Landscape Finance Solutions Design Team: Mobilizing Funding to Deliver Positive Change for Landscapes

The landscape finance solutions design team works with landscape partnerships to engage government, philanthropic, civic and private finance sectors in reimagining pathways for more direct, inclusive and sustainable investments that strengthen livelihoods, address climate change, improve biodiversity and boost local economies.

The financial challenges of integrated landscapes

To overcome interlinked ecological and social challenges facing the world, societies must rapidly shift away from unsustainable investments toward more inclusive, sustainable and resilient economic activity. This change not only requires transformations at the farm, enterprise and supply chain levels, but also holistically at the scale of entire landscapes.

While financial commitments and innovations have increased in recent years to fund more environmentally and socially sustainable businesses and projects, these have typically focused on individual, sector-specific investments. At the same time, landscape partnerships (LPs) have struggled to develop and implement comprehensive and coordinated financing strategies to turn their action plans into reality, making it difficult for them to provide potential investors with a more holistic vision for funding long-term, landscape-level initiatives. The landscape finance solutions team is working within three focus areas to help identify and deploy sustainable and long-term funding for landscapes at scale: **landscape finance accelerator, finance mechanisms and system transformation.** Our solutions aim to deliver funds more directly and comprehensively to projects on the ground while simultaneously attracting new investors.

What is integrated landscape finance?

Integrated landscape finance (ILF) is an emerging funding approach that aligns multi-project, multi-sector investments with locally sourced landscape needs around biodiversity, water, livelihoods and climate. ILF includes accessing new funding flows, aligning existing flows and mitigating harmful flows to maximize impact while reducing risk. This approach helps to address the needs of both LPs and investors in a way that benefits both parties.

ILF is rooted in the notion that ecological and economic interactions among different projects and enterprises in a landscape can have a powerful influence on profitability, risk and impacts. Coordinated investment planning can enhance business and project performance and accelerate

positive social, environmental and economic change at the landscape scale.

Five key elements guide the ILF process:

1. **Craft and agree on a landscape transformation strategy:** Develop or refine a broad strategy to meet the long-term vision of landscape stakeholders.
2. **Define an action plan's central investments:** Identify prospective projects, investments and actions that will advance the strategy in the near term.
3. **Identify finance needs:** Create a landscape investment portfolio by assessing and describing the financial needs of a set of priority investments
4. **Develop suitable finance mechanisms:** Identify or design suitable finance and risk mitigation mechanisms adapted to local needs for specific projects or a set of investments and projects.
5. **Identify sources and access funds:** Secure financial resources for investments that contribute to the landscape transformation strategy. (Source: 1000 Landscapes for 1 Billion People, 2023, forthcoming.)

1. Landscape finance accelerator

The accelerator focuses on strengthening LPs' capacity to structure their priority projects into investable project portfolios and define suitable financing strategies. LPs can present these portfolios to investors and funders to attract multiple revenue streams and fit-for-purpose financial mechanisms. We are initially working intensively in four landscapes to build a pipeline of inter-related landscape investment opportunities that support a landscape-wide vision of sustainability. We have designed the approach to produce results for the participating landscapes and build replicable processes, tools and learnings that can advance this work across landscapes at scale.

The accelerator supports landscape partnerships to:

● **Design and test:** Design, develop and test replicable methods and tools that we can later adapt and scale across landscapes and partners. In many cases, we will link these tools to Terraso, 1000L's digital resource hub.
● **Assess financing needs:** Support LPs in identifying priority projects and project portfolios and assessing their financing needs in line with landscape objectives.
● **Map finance strategies:** Map finance strategies that connect priority projects, enterprises and enabling conditions with financial flows and instruments.
● **Support finance strategy implementation:** Support the design of finance mechanisms and connect potential funders to landscape portfolios.
● **Document and share:** Learn from, document and disseminate our experiences to 1000L

partners and others mobilizing landscape finance.

The first four accelerator landscapes include Malawi's Mt. Mulanje, Vietnam's Lac Duong district, Mexico's Sierra de Tapalpa and Peru's San Martin region. All are building on past LP successes to develop portfolios of multi-sectoral projects that a range of investors can fund.

2. Landscape finance mechanisms

Our work on finance mechanisms encourages the development and broader use of financial mechanisms designed to solve the specific challenges of landscape finance. Such challenges include coordinating investments across a landscape, identifying how projects can harmonize efforts for landscape-wide impact, collecting projects within a single portfolio and reducing risk.

The work began with a global scoping study of existing mechanisms. We are now producing a small number of blueprints with detailed descriptions of innovative landscape finance mechanisms. We also facilitate knowledge exchange among team members in order to support the development of these cutting-edge mechanisms and build capacity for the wider community of investment practitioners, donors and LPs.

3. Finance system transformation

Many integrated landscape investment opportunities are not sufficiently structured to attract traditional investors who typically operate within sectors that are more familiar and more supported by the current financial system. Through our finance system transformation work, we are working to better understand the landscape finance 'system' in order to identify key points of leverage to scale landscape finance solutions around the world. Based on this analysis we will develop a strategy for the scaling phase of 1000L that addresses needs of LPs as well as potential investors.

Design team participants:

African Centre for a Green Economy
Ashoka Trust for Research in Ecology & the Environment
Conservation International
Commonland
EcoAgriculture Partners
EIT Climate-KIC
Ethos Agriculture
Government of Netherlands Enterprise Agency
Landscape Finance Lab
Mt. Mulanje Conservation Trust
Rainforest Alliance
Regenerative Development Group
Sustainable Landscape Finance Coalition
SNV Netherlands Development Organisation
United Nations Development Programme
Biodiversity Finance Initiative
World Resources Institute

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1000 LANDSCAPES FOR 1 BILLION PEOPLE