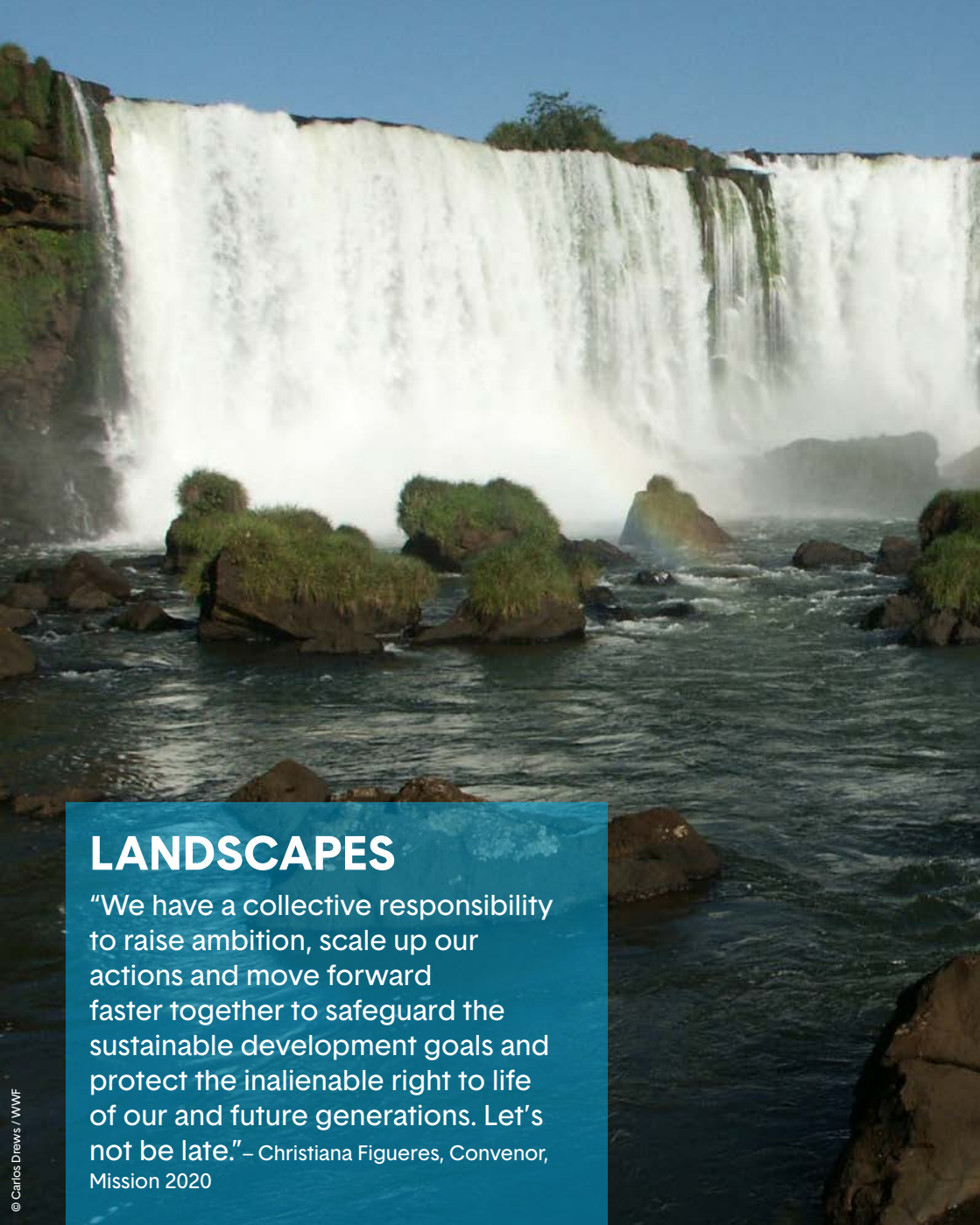
## The Landscape Finance Lab helps and connects governments, corporates and financial institutions to incubate sustainable landscapes that generate impact at scale.

### Experiments

In 2018 the Landscape Finance Lab carried out a number of experiments to explore ways to move towards the goal of incubating 100 sustainable landscapes. The key questions tested include:

- 1. Landscapes:** Is it possible for landscapes to follow a common process that can be replicated in multiple locations?
- 2. Markets:** Can we engage corporates to source sustainably from landscapes?
- 3. Finance:** Is it possible to attract finance for landscapes and not only the projects within them?
- 4. Community:** Can we mobilise a curated community around these efforts to accelerate impact?

This report outlines the process and partners involved in these experiments and, most importantly, the learning gained and how it will be built upon in 2019.



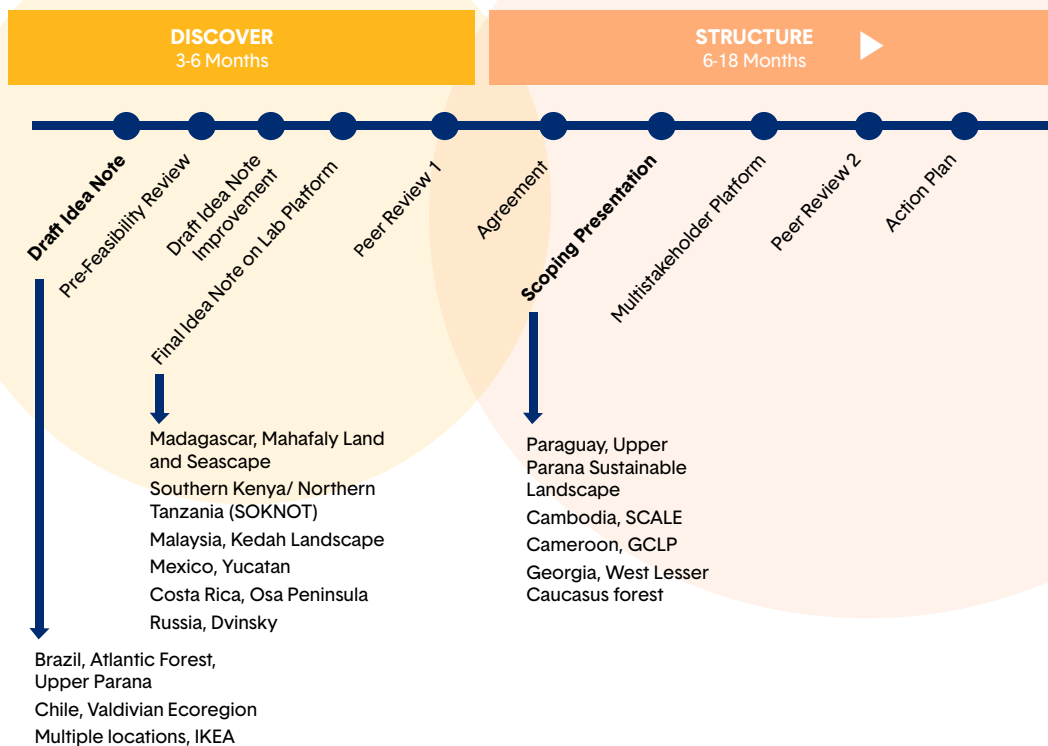
# LANDSCAPES

“We have a collective responsibility to raise ambition, scale up our actions and move forward faster together to safeguard the sustainable development goals and protect the inalienable right to life of our and future generations. Let’s not be late.” – Christiana Figueres, Convenor, Mission 2020

© Carlos Drews / WWF





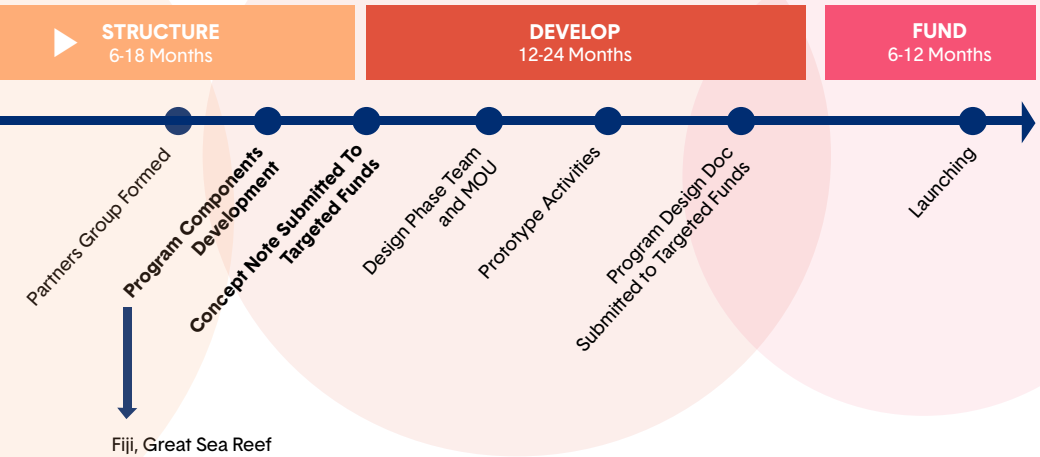


## Landscapes Portfolio 2018–2019

Landscapes programmes offer some of the largest scale solutions to carbon sequestration, food security, poverty reduction and biodiversity conservation. The Lab aims to test a range of approaches to access large scale natural resource finance and management in the landscapes we work in. The Lab portfolio is already one of the more significant contributions in this space globally.

The Lab uses the lessons and tools of business start-up incubators to help structure deals, find resources, attract investors and ensure quality design and implementation.

Using an online platform and guided assistance a 4-stage incubation process has been developed to **discover**, **structure**, **develop** and **fund** landscape approaches around the world in land and sea areas over



1 million hectares in size, that can attract investments of \$100m+ and are able to run sustainably for decades.

In 2018, the Lab attracted the interest of many clients, including regional governments (e.g. Acre State, Brazil; the Government of the State of Yucatan, Mexico), WWF offices around the world (cooperating to incubate 12 new landscape programmes in 2018; 23 teams participating in the Sustainable Landscape Challenge), and other organisations wanting to work with the Lab to develop landscape programmes. More and more, thanks to communication and outreach efforts, we have attracted the interest of non-WWF partners.

The work with existing landscape programs also progressed with five new ideas entering the Discover stage, (Atlantic Forest, Osa Peninsula, Mahafaly Madagascar, SOKNOT, Dvinsky). One new program progressed to the Structure stage (Atlantic Forest, Paraguay) and finally three programs are moving towards the Develop stage (Fiji Great Sea Reef, TRIDOM and Georgia).

## INCUBATION MODEL

STAGES	<b>DISCOVER</b> 3-6 Months		<b>STRUCTURE</b> 6-18 Months		
SERVICES	<b>Landscape Idea Conception</b>	<b>Scoping Study</b>	<b>Multistakeholder Platform</b>	<b>Investment Plan</b>	<b>Finance Strategy</b>
EXAMPLES OF DELIVERABLES	WWF Support Group  Corporate Due Diligence & Engagement  Corporate Supply Chain Scoping	Stakeholder Mapping & Engagement  Analysis Of Possible Interventions	Multi-Stakeholder Platform  Action Plan  Prototype Activities Feasibility Report	Partners Group  Investment Opportunities Identification & Analysis	Business & Financial Planning  Development Of Financial Mechanisms  Investor Identification (E.g. GCF Concept Notes)

## EXPERIMENT ONE

### A refined incubation process

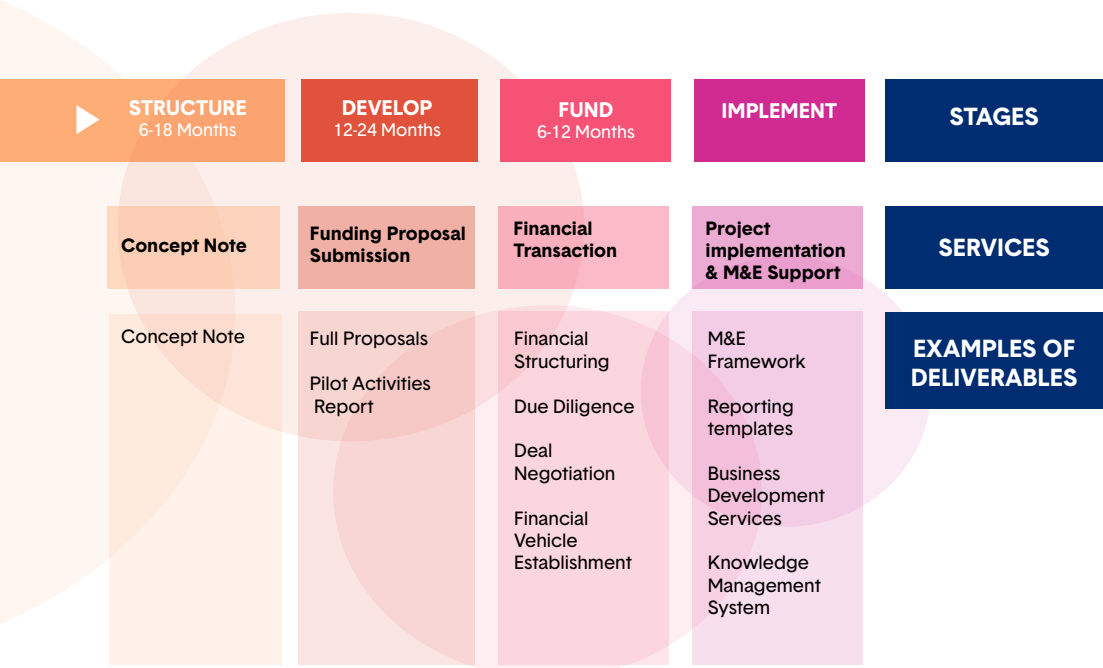
A key deliverable in 2018 was a new mapping of the steps for landscape incubation and simplifying the online platform for landscape teams and members.

The updated landscape incubation above process uses finance oriented language to more closely bridge the gap between the conservation and finance worlds. It presents a standardised approach that is relevant to governments, NGOs and corporates alike.



**The Landscape Finance Lab connects Landscape Teams, Governments, Corporates and Financial Institutions to incubate Sustainable Landscapes that generate impact at scale.**

The Lab uses an integrated incubation model to equip landscape teams and investors with the tools and relationships needed to design sustainable, decades long programs. In collaboration with our dedicated service team and community of experts, landscape teams can leverage our incubation model to develop their programs through four key stages that deliver a range of supply chain, business and finance solutions.



2018 has seen a major advance in the Lab’s approach to landscape incubation. Using the Lab’s 4 stages as the framework for landscape incubation (Discover, Structure, Develop and Fund), and following the conceptual framework developed in the Little Sustainable Landscapes Book (the 5 elements and 3 catalysts), the Lab has revised its landscape incubation process to reflect the different services offered to the landscapes. The landscape incubation process has been refined to present a menu of options grounded in the reality of the different landscapes.

## An investment plan for landscapes

An important change that was made to the incubation process is that the Lab no longer focuses on the development of a concept note as a priority - instead assists clients with the development of a more comprehensive investment plan, acknowledging the plurality of stakeholders and initiatives in each landscape and that funding is unlikely to come from only one source or programme.


The rationale behind the new landscape incubation process diagram is also that the landscape, finance, market and business work do not happen in isolation from each other, in practice, things are much more integrated. When the Lab team start working with a landscape lead, not only will opportunities with multilateral public funds (e.g. Green Climate Fund) be identified but at the same time analysis on what other sources of funding are available (e.g. private) will also be carried out. The new landscape incubation process diagram (see Diagram 1) reflects that there are a range of services the Lab offers to a landscape that may be governance, market, business or finance related, and that these occur in parallel, depending on the needs of a particular landscape.

In 2019 the Lab will focus on building quality rather than looking for more quantity of programmes. Efforts will be concentrated on moving teams from the Structure stage to the Develop and Fund stages for a focused number of landscapes, namely Fiji's Great Sea Reef and Georgia which are moving forward promisingly.





## SERVICE MATRIX: LANDSCAPES

STAGES & SERVICES	OUR ROLE	BENEFITS 
<b>DISCOVER</b> Landscape Idea Conception	The Lab ensures the quality of a landscape program idea through review by a network of internal and external experts, ensuring its adherence to a landscape approach.	Provides landscape teams access to a broad range of expertise to ensure the proposal is feasible.
<b>STRUCTURE</b> Scoping Study	The Lab scopes investment opportunities and helps identify interventions needed to make the landscape attractive to donors and investors.	Analyses the situation, defines a theory of change, maps out possible interventions and a programme structure.
Multistakeholder Platform	The Lab guides the creation of a Multi Stakeholder Platform by identifying key players, engaging with them and defining proposals for key elements of the project plan and governance.	Engages the relevant stakeholders in a landscape and initiates dialogue between actors that may not have collaborated before. This creates opportunities for long-term partnerships to emerge.
Investment Plan & Finance Strategy	The Lab identifies investment opportunities to develop further within a comprehensive investment strategy.	Identifies opportunities to scale up initiatives, and allows landscape leads to initiate a dialogue with investors they had not engaged with before that could lead to the creation of bankable projects.
Concept Note	The Lab supports the development of a concept note for submission to a funder by coordinating expert inputs on its key components.	Supports the development of the landscape Concept Note for submission to a funder by coordinating expert inputs on its key components.
<b>DEVELOP</b> Funding Proposal Submission	The Lab supports the development of a project proposal for submission to a funder.	Supports the development of the Program Design Note for submission to donor funds by coordinating expert inputs on key components.
<b>FUND</b> Financial Transaction	The Lab supports access to funding by coordinating expert inputs to close a funding deal.	Creates the conditions for funding to materialise (financial structuring, due diligence, deal negotiation, investment vehicle design and establishment).

▶ DELIVERABLES	PRICE	STAGES & SERVICES
Finalised landscape idea note Support group established Lab incubation platform access Cooperation Agreement between the client and the Lab	4 days offered	<b>DISCOVER</b> Landscape Idea Conception
Scoping Study	80,000 – 200,000 EUR Depending on Scope	<b>STRUCTURE</b> Scoping Study
Stakeholder Mapping Multistakeholder Partnership Terms of Reference Memorandum of Understanding		<b>Multistakeholder Platform</b>
Activity Matrix Investment Plan		<b>Investment Plan &amp; Finance Strategy</b>
Concept Note		<b>Concept Note</b>
Program Design Note	Variable Depending on Scope	<b>DEVELOP</b> Funding Proposal Submission
Financial structuring defined Funding agreement Due diligence report Investment vehicle designed and established	Variable Depending on Scope	<b>FUND</b> Financial Transaction

# SNAPSHOTS

In 2018, work focused on structuring landscape programme concepts and submitting them for design stage funding. Three condensed examples from the Lab portfolio have been selected below.

## FIJI – Great Sea Reef programme

**Area:** 2.8 M ha

**Investment Sought:** \$115 M

**Format:** Ridge to reef climate adaptation program

**Programme length:** 10 years

**Lab role:** fundraising, contract development

**Potential revenue:** approx. 829 million USD over 10 years

**Environmental returns:** Protection of reefs, sustainable fishing, restoration of forest habitats, reduced siltation and nutrient stressors, improved community based and provincial environmental governance.

**Social returns:** Income generation, business development, land and reef governance improvement, participation.

**Climate returns:** Emission reductions, reduced siltation and nutrient, adaptation planning by communities.



**Landscape Lead,**  
**Kesaia Tabunakawai**

The landscape programme will employ a range of multi-sectoral interventions to improve the resilience of coastal communities and ecosystems and stimulate and secure sustainable economic activities. The Lab focus is on attracting funding to allow for the following key interventions: In-shore and offshore fisheries sustainability; scaling organic farming to 50 % of total GSR catchment agricultural production ; afforestation of 30,500 ha including 10,000 ha of mangroves to reduce runoff; transition to renewable energy; transition to low carbon domestic shipping. Through these activities by 2030, the Great





Sea Reef and coastal ecosystems will be healthy and resilient to a changing climate, supporting sustainable and inclusive livelihoods, food security and community wellbeing.

**Key Achievement in 2018:** Following the Nov 2017 launch of the concept to protect the reefs of Fiji at the Climate COP23 in Bonn, the Fiji Steering Group with the Lab help is securing funding for a next phase of work. The Lab has lined up consultants to coordinate and develop a Green Climate Fund (GCF) Concept Note for the GSR program, and assess further options for public/private funding opportunities and develop a portfolio of bankable projects. An initial set of bankable project ideas was presented at the Climate-KIC Climate Action Summit in Dublin in November 2018. A GSR Investors Partnership will be launched at the ADB Annual Conference in Fiji in May 2019 and structure the GSR program investment as a whole by December 2020.

**Next steps:**

- 💧 Coordinating the drafting of a concept note for the Green Climate Fund
- 💧 Forming an investment partnership
- 💧 Establishing a bankable projects portfolio with one of Fiji's banks



## GEORGIA – West Lesser Caucasus Forest Landscape Partnership

**Area:** 1.2 M ha,

**Investment Sought:** ≈\$80 M.

**Format:** PES, landscape sourcing, UN Nationally Adequate Climate Mitigation Actions (NAMA)

**Programme length:** 10 years est.

**Lab role:** Capacity building on landscape approach and building MSP

**Potential revenue:** TBC

**Environmental returns:** Forest sustainability, agricultural sustainability, conservation of rivers, biodiversity,, climate resilience

**Social returns:** Improved sustainable local economy

**Climate returns:** Carbon storage



**Landscape Lead,**  
Jernej Stritih

This landscape hosts the richest forest for nature within Europe. A treasure of biodiversity, home to large populations of bears, wolves and lynx and one of the world's three key rivers for wild sturgeon. Over 2000+ species of forest and meadow plants including many species unique to the Caucasus. Soon to be listed as a World Heritage site, it is a key landscape of one of the 35 Global priority ecoregions and one of the 32 endangered CI Hotspots.



The Lab is supporting WWF Caucasus in attracting funding to enable landscape-scale transformation. The aim is to make the Adjara Mountains a sustainable landscape, with sustainable forestry and agricultural practices, healthy rivers and an improved green rural economy.

An investment framework, financial plan and investors partnership is also underway. Additional support includes building bankable projects and access financing.

**Key Achievement in 2018:** A mission in May 2018 identified a number of potential business cases and has moved forward the scoping study. A major conference on sustainable forestry in the Adjara brought together stakeholders to define a unified vision for the region and endorsed results of forestry business analysis. An investor analysis was developed as well as a series of possible bankable projects.

### Next steps

- 💧 Finalise scoping study with partners
- 💧 Bankable project ideas finalised with the WWF Caucasus team
- 💧 Meetings with KfW to discuss innovative financing mechanisms and the financing of some of the projects identified thus far



## PARAGUAY – Upper Parana Sustainable Landscape Program

**Area:** 2.5 M ha,

**Investment Sought:** ≈\$243 M USD

**Format:** Catchment mgt, forest ecosystem restoration

**Programme length:** 10 years

**Lab role:** Improve Concept development, support full proposal development, private sector involvement, fundraising

**Potential revenue:** \$580 M USD approx.

**Environmental returns:** Forest sustainability, agricultural sustainability, conservation of rivers, biodiversity, soil fertility

**Social returns:** Improved (green) rural economy, employment opportunities, food security, improved livelihoods (health)

**Climate returns:** Emission reductions



**Landscape Lead,**  
Fabi Fliervoet

The landscape is the most biodiverse area of Paraguay, namely the Upper Parana Atlantic Forest (UPAF). The UPAF is one of the 15 terrestrial ecoregions that belongs to the Atlantic Forest Complex that spans parts of Argentina, Brazil, and Paraguay. Composed of semi-deciduous subtropical forest, the UPAF in Paraguay presents one of the most important ecosystems for the conservation





of biological diversity on a global scale due to its “remarkable biodiversity richness, high plant and animal endemism”, including 403 species of birds, threatened mammalian species such as the harpies, Bush Dog, Azara’s Agouti, Pumas, Tapir and near threatened iconic species like the Jaguar.

The programme goal by 2030 includes a sustainable integrated landscape of approximately of 2,500,000 hectares implemented with joint actions to promote climate resilience, integrating Protected Areas, restoring biological corridors, restoring sources of freshwater and enhancing the efficiency of sustainable food systems.

Key Achievement in 2018: the Lab partnered with WWF Paraguay (WWF-PY) in May 2018 to structure a landscape program around the iconic Iguazu Falls and the Upper Parana river. This aims to restore the highly biodiverse forest and improve water supply in a stressed region. In August 2018, a the Lab consultant carried out a first field mission that led to stakeholder mapping and the identification of potential investment opportunities. The scoping study will be completed early next year, and there will be a focus on concluding partnerships with key stakeholders.

**Next steps:**

- 💧 Finalise scoping study with partners
- 💧 Bankable project ideas finalised with the WWF Paraguay team



## MARKETS

You cannot get through a single day without having an impact on the world around you. What you do makes a difference, and you have to decide what kind of difference you want to make. – Jane Goodall

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# EXPERIMENT TWO

## The largest corporates test landscape solutions

We live in a resource-constrained world, with increasing competition between the demand for goods and services that benefit people, such as food, water and energy and the need to protect ecosystem services that regulate and support all life on Earth. Importantly, the major sourcing areas for key commodities are also the main sites of deforestation, with food production being the leading cause. Food production is responsible for 25% of the global GHG emissions, occupying 40% of the world land and using 70% of the worlds water.

Landscape approaches provide a way for corporate actors to mitigate significant supply chain risk issues and to address regulation and stakeholder engagement complexity. The Lab has confirmed a methodology now for assisting some of the largest corporate actors on the planet to assess supply chain risk and identify potential landscape scale solutions and tested this with two multi-billion dollar turnover companies. Two key landscape sourcing program are now being structured with these companies, one in Cambodia with H&M on jurisdictional sourcing of sustainable fuel for thermal energy, and the other in Cameroon with Barry Callebaut for zero deforestation sourcing of cocoa. A scoping of opportunities for a more coherent strategy is now in development to target the largest actors in the largest sectors that impact on biodiversity.

These experiments allow us to test a common approach that can be applied across all industries for supporting sustainable sourcing at landscape scale. A report exploring lessons learned in these experiments will be published in 2019.

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## Landscape sourcing programmes

The Lab Market unit offers a range of services aimed at incubating a landscape sourcing program from the discovery stage up to the funding and scale up stages. Services are tailor-made for corporations but get integrated into and benefit from the overall landscape approach. For example, the Lab usually first engages with corporations with a scoping study, which will then either get integrated into the landscape development cycle (idea note, MSP, concept note), or will give birth to a standalone prototype until a landscape program is ready to host it.

**The Lab believes that working with a sector dominant company or one with substantial weight on the local economy is an effective way to lead by example and ultimately accelerate sector transformation within 2-3 years.**

The process starts with a scoping study, or an integrated analysis that would last 3-6 months, then on to a structure stage where prototypes are tested. At this stage a full landscape program will be structured with stakeholders to address a key sustainability opportunity or risk. The scoping report is essential for corporate engagement. It provides the necessary steps that will prepare for a landscape sourcing program. The most important deliverable of the scoping study is a review report on the potential for combined action by WWF (or other facilitating organisation) and company to address environmental and business risks and achieve climate and SDG goals.

A design stage follows with fine tuning of the landscape proposal to finally deliver a full proposal to a climate or SDG fund or investable actions to investors. Based on the lessons from this prototype landscape, similar activities might then be scaled across the supply chain of the client and/or with other similar actors in the sector.

See Diagram 2 for a summary of our Market services.

## SERVICE MATRIX: MARKETS

STAGES & SERVICES	OUR ROLE	BENEFITS
<p><b>DISCOVER</b></p> <p><b>Corporate Supply Chain Scoping</b></p>	<p>The Lab helps gather input from internal and external expertise to guide the creation of a Supply Chain scoping report, which highlights a path to build sustainable and resilient supply chain operations in priority landscapes.</p>	<p><b>Corporates:</b> identify paths to link operations and forest and biodiversity conservation / Understanding of what the landscape approach is / Identification of partners and potential financiers</p> <p><b>WWF Offices:</b> diversify partnership service offer, new business opportunities, access landscape expertise.</p> <p><b>WWF Field Offices:</b> access funding, increase landscape capacity</p>
<p><b>STRUCTURE</b></p> <p><b>Prototype Activities</b></p>	<p>The Lab guides feasibility studies, lessons learned and the design of a concept note.</p>	<p>Prototype Activities are designed to test assumptions and offer a reality check.</p> <p><b>Financiers and Corporates:</b> discover and access new investment opportunities</p> <p><b>WWF Offices:</b> access tests and pilots, learn from lessons</p> <p><b>WWF Field Offices:</b> access funding, increase landscape capacity</p>
<p><b>Pilot Activities</b></p>	<p>The Lab supports prototyping activities development and gathers lessons learned to develop and finalize a proposal.</p>	<p>Pilot Activities help adjust the concept to increase the chance of funding success.</p> <p><b>WWF EU Offices:</b> access tests and pilots, learn from lessons</p> <p><b>WWF Field Offices:</b> access funding, increase landscape capacity</p> <p><b>Corporates:</b> manage environmental risks and externalities costs, secure operations, comply to regulations and use an effective MRV framework to report on SDGs and other frameworks, create shared value opportunities, access innovative finance</p>
<p><b>IMPLEMENT</b></p> <p><b>Scale-up Strategy</b></p>	<p>The Lab advises the corporate organization to replicate findings and processes in other geographies, commodities or even industries to achieve higher SDG impact and scale economies.</p>	<p><b>Corporates:</b> replicate success to achieve higher SDG impacts, economies of scale through integration of interventions and geographies</p>



**DELIVERABLES**

**PRICE**

**STAGES & SERVICES**

Corporate due diligence  
 Scoping report  
 Summary report  
 2 Idea notes  
 2 In-person meetings

**50,000- 80,000**  
 EUR  
 depending on  
 the scope

**DISCOVER**

**Corporate Supply  
 Chain Scoping**

Feasibility studies report  
 Stakeholder mapping report  
 MSP Term of Reference  
 Business model  
 Investment framework  
 Concept note  
 Investment pitches

**200,000** EUR  
 depending on  
 the scope

**STRUCTURE**

**Prototype Activites**

Investor meetings  
 Mid-term & final report  
 2-3 iterations to investment  
 framework & business model  
 Full proposal including M&E  
 framework

**250,000** EUR  
 by activity

**Pilot Activites**

Scale-up report  
 2 idea notes  
 2 in-person meetings

**30,000** EUR

**IMPLEMENT**

**Scale-up Strategy**

# SCALE (Supply Chain and Landscape approach in the EPL of Cambodia)

## Main partners – H&M

The SCALE programme is a partnership between the H&M group and WWF to design a landscape investment program that will transform the textile industry and energy supply chains in Cambodia.

Cambodia is a key manufacturing market with high environmental risks that the SCALE program seeks to address, such as:

- CO2 (suppliers using unsustainable wood as an energy source for boilers).
- Materials (wood supply chain is not traceable and often illegally sourced).
- Deforestation (one of the highest deforestation rates in the world, partly due to the garment industry).
- Governance (limited resources to address challenges and enforce environmental regulations).

The “design stage” is currently under preparation, due to start in May 2019. This will design a full proposal for long term funding of the program.

## Project impacts

The program will contribute to the Sustainable Development Goals (SDGs) by promoting the use of sustainable energy in the textile industry and supporting the resilience of ecosystem services through a landscape/jurisdictional sourcing approach in the EPL.

The ultimate goal is to use this pilot as a learning exercise for defining a broader set of strategic actions across the H&M group production areas and supply chains.



# Green Cocoa Landscape Program in Cameroon

## Main partners – IDH, cocoa industry, farmers, government agencies, development partners, research organisations

Cocoa has been identified among the main drivers of deforestation in the Congo Basin over the last three decades. Cameroon's plan to reach a cocoa production level of 600,000 MT by 2020 will put forests under further threat by degradation and deforestation. The forests are under pressure mainly from degradation, with potential to turn to deforestation very soon if quick interventions are not undertaken.

WWF and IDH are designing the Cameroon Green Cocoa Landscape Program that combines the promotion of sustainable cocoa production, forest protection and farmers' inclusion in Cameroon. The value of this partnership is to combine forces, think holistically and secure support of all stakeholders of the value chain.

## Project impacts

The project is still under scoping, but the below project impacts have been identified by WWF and will be discussed and agreed upon in 2019 with IDH and program stakeholders:

- Number of farmers having improved social benefits leading to improved productivity
- Effective reduction in the rate of deforestation and forest degradation in the landscape
- Potential stabilization of the wildlife species populations in the landscape. Results will be measured with a set of different approaches and techniques, including CO<sub>2</sub> Emission Reduction programme of South Cameroon (existing carbon baseline), forest cover monitoring, wildlife species inventoried, UNCCD indicators and other REDD+ monitoring system.

The GCLP in Cameroon is very much seen as a test case to evaluate the potential for collaboration of IDH and WWF in other geographies and other commodities. Lessons learned on the scoping study collaboration will be discussed in Q2 2019 and should serve as a base to discuss further collaboration.



## FINANCE

Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has. – Margaret Mead







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# Finance for landscapes

Private sector finance is a key element of the strategy of the Landscape Finance Lab for securing finance for sustainable landscape programs. The aim of Lab support to landscapes is to structure landscape programs that can generate SDG impacts at scale and over sustainable timeframes. Large public sector investments provide the funds to structure landscape programs and ensure their long term viability. This structuring in turn can assist the process of securing private sector investment into specific projects in the landscape and landscape wide activities. In turn successful growth in private sector investment can justify increases in public funding creating a virtuous cycle for the prosperity and sustainability of a landscape and its human communities.

In the area of innovative financing testing and application on scale the Lab is excited to share the following achievement: Ikigai Advisors GmbH has been launched as the first landscape finance advisory. The Conservation Investment Blueprints has been launched together with the CPIC (Coalition for Private Investment in Conservation), and the Lab has made a core contribution to the Climate Bonds Initiative standards. These later set the principles and criteria for investments that are estimated to be in the order of \$ 300 billion in 2019. The Lab is seen as an important contributor to these standards.

The Lab hosted a “Landscape Finance and Bankable Projects workshop” in cooperation with WWF Netherlands in November 2018, moving towards the Lab’s ambition of increased capacity building in conservation sector finance. Intensive work has been invested into the design of a bankable projects template and incubator prototype; due to be launched in 2019. Parallel to this, work has begun with South Pole Group to establish an investment fund for sustainable landscapes with a working title of “Land4Impact Fund”.



# EXPERIMENT THREE

## The bankable projects finance training

Conservation organizations can play a key role in the identification and initiation of sustainable business cases, guiding the private sector investments of tomorrow towards sustainability. Equipped with the fundamentals of landscape programs, business and finance project leaders can crowd-in large amounts of private sector into conservation.

The Landscape Finance Lab, together with WWF Bankable Water Solutions and Ikigai Advisors organised a two-day training on Landscape Finance and Bankable Projects. The event was hosted by WWF Netherlands in Zeist, with participation from 20 conservation practitioners from WWF and Commonland based in 13 countries.

The training presented the fundamentals of landscape finance, with focus on private sector solutions, especially bankable projects. Combining the theory of landscape finance and bankable projects incubation with hands-on examples and case studies. Participants learned how to identify and lead private sector solutions in landscapes. The training evaluation survey showed very positive feedback. In a follow-up virtual assignment, training participants developed 3 bankable projects and 2 landscape programs, totaling an investment budget of more than \$150m.

A key lesson gained from this process is that landscape programme and bankable project development requires significant investment in initial design and prototype testing.

## Next Steps

🔹 The team seeks funding to establish an online platform, test bankable project identification and investment approaches, run 3 further workshops in the next six months and prepare the system for external roll-out.



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## LEARNING

We all share one planet in common. We breathe the same air, we drink the same water, we depend on the same oceans, forests, and biodiversity. There is no space left on earth for egoism. The global commons must be kept within their safe operating space, and we can only do it together. – Naoko Ishii, CEO, Global Environment Facility (GEF)







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## Mobilising a community of professionals to accelerate impact

In the area of **learning, capacity building and impact measurement**, the Lab aims to mobilise a community of landscape and finance professionals through a focused online platform, tailored learning opportunities and targeted introductions. In an effort to share learning, the Lab participated in nine panels at events and conferences in 2018. These ranged from themes on landscape sourcing, conservation finance and philosophy of landscapes.

Over the past year the Lab has responded to member requests for more focused webinars, concentrating specifically on landscape finance learning in collaboration with partners such as Commonland, &Green Fund and Ecosia. A capacity building process was tested by launching the “Sustainable Landscape Challenge” which has engaged 23 participating landscape teams and over 120 people working in landscapes to follow learning activities over 9 weeks which resulted in 3 teams submitting their landscape concept to the Lab platform. The lessons from this process will be applied to develop a structured landscape learning journey over the coming months. This will help accelerate new landscape teams understanding of the landscape approach and offer an onboarding process to the Lab.

The Lab's platform and incubator has developed in to a key resource for a carefully selected community of landscape and finance professionals. When it launched in 2017, the early goal of the platform was to build membership, initially from within the WWF Network, and to encourage them to use an online process to accelerate landscape design. As a second step, 2018 focused on activities that would increase user engagement, energise online discussions around new content themes, systematise online training and connect peers. Over the year, landscape leads have joined webinars, interacted with each other in learning calls, shared their case studies in long form interviews and above all learned from each other.

The success of community engagement is also visible in the numbers:

- the Lab membership increased by 25% with 273 new members
- The make-up of the 723 Lab member Community is now 47% from outside the WWF Network.
- The Lab now has 720 newsletter subscribers with readership having increased to an average of 36% on a monthly basis
- During 2018, 90 blog entries have been posted in the Knowledge Hub
- Over 735 members have participated in the 21 topical webinars (including a joint session with the [UN's FAO](#) attracting 93 participants; 8 x Finance learning with external partners (Althelia, Gold Standard etc); 12 x Sustainable Landscapes case study & knowledge sharing calls;
- Communication partnership set up with Ennovent to share the Lab news via Twitter

The Lab community survey in July 2018 expressed strong support for the direction of the Lab and suggested ways to improve, many of these recommendations have since been implemented.

In 2019 the Lab looks forward to strengthening Community engagement by introducing a curated peer advisory group, a landscape leaders check-in, more challenges and event formats and improving platform usability. A more concerted communications program will also increase the Lab's online visibility and the sharing of landscape stories through new media outlets.



## EXPERIMENT FOUR

### The Sustainable Landscape Challenge

The WWF Sustainable Landscapes group and the Landscape Finance Lab came together to galvanise support for the landscape approach. Inspired by gamification and innovative approaches to capacity building, the Lab determined that a Sustainable Landscapes Challenge would be a fresh way to mobilise many people around landscapes at once. Over 9 weeks from May to July 2018 the challenge asked teams to learn more about the landscape approach and produce a case study or idea note. The team with the highest points was awarded a €10,000 prize to put towards their landscape program.

From week to week, landscape teams completed 5 different tasks and learning activities. These activities included completing learning questionnaires, reading resources, watching videos and sharing their learning with others—all things that helped build knowledge. Teams that completed each activity successfully were awarded points.

Each activity was intended to help people start “working out loud”, so that landscape teams could benefit and learn from each other. From week to week there was an increase in people liking and commenting on each other’s posts online.



In total 23 teams from around the world participated, from Myanmar to Slovakia and beyond, with around 120 people taking part. Team sizes ranged from 2–15.

Each team came from very different starting points, but all were working in a landscape context.

The hope for the Challenge was to help many teams come to a common understanding on where the WWF network stands on the landscape approach and how to apply it. Additional goals included increasing understanding of how to partner with the Landscape Finance Lab to develop programs and encourage teams to share more about what is happening within their landscapes.

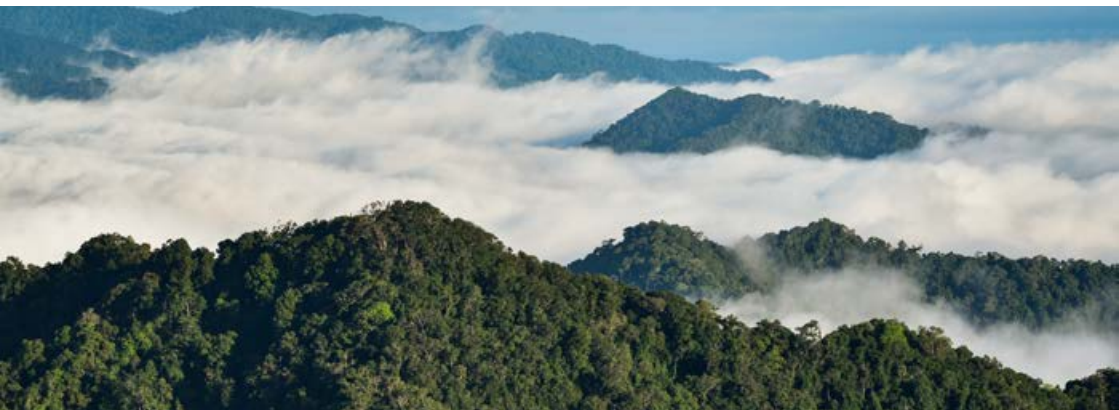
This challenge helped verify that gamified activities work as an approach to building community, building capacity and sharing knowledge in an engaging way. The Challenge offered participants a chance to share their work through a guided process, which helped to foster collaboration. The Lab is working closely with the prize winners and participants hoping to develop their idea notes further.

# From the Earth

“From the Earth” is an effort to amplify stories of people working on breakthrough solutions for a living planet. In 2018, the Lab captured important stories, experiences, and learning from landscape teams. One such interview was a powerful conversation with the team working on the Dawna-Tenasserim who face not only a challenge in building interest of the landscape within the countries which it is based but also bringing together stakeholders with extremely difficult histories with each other. The DawnaTennaserim team were also the finalists of the Sustainable Landscapes challenge.

## Myanmar spotlight

The Dawna-Tenasserim covers the vast forests that span the mountains between Thailand and Myanmar, one of the most intact natural landscapes in the entire Greater Mekong region and a stronghold for tigers, elephants, and other endangered wildlife. Myanmar remains among the top three countries in the world in deforestation after Brazil and Indonesia. Complex power dynamics between Karen National Union (KNU), ethnic group who claim governance rights over parts of DawnaTennaserim on Myanmar side, and Myanmar government, further perpetuates unplanned development and retards inclusive growth. The unsustainable and skewed economic growth this region has seen in the last few years has deteriorated the landscapes natural capital and provided little benefits to its communities. There is a unique opportunity and shared willingness and sense of responsibility among stakeholders to do things right in the Dawna Tenasserim.





The program aims to develop a socially inclusive, low-emission, sustainable commodity production inside a carbon stock protecting, regenerating and connected Dawna-Tenasserim with indigenous communities and iconic species populations as the ultimate beneficiaries.

“This is a very large landscape; nearly double the size of Portugal and has many particular elements that will either contribute to its success or cause problems. Many of the countries around the Dawna-Tenasserim have either lost their endangered species or they are under great threat. These are the species that we grew up seeing in coloring books and nature shows, and they very much need protection. Thanks to the protected area network in the Dawna-Tenasserim, we and our partners have been largely successful in protecting them. When it comes to tigers, elephants or other species that are red-listed, this landscape has them. When looking to the future, we see potential for the species in the Dawna-Tenasserim to support other landscapes where they have been lost or in decline. In many ways, this landscape is an egg basket that has all the goodies.”

In June 2018 the Lab interviewed<sup>1</sup> Regan Suzuki Pairojmahakij the Transboundary Manager of the DTL programme and Conservation Manager, Iain Jackson. Through their work, you can gain practical advice on how to build peace and establish partnerships in the middle of regional conflicts for the benefit of conservation.

“Our approach shouldn’t be to find ways to force conservation objectives on them, but to work with them to secure management and tenure rights so that they can protect the areas that they consider critical ecosystems. By working in this way, we can build a sense of buy-in for conservation and sustainable management at the same time.”

“Planning for a successful program is all about building good lines of communication, which comes down to trust. Trust takes a long time to build—especially considering the political and social issues on the ground. But it is very important.”

<sup>1</sup> Full article can be found on Medium <https://medium.com/from-the-land/fostering-collaboration-and-building-peace-in-the-dawna-tenasserim-landscape-906bccbf662>



## Key Lessons

2018 has seen a major advance in the Lab's approach to landscape incubation. Taking a deep look at the main components of the Lab's work from incubating landscape programmes, to accessing innovative finance and finally mobilising a community of practitioners and investors, a number of important lessons have emerged.

### Further simplification is needed

While a one-size-fits-all method is not always possible a broad framework for developing a landscape approach using the 5 elements from the Little Sustainable Landscapes Book has been well received by teams and partners. There is a need to promote landscape solutions that integrate governance, business, and market solutions in order to secure blended finance. As a learning, the Lab has adapted a menu of support options that have emerged from experience working with landscapes.

It was an important realisation for the Lab that it is more realistic to focus on developing an investment plan to identify a range of investors rather than a single concept note. There are no funds that will fund the



entire range of interventions identified in a given landscape. A broader investment framework allows a more tailored approach to identifying potential investors. This will be tested in a number of landscapes in 2019.

## Finance must be integrated throughout

The landscape, finance, market and business work do not happen in isolation from each other. In the Lab’s incubation process the “FUND” stage was designed as a final step. In practice, things are much more integrated, the Lab identifies as early on as possible what opportunities exist for funding through multilateral funds (e.g. Green Climate Fund), and what other funding sources are available (e.g. private). Landscape sourcing programs will also need injections of investment at multiple stages for example, seed funding from corporates in the “structure stage” is essential to secure buy-in of all actors and lead by example.

Lab clients want support to bring blended finance to a landscape program. The Lab’s incubation process has been re-designed to ensure this is reflected.

# Next steps

In 2019 the Lab aims to concentrate efforts to move teams from the structure stage to the develop and fund stages for a focused number of landscapes. The Lab Market work will assist a wider range of sector leading players to test supply chain sustainability solutions in landscapes and to explore methodologies and tools to deliver on the growing appeal to business of landscape approaches.

To face this increasing demand for guidance, fundraising and technical support, the Lab plans to take the following next steps:

## Wider outreach

- 1. Build a stronger connection with platforms and associations that pursue the same goals and can help reach scale faster** (e.g. TFA, WEF, WBCSD, WCF, CGF, SAC, GLF).
- 2. Increase the Lab's visibility and participation both online and through in person events.** In 2018 the Lab team spoke at events from the Governors Climate and Forest Task Force, San Francisco, in September 2018 to the Global Landscapes Forum, in Bonn. The team is scheduled to participate in over 14 events in 2019.
- 3. Increase the Lab team resources so the outreach can be more structured, strategic and wide range.** This will include recruitment of Market advisors, Landscape Coordinator can support in developing the portfolio further.

## Streamline processes

- 4. Re-design the onboarding process to help members quickly navigate the Lab services and engage with resources and network available to them.**
- 5. Landscape learning.** Develop a landscape learning journey with partners to give landscape teams more structured milestones, lessons and resources (the Sustainable Landscapes Challenge was a great tool to test this!).



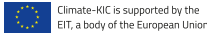


## Increase capacity of teams

- 6. Produce knowledge sharing publications on key learning areas for example landscape sourcing.** This will serve as a simple entry guide for businesses interested in acting in their landscape. Gather lessons learned from the existing landscape sourcing programs (SCALE, Green cocoa landscape program in Cameroon, IKEA regenerative landscape approach) to improve, scale up and expand their impacts.
- 7. Increased capacity building, training and 1-1 coaching for the benefits of the corporate sustainability teams as well as field officers.**
- 8. Develop the Land 4 Impact Fund with partners South Pole and WWF.** The “Land for Impact” approach matches donors and investors with concrete landscape-based projects and has an ambition to initiate a 100 sustainable landscape deals by 2025.



## The Lab extends deepest thanks and appreciation to the following partners and collaborators



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