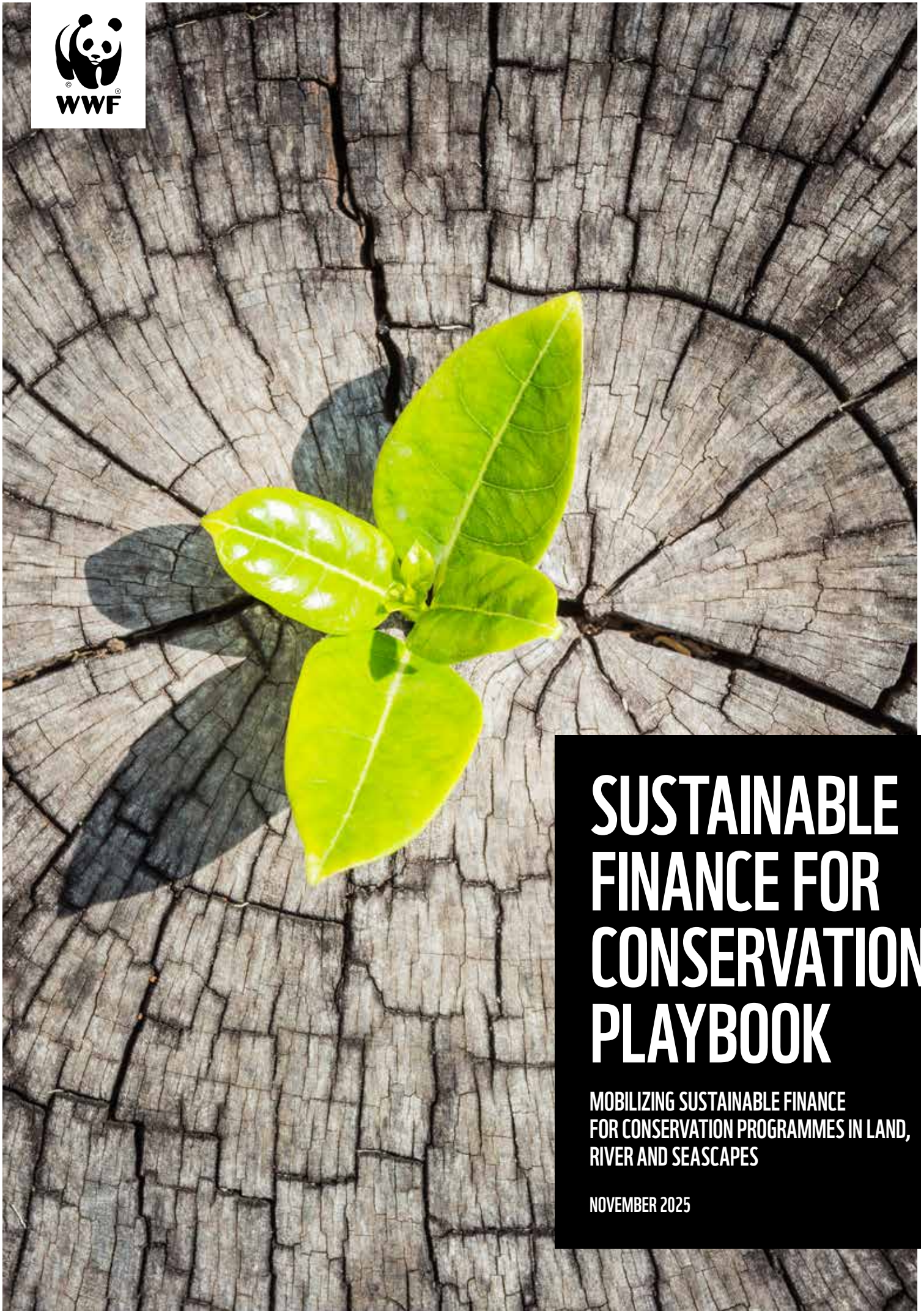

SUSTAINABLE FINANCE FOR CONSERVATION PLAYBOOK

MOBILIZING SUSTAINABLE FINANCE FOR CONSERVATION PROGRAMMES IN LAND, RIVER AND SEASCAPES

NOVEMBER 2025

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READER GUIDE

Chapter 1 outlines the context in which Sustainable Finance for Conservation and this playbook are situated.

The increasing strain on our natural environment, alongside financial flows with direct negative impacts and substantial funding shortfalls for biodiversity and climate initiatives, necessitates a fundamental transformation in how we approach finance for conservation. In response, the WWF Finance Practice strategy highlights Green Finance for Landscapes as one of its four pillars. The playbook is a guide to this pillar.

Chapter 2 introduces the interconnected concepts of Sustainable Finance for Conservation, the landscape approach, and the inclusive conservation programme. Sustainable Finance for Conservation is a systematic approach to mobilize finance and align financial flows for inclusive conservation and human well-being in a landscape through a comprehensive set of Financing Green and Greening Finance interventions. Sustainable Finance for Conservation builds on an inclusive conservation programme, which is part of WWF's landscape approach and sets out the conservation objectives and solutions in a landscape or area of intervention.

Chapter 3 outlines the playbook's purpose, scope and potential use-cases, with an overview of enabling conditions and contextual factors. The playbook aims to raise awareness on Sustainable Finance for Conservation, support its application through a how-to guide, and enhance knowledge of different interventions. Its modular structure is designed to support a wide audience with varying levels of finance and conservation expertise. The chapter explores the preconditions and contextual factors that will affect the likely success of Sustainable Finance for Conservation, and the available set of finance interventions.

Chapter 4 details the two-phased approach of Sustainable Finance for Conservation, which is used to overlay finance interventions on top of an inclusive conservation programme. The first phase, briefly covered in this playbook, focuses on the development of the inclusive conservation programme, laying the groundwork for understanding the landscape's finance needs. Ideally, this strategy will already include an understanding of the finance needs, various actors and economic activities in the landscape. The second phase includes the application of the Financing Green and Greening Finance interventions tailored to the inclusive conservation programme developed in phase 1. 'Financing Green' refers to accelerating finance mobilization from all sources to scale private-sector action and to support the closing of funding gaps, including by embedding finance in conservation work on the ground, such as in reforestation projects or sustainable agriculture practices. 'Greening Finance' aims to influence the financial system itself, advocating for policies, regulations and practices that prioritize environmental considerations, thereby redirecting financial flows away from activities that are harmful to nature and enabling financial flows with a positive impact.

Chapter 5 introduces a broad spectrum of Financing Green and Greening Finance interventions, from traditional funding sources such as grants and philanthropic donations to multi-stakeholder Greening Finance engagements. The chapter aims to foster an understanding of the different finance possibilities, and of the opportunity to combine interventions for increased impact. The interventions are detailed through multiple case studies to showcase and inspire potential use cases and applications.

Chapter 6 outlines the steps to identify and assess the Financing Green and Greening Finance interventions that are most relevant for a specific landscape context and conservation programme. This includes a step-by-step guide to identify finance interventions, and to develop a perspective on what it will take to implement each of them in the landscape. Within the steps to assess these implementation needs, the playbook highlights the importance of collaboration with partners and the potential roles each partner may play to facilitate the process.

Chapter 7 provides a set of key takeaways and next steps to further Sustainable Finance for Conservation, both for the individual reader and for stakeholders more broadly. Sustainable Finance for Conservation is a promising tool for supporting inclusive conservation efforts across landscapes around the world. The playbook aims to build an understanding of the opportunities it offers, and to support stakeholders through the first steps of implementing this approach. Although the specific next steps will be unique to every area of intervention, users are encouraged to refine and develop the identified interventions and implementation needs with stakeholders in their landscape to develop a conservation programme finance plan and drive successful implementation.

Appendix 1 showcases the application of Sustainable Finance for Conservation through two detailed examples, covering two different WWF land- and seascapes: the Manambolo Tsiribihina (MTB) landscape in Madagascar, and the Cerrado in Brazil. Both examples cover the two-phase approach of Sustainable Finance for Conservation, starting from an inclusive conservation programme to overlay and implement a complementary set of Greening Finance and Financing Green interventions. The examples show how different finance approaches can be tailored to specific landscape contexts.

Further materials to support the use of the playbook are provided in the appendices. Templates to support the how-to guide in Chapter 6 are provided in Appendix 2. Guiding questions for preparing an inclusive conservation plan are offered in Appendix 3. A glossary is provided in Appendix 4.

HOW TO USE THIS PLAYBOOK: WHAT IS WHERE IN THIS DOCUMENT?

The playbook is structured in a modular way, enabling navigation in line with the needs of various readers. Below is a short guide on what objectives are covered per chapter or section.

OBJECTIVE	SECTION
Understand the context in which Sustainable Finance for Conservation and the playbook are situated	**CHAPTER 1**
Explore the interconnected concepts that form the basis of the playbook	**CHAPTER 2**
Learn about the playbook's purpose, scope and potential use cases	**CHAPTER 3**
Learn about the two-phased approach of Sustainable Finance for Conservation	**CHAPTER 4**
Learn about key dimensions to understand in Sustainable Finance for Conservation	**CHAPTER 4**
Learn more about Financing Green interventions	**SECTION 5.1**
Learn more about Greening Finance interventions	**SECTION 5.2**
If you have an inclusive conservation programme in place:	
Understand the approach to start with Sustainable Finance for Conservation	**SECTION 6.1**
Identify Financing Green interventions for a strategy or solution	**SECTION 6.2**
Identify Greening Finance interventions for a strategy or solution	**SECTION 6.3**
Learn about next steps to take the identified interventions forward	**SECTION 6.4**
Learn about key takeaways and next steps for the reader and other stakeholders	**CHAPTER 7**
Explore a detailed case study: Madagascar (MTB)	**APPENDIX 1.1**
Explore a detailed case study: The Cerrado	**APPENDIX 1.2**
Find templates supporting the actions in the how-to guide in Chapter 6	**APPENDIX 2**
Guiding questions for creating an inclusive conservation plan	**APPENDIX 3**
Learn about definitions and abbreviations used across the playbook	**APPENDIX 4**

CHAPTER 1

INTRODUCTION

Economic development, population growth and urban expansion are exerting pressure on our natural resources.

The 2023 global Living Planet Index shows an average 73% decrease in monitored wildlife populations between 1970 and 2020. Despite commitments to the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework (GBF) and the UN Sustainable Development Goals (SDGs), we are continuing to degrade our natural environments at an alarming rate. Major efforts are required to deliver these commitments and prevent large-scale ecosystem collapse.

The commitments cannot be achieved without a full transformation of the financial system. Finance flows with a direct negative impact on nature are over 30 times the size of current funding for nature-based solutions (NbS).[1] Simultaneously, NbS, biodiversity protection, climate adaptation and mitigation are severely underfunded. The UN estimates the funding gaps at US$340 billion/year by 2030 for NbS,[2] US$100-200 billion/year for biodiversity protection to meet the GBF 30-by-30 target,[3] and US$194-366 billion/year for climate adaptation.[4] For NbS, current funding reaches a mere US$200 billion, with only 18% (approximately US$35 billion) coming from private investments.[5] Therefore, it is essential to redirect financial flows with a negative impact, while increasing financial flows towards nature- and climate-positive activities to enable a shift towards a nature-positive, net-zero and resilient economy.

Taking an integrated and holistic approach to land-, water- and seascape conservation and management is key to reversing and reducing our impacts on nature. This approach aims to balance economic, social and natural outcomes through long-term integrated plans, going beyond individual projects to drive change at a landscape scale. The scope and scale of the approach can open new avenues for financing – for example, from funders that finance only at greater scale, or private sector actors with supply chains across a landscape.

Although finance is not currently flowing at the speed and scale required, there is growing interest from the private sector in sustainable investments, as banks and other financial institutions make ambitious sustainable finance commitments towards 2030. While there are ongoing challenges in identifying areas and projects within which to deploy this finance – in particular due to high perceived or real risks and low bankability – there is significant interest from private sector actors for strategies that can support them to meet their commitments. A holistic approach to finance for landscapes can de-risk individual investments and promote interventions that need to happen simultaneously or sequentially within a given area. Working on a landscape level generates opportunities to combine different and complementary finance interventions, as is showcased in the case studies.

Sustainable Finance for Conservation is a central component of the WWF Finance Practice strategy (depicted in Exhibit 1), which aims to accelerate finance mobilization as well as influence the financial system, thereby redirecting financial flows away from activities harmful to nature and enabling financial flows with a positive impact in the places where WWF and its partners work. WWF strives to drive a meaningful shift in finance to achieve the global goals, and landscapes are one of the levels of action. This playbook is part of this effort to accelerate the delivery of conservation by leveraging finance for conservation.

1. UNEP – State of Finance for Nature 2023
2. UNEP – State of Finance for Nature 2023
3. UNEP – State of Finance for Nature 2023
4. UNEP – Adaptation Gap Report 2023
5. UNEP – State of Finance for Nature 2023

SUSTAINABLE FINANCE FOR CONSERVATION IS A KEY COMPONENT OF THE FINANCE PRACTISE STRATEGY

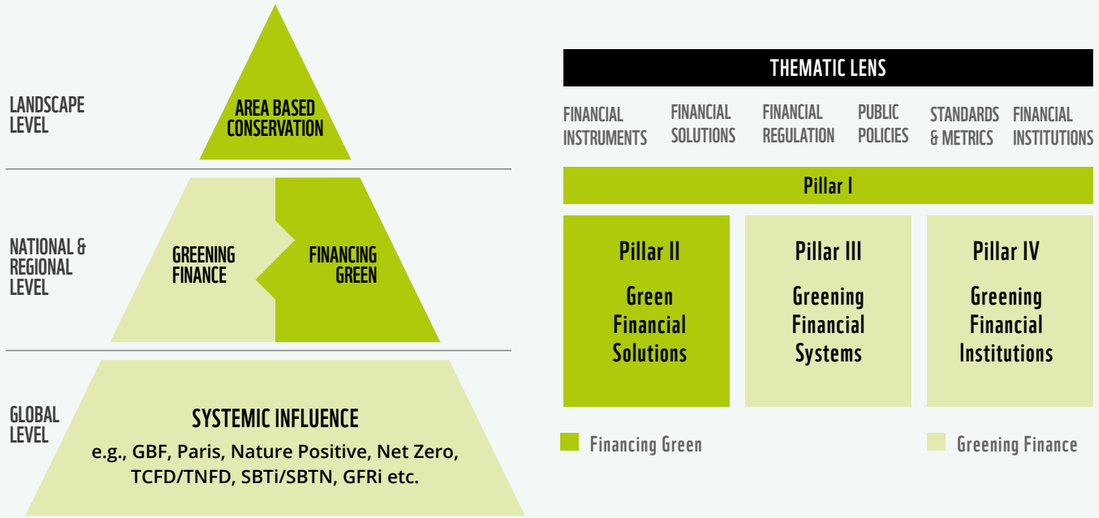

Exhibit 1: **Sustainable Finance for Conservation is a key component of the WWF Finance Practice strategy**

CHAPTER 2

WHAT IS SUSTAINABLE FINANCE FOR CONSERVATION?

This chapter introduces the interconnected concepts of Sustainable Finance for Conservation, the landscape approach, and the inclusive conservation plan.

Sustainable Finance for Conservation is a systematic approach to mobilize finance and align financial flows for conservation and human well-being in a landscape through a comprehensive set of finance interventions. Finance interventions include both finance mechanisms and systemic actions to enable inclusive conservation. Sustainable Finance for Conservation is applied to an existing inclusive conservation plan for a defined area of intervention to inform the necessary finance interventions. In this way, it acts as a catalyst for inclusive conservation by mobilizing finance and engaging stakeholders to develop enabling financial conditions.

Sustainable Finance for Conservation combines Financing Green and Greening Finance interventions for enhanced impact.

- Financing Green is the complementary set of finance interventions used to mobilize finance for activities with a positive conservation and human well-being impact – for example, microfinance, grants, or carbon finance.
- Greening Finance is the set of interventions used to influence and mobilize financial institutions, stakeholders and systems to align financial flows with conservation and human well-being – for example, partnering with financial institutions to improve lending policies, or lobbying governments to reduce harmful subsidies.

SUSTAINABLE FINANCE FOR CONSERVATION:

- Combines finance interventions in an area and over time to be mutually reinforcing and lower funder risk within one overarching plan.
- Mobilizes diverse stakeholders and funders to scale impact at landscape scale.
- Will use finance interventions to suit the specific context in a landscape.
- Is not suitable for all contexts and may be challenging and time-consuming to develop and implement.
- Is not intended to fully replace financing for individual solutions or projects, which may exist in parallel or within the approach.

An inclusive conservation plan is part of WWF's landscape approach. The strategy should identify conservation solutions that reduce pressure on nature, restore nature and ensure long-term ecological resilience while respecting human rights and fostering well-being and equitable outcomes. The strategy development includes extensive stakeholder consultation to ensure all voices are heard and foster stakeholder collaboration.

The landscape approach to conservation is a long-term, integrated, holistic and collaborative model for conservation (see also Exhibit 2). It considers the different needs and interests of stakeholders in the landscape and manages subsequent trade-offs to achieve social, economic and natural outcomes.

The landscape approach should be applied to a defined area of intervention which can include (a combination of) terrestrial, inland water, coastal and marine areas, and should ideally:

- Be of an appropriate size in relation to the inclusive conservation objectives and related activities undertaken in the area.
- Have an integrated and inclusive conservation plan in place, accounting for the interdependencies between people and nature.
- Meet environmental and social safeguards within the limits of the defined trade-offs.
- Have ongoing engagement with stakeholders in the area.
- Have a long-term partner presence.

A LANDSCAPE APPROACH TAKES A HOLISTIC VIEW ON CONSERVATION, OF WHICH FINANCE IS A KEY CATALYST

The landscape approach is a long-term, integrated and collaborative model for conservation[1]

The landscape approach drives for three different types of returns; Natural, Social, and Financial

Three key catalysts to landscape conservation: One of them is Finance

There are five key enablers for landscape management to deliver on the conservation plan

1. Graphic adapted from UN Report Towards Financing Large-Scale Holistic Landscape Restoration In Europe and The little Sustainable Landscapes Book

EXHIBIT 2: A landscape approach takes a holistic view on conservation, of which finance is a key catalyst

CHAPTER 3

HOW TO USE THIS PLAYBOOK

This chapter details the playbook's purpose, scope and the ways in which it can support different readers. It also examines the conditions and contextual factors that influence the effectiveness of Sustainable Finance for Conservation. Finally, it concludes with a guide to help readers navigate the modular playbook according to their needs.

The playbook serves as a guide for various stakeholders to leverage Sustainable Finance for Conservation across landscapes,[6] and aims to:

- Raise awareness of potential and emerging opportunities for Sustainable Finance for Conservation to influence financial systems and scale mobilization of finance.
- Provide appropriate finance approaches for different conservation solutions.
- Enhance knowledge of different finance interventions, the main partners and experts in each, and the role of various stakeholders in leveraging finance on the ground.

HOW CAN THIS PLAYBOOK SUPPORT YOU?

This playbook provides users with:

- A step-by-step guide to support the identification and selection of finance interventions for an inclusive conservation plan or single conservation solutions at the landscape level.
- An introduction to sustainable finance for inclusive conservation at the landscape level.
- introduction to common finance interventions, with use cases and references to further resources and experts.
- A selection of examples to show the implementation of finance interventions in different areas of intervention.

This playbook is *not* designed to provide:

- Guidance on how to design or implement a specific finance intervention.
- Guidance on how to create a landscape conservation programme – this playbook is focused on developing a finance approach, which can be overlaid on a conservation programme.
- An exhaustive or all-encompassing resource – this playbook explores common conservation solutions and finance interventions to support usage across various situations.
- A replacement for on-the-ground implementing partners – local capacity is needed to effectively implement financing.

To get the most value out of the approach, the following enabling conditions should be in place:

- An inclusive conservation plan based on a detailed landscape understanding.
- Defined conservation and human well-being solutions with a view on funding needs and potential revenues.
- A team with conservation and finance expertise to support playbook usage and further implementation.
- A set of established stakeholder relationships that can be mobilized.

If these conditions are not in place they should be developed where possible.

6. wwf-sight-maps.org/wwflandscapes/

WHERE CAN A SUSTAINABLE FINANCE FOR CONSERVATION APPROACH BE SUCCESSFUL?

The presence of certain contextual factors in a landscape can increase the likelihood of success for the Sustainable Finance for Conservation approach.

Some key contextual factors include:

- A financial ecosystem with institutions, regulators and service providers able to support finance interventions and transactions, e.g. lending.
- A stable political system with certainty on funding commitments, predictable risks, and an international track record of meeting commitments or making best efforts to do so.
- Sound legal and regulatory frameworks with effective governance that reduce funding and investment risks, e.g. through ownership rights, and enable the allocation of agreed funding.
- A stable economic context with limited volatility to reduce funding and investment risks and enable economic activities.
- Physical and financial infrastructure to deliver financial flows to recipients and connect the landscape to markets enabling sustainable economic activities.
- Suitable funding recipients of varying sizes in the landscape, e.g. communities, companies, organizations and projects.
- Existing organizations and initiatives involved in inclusive conservation, Greening Finance and Financing Green that can support the interventions identified.

While it is unlikely that most or even many landscapes will meet all these criteria, if a landscape, for example, is in a very unstable political or economic situation, lacks financial institutions or has an unpredictable regulatory environment, it may be more realistic to focus on funding individual projects through selected interventions, and invest further efforts to develop some of these contextual factors.

CHAPTER 4

DEVELOPING A FINANCE APPROACH FOR A LANDSCAPE

This chapter outlines the two overarching phases in the development of Sustainable Finance for Conservation using a Landscapes Approach, which should be considered in sequence (see also Exhibit 3).

Phase 1:

Develop an inclusive conservation plan based on an understanding of the pressures on nature and a comprehensive set of inclusive conservation solutions that considers the landscape context and views of key stakeholders.

Phase 2:

Overlay Financing Green and Greening Finance interventions tailored to the landscape to enable the inclusive conservation plan.

In reality, the process may not always be entirely linear, and finance opportunities and constraints may potentially influence the inclusive conservation plan.

RECAP | SUSTAINABLE FINANCE FOR CONVERSATION

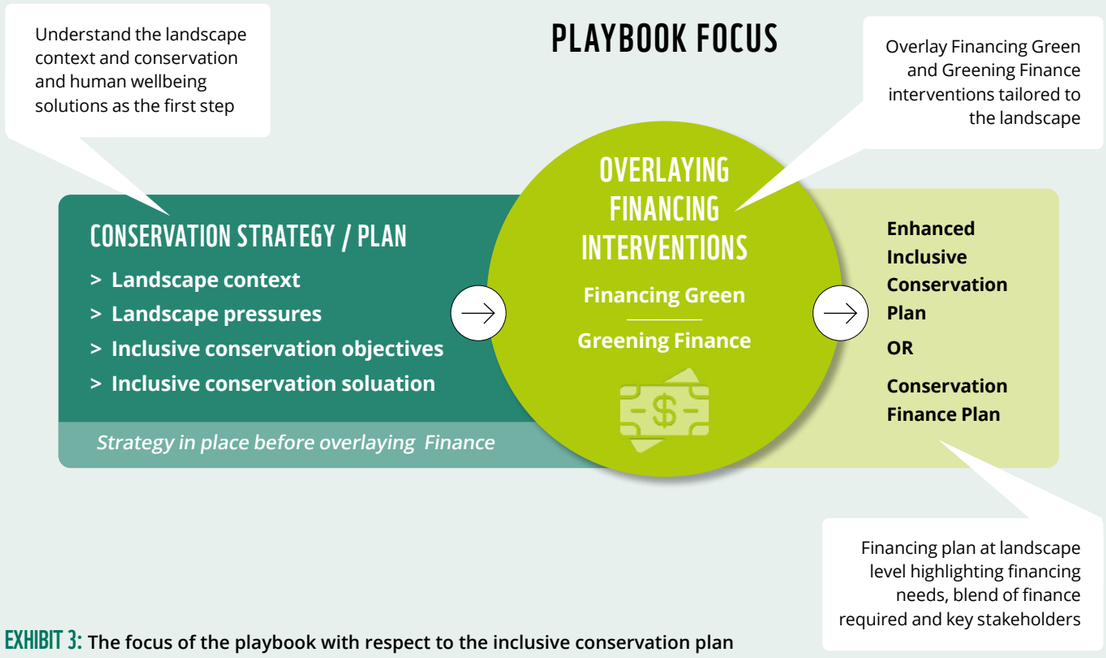

EXHIBIT 3: **The focus of the playbook with respect to the inclusive conservation plan**


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This playbook is focused on Phase 2, but provides a brief summary of Phase 1 below.

Phase 1:

Phase 1: An inclusive conservation plan is a precursor to overlaying finance interventions

A landscape must have an inclusive conservation plan in place to inform finance interventions. This should provide a comprehensive set of conservation solutions that address key pressures based on an in-depth understanding of the landscape and a robust theory of change. It should also provide an overview of actors and stakeholders in the landscape, and should be developed through an inclusive approach which takes into account the views and needs of local communities and Indigenous People. Finally, it should be accompanied with a first view on the funding needs for each solution.

There a number of key landscape characteristics to consider:

- **Landscape type**, including definition of landscape features (e.g. ecosystem type and diversity, natural resources, types of ecosystem services, species present) and status (e.g. land/sea use, landscape definition, size, tenure rights)
- **Pressures/responses,** including direct and indirect pressures on the landscape – such as natural resource depletion, climate change, wild species overexploitation, land conversion and fragmentation, and pollution – and their underlying drivers such as the need for subsistence. Pressures can be current and future and should account for current responses in the landscape.
- **Actors**, with interest, influence and/or impact in the landscape, such as local actors, e.g. local communities, Indigenous People, local companies, financial institutions, central/local governments, conservation bodies; international actors, e.g. corporates with international supply chains which source from the landscape; and multilateral organizations, civil society and NGOs
- **Economic activity**, including understanding of main economic activities, valuation of nature, financial flows and investments into the landscape, future economic opportunities and development plans, spatial plans, and funding of current conservation strategies

A non-exhaustive set of guiding questions on each of the blocks can be found in Appendix 3 for the purpose of identifying finance interventions. These questions are not intended to replace other landscape conservation materials, but rather to illustrate key aspects to consider.

There are nine interconnected good practices for inclusive conservation:

1. Learning from the past to inform the future
2. Building a shared (conservation) agenda
3. Reshaping partnerships towards equitable relations
4. Appropriately supporting Indigenous Peoples, local communities and historically marginalized groups
5. Advocating for inclusive conservation
6. Mutual learning and innovation
7. Building inclusivity
8. Communicate
9. Accountability for inclusive conservation

There are five key components within an inclusive conservation plan:

- **Objectives**
  Outlining the objectives that define what the landscape will look like if the conservation programme is successful. These objectives should be specific, measurable, achievable, relevant, and time-bound (SMART), e.g. 'The rhino population will increase by 15% in the next five years.'
- **Solutions**
  Outlining the set of concrete solutions that can be applied to reach the conservation objectives. These solutions should address the key pressures in the landscape, clearly link to the objectives, be formulated as actionable and concrete programmes, and fit to the landscape context, e.g. 'Develop a wildlife corridor between two protected areas in the landscape.' (A non-exhaustive list of common conservation solutions is shown below for inspiration.)
- **Theory of change**
  Outlining in detail how the solutions will achieve the stated objectives and address the key pressures. Simultaneously, outlining the underlying assumptions and preconditions that enable the theory of change, e.g. 'Wildlife corridors will lead to a rhino population increase as the population currently suffers from fragmentation limiting the birth rates.'
- **Metrics and baseline**
  Outlining the set of metrics used to assess the status of the landscape and the progress on the conservation plan. The metrics should effectively measure, be feasible, cost-effective, and relevant, and should be used to define the baseline state of the landscape, e.g. 'To assess the landscape, we need to measure the number of rhinos in the landscape which can be supplemented by the number of rhinos using the corridor and the community satisfaction with the corridor.'
- **Safeguards|**
  Outlining potential risks that may occur from the inclusive conservation plan, and the social and environmental safeguards that can mitigate these risks, e.g. 'Risk of human-wildlife conflict and negative impact on communities close to corridor with safeguards such as financial compensation and physical protection measures.'

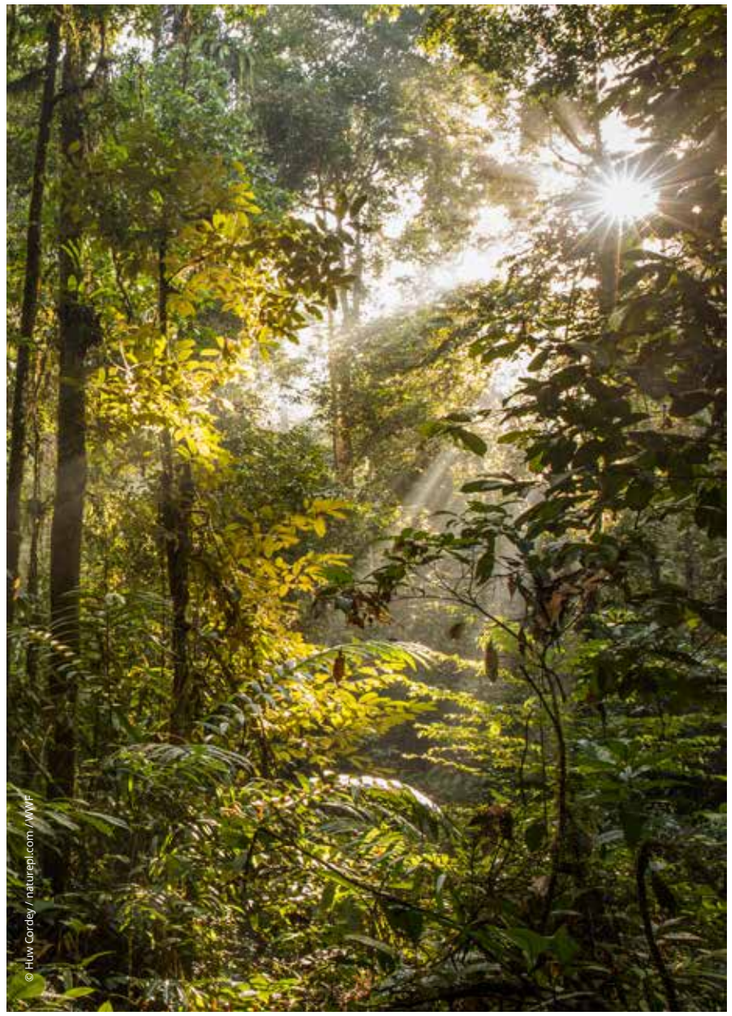
© WWF-Pacific / Tom Vierus

Before using this playbook, it is important to have a view on the financing needs of each conservation solution in the plan. A high-level view on the amount of finance needed (as well as potentially revenues) should be developed by detailing the necessary activities and resources required. This should provide input for use with the playbook:

- Estimated finance needed to implement the conservation solutions
- The expected allocation of funds to different solutions and recipients
- The potential returns that can be generated by the solution that could be used to fund the solution in the long term or allocate money to funding providers

EXHIBIT 4: Common inclusive conservation solutions to respond to pressures

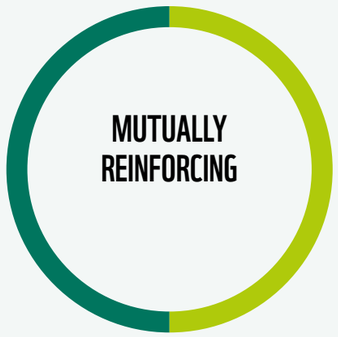
COMMON PRESSURES	COMMON INCLUSIVE CONSERVATION SOLUTIONS	EXAMPLES OF IMPLEMENTATION		
HABITAT DEGRADATION AND HABITAT LOSS (E.G., FROM INFRASTRUCTURE, LAND USE CHANGE, NATURAL RESOURCES EXTRACTION, AQUA-, OR AGRICULTURE)	1 Corridors and wildlife habitat protection	Implement infrastructure corridors	Adopt transnational policies and improve connectivity	Recognise and manage fish reserves
	2 Protected and conserved areas, and OECMs	Establish protected conservation areas	Establishing MPAs, BMUs. LMMAs, other protected areas	Identify & finance landscapes to fill 80% conservation goal
	3 Restoration	Restore degraded forests	Restore forests with appropriate and diverse native species	Mangroves and seagrass protection, restoration & creation
	4 Nature and biodiversity protective spatial planning	Land use and spatial planning planning	Plan sustainable infrastructure, energy & transport solutions	Landscape rehabilitation
	5 Small scale sustainable agriculture & fisheries	Support small-holder agro-ecology practitioners	Sustainable aquaculture activities (e.g., seaweed farming)	Sustainably rehabilitate degraded farmlands
	6 Large scale sustainable agriculture & fisheries	Set up agro hubs (cooperatives)		
	7 Small scale sustainable natural resource extraction	Understand/ influence supply chains for illegal gold mining	Usage of sustainable production systems with voluntary certification schemes	
	8 Large scale sustainable natural resource extraction			Adopt DCF traceability and certification practices for commodity production
POLLUTION (E.G., FROM MINING OR PRODUCTION)	9 Pollution regulation and enforcement	Prevent mercury / chemical pollution from mining ops.	Controls on sewage, plastic pollution, other chemicals	Reducing plastic waste
WILDLIFE CRIME, POACHING	10 Regulated wildlife trade	Combat illegal wildlife trade		
CLIMATE CHANGE	11 Resilience and adaptation	Shoreline stabilization and protection	Floodplain development	
INADEQUATE COMMUNITY EMPOWERMENT & DEVELOPMENT	12 Sustainable businesses	Support businesses to transition away from harmful activities	Locally managed eco-tourism w. community led activities	Support blue economy community enterprises
	13 Support and strengthen Indigenous Peoples & Local Communities	Create and support community conservation organizations	Secure land tenure for IP and LC groups	Recognise and strengthen leadership role for IP and LC
HUMAN-WILDLIFE CONFLICT	14 Human-wildlife coexistence	Provide wildlife protection, e.g., fences	Develop wildlife compensation scheme	



Phase 2:

Overlaying finance interventions

Appropriate Financing Green and Greening Finance interventions need to be identified and overlaid to reach the objectives and enable the solutions of the inclusive conservation plan. Given that financial flows harming nature considerably exceed those benefiting it, it is crucial to both adjust harmful financial flows and boost financial flows with a positive impact. Phase 2, therefore, focuses on identifying the complementary set of Financing Green and Greening Finance interventions to be applied, as visualized in Exhibit 5. Both types of interventions are needed to benefit from their mutually reinforcing impact and to enable impact at scale. Greening Finance interventions create the enabling conditions needed for Financing Green interventions to succeed. Below, in Table 1, are three examples illustrating the benefits of applying Financing Green and Greening Finance in tandem.



FINANCING GREEN AT LANDSCAPE LEVEL

Complementary set of financial instruments to mobilize funds for activities with a positive impact on society and environment

GREENING FINANCE AT LANDSCAPE LEVEL

Interventions to influence and mobilize financial institutions, stakeholders and systems to enable financial flows with a positive environmental and social impact and reduce financial flows to harmful activities

EXHIBIT 5: **The playbook includes Financing Green and Greening Finance interventions**

TABLE 1: **Three examples illustrating the mutual benefits of Financing Green and Greening Finance in tandem**

SITUATION	FINANCING GREEN	GREENING FINANCE	MUTUAL BENEFIT
Farmers convert land to conduct monoculture agriculture	Incentivize farmers to restore and use previously degraded land through regenerative practices, by providing concessional financing that combines commercial financing from banks with philanthropic donations to provide loans with a longer payback period.	Engage local FIs and identify improvement areas through the Deforestation and Conversion Free (DCF) toolkit to foster the incorporation of land conversion risks into lending practices.	Incorporation of land conversion risk reduces access to financing, while cheaper concessional finance vehicle incentivizes alternative.
Limited share of domestic budget is allocated to nature conservation	Support the government in issuing a sustainability-linked bond with lower financing costs when target KPIs are achieved. Part of cost savings is allocated to conservation.	Support a national bank to develop a framework for outcome-linked bonds with associated tax benefits for investors to increase their interest and future issuance	Outcome-linked bond principles make it easier to issue a bond through increased security for investors, while direct support creates mutually beneficial instruments for government and conservation.
Limited capacity and incentives in coastal communities to implement sustainable fishing	Develop dedicated microfinance facility for coastal communities to improve fishing practices by leveraging donor funds to de-risk lending by local FIs.	Engage financial regulator to develop and implement reporting standards for local FIs on sustainability of lending.	De-risking microfinance increases incentive for FIs to lend to communities with higher risk, and standards provide incentives through increased transparency.

The selection of Financing Green and Greening Finance interventions will depend on the specific landscape context and finance needs. Factors such as political stability and the strength of legal systems will affect which finance interventions are feasible. For example, in a context of political unrest, higher reliance on grants and donations might be necessary. Additionally, existing interventions, the presence of stakeholder groups and their willingness to collaborate can make certain interventions more suitable than others. For example, a highly ambitious government, motivated to act and prepared to make ambitious policy changes, will increase the feasibility of some interventions, e.g. Project Finance for Permanence. Likewise, a low-stability domestic political context will necessitate more short-term financing solutions. In Chapters 4 and 5, more detail is provided on the relative applicability of different interventions given specific solutions and stakeholder contexts.

CHAPTER 5

INTRODUCTION TO FINANCING GREEN AND GREENING FINANCE INTERVENTIONS

This chapter provides an overview of the various interventions in both Financing Green and Greening Finance. It explores the relation between Financing Green interventions and conservation solutions, and for Greening Finance it outlines approaches to engage with stakeholders to utilize their influence on financial flows within the landscape.

SECTION 5.1: FINANCING GREEN

Funding source diversification required to bridge the landscape funding gap

Most funding in landscape conservation today consists of government grants, domestic budgets and philanthropic contributions[7] – but diversification beyond these funding sources is necessary to close the current funding gap for inclusive conservation. An increasing set of Financing Green interventions provide an opportunity to unlock funding from previously underutilized sources, such as private capital providers. Integrating these interventions with a landscape approach that combines a broad set of conservation solutions enables them to be applied to scale finance for inclusive conservation.

Four main categories of Financing Green interventions

Interventions broadly fall into four categories based on the return profiles of the projects and activities they are applied to.[8] The categories are defined by the projects' ability to generate financial returns for investors. This classification is illustrated in Exhibit 6.

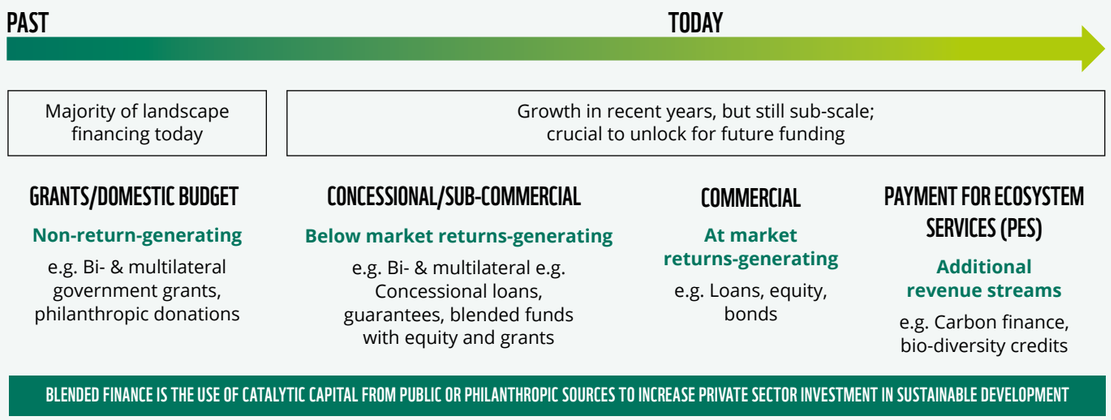


EXHIBIT 6: **Four key intervention categories based on financial return potential**

7. UNEP State of Finance for Nature 2023
8. The classification and interventions covered in this chapter introduce and support the usage of common Financing Green interventions by the Network. The chapter is intended as an introduction, and is not meant to be fully exhaustive nor cover all nuances.

THERE ARE FOUR CATEGORIES OF INTERVENTIONS:

- **Grants and domestic budgets:** Interventions that support conservation activities with no or limited expectation of generating financial return/repayment. These interventions – such as bilateral and multilateral government grants, philanthropic donations including those from corporates, and subsidies – are typically non-return-seeking. This category represents most conservation financing today.
- **Concessional or sub-commercial:** Interventions that have more favourable funding terms than those generally provided by financial institutions, typically by accepting lower returns, higher risk, or a longer payback period. Concessional interventions can be provided by a single party but are often enabled by blending grants and domestic budget interventions with commercial interventions. Concessional and sub-commercial financing facilitates financing of projects that are not, on their own, attractive for commercial capital providers.
- **Commercial:** Interventions whereby funders aim for returns in line with other investments in the local market, such as standard bank debt (loans), equity investments, or bonds, suitable for projects that have the potential to generate revenue while delivering on conservation objectives.
- **Payments for ecosystem services:** Interventions that generate revenue based on the impact of the solution. This is done by monetizing ecological services, thereby creating financial incentives for conservation. Examples include carbon finance and biodiversity credits.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THIS PLAYBOOK COVERS PRINCIPAL INTERVENTIONS IN EACH CATEGORY

Each intervention category includes numerous interventions. The selected interventions are categorized and summarized in Table 1, with detailed descriptions provided in the deep dives of Appendix 1. Note that the playbook focuses on those interventions most frequently used by WWF and those with the most potential.[9]

TABLE 2: Summary of the interventions subdivided into their most likely intervention categories

CATEGORY	INTERVENTION	DESCRIPTION
1. Grants/domestic budget	Bilateral and multilateral government grants	Funds provided by a single external government (bilateral) or several governments (multilateral) for projects or programmes that typically do not generate sufficient returns to use concessional or commercial interventions. There is no expectation of repayment; however, financing is at times conditional on delivering impact.
	Debt-for-nature swaps[10]	A financial instrument where a country's debt burden is reduced in return for commitments to protect the environment. Often governments will agree to redirect debt repayments to domestic conservation initiatives, in exchange for loan forgiveness/ restructuring. Typically, the external debt in debt-for-nature swaps involves bilateral debt, owed to other countries.
	Domestic budget	Funds provided by domestic governments to support conservation efforts and/or deter negative practices. Can be raised from taxes and domestic sources, or from international debt financing and development support.
	Philanthropic donations	Funds provided by private entities, including foundations, corporations and individuals. Funding is not return-seeking or repayable, but may include conditions for its use or impact.
2, 3. Concessional/ sub-commercial/ commercial	Bonds	Instruments with fixed interest payments that represent a loan made by an investor to a borrower, typically a corporate or government. Bonds are typically publicly traded on a market and multilateral, with market pricing reflecting borrower risk. The risk of bonds is often rated by dedicated agencies, which influences the price.
	Debt (non-public)	Also known as a loan, this is when an organization lends money to an individual, company or project with the agreement that the money will be repaid over time, with interest. Loans are typically not publicly traded and are held by only one or a few organizations.
	Equity	Funds provided to a company or project in exchange for ownership shares. Equity investments are typically return-seeking – either through a portion of the cash generated, or the increase in company value. Equity investments can be both public and traded on markets, and private.
	Impact investing	Impact investing is an umbrella term to describe investments that strive for a dual achievement of social or environmental impact alongside financial returns. The impact sought is intentional and measurable. Impact investing covers multiple finance interventions and potential combinations.
	Micro- and community finance	Small-scale financial services, including loans, savings and insurance, provided to individuals and communities. These are often provided to actors who lack access to traditional borrowing options.
	Risk sharing	Risk sharing is an umbrella term for a range of instruments that support the distribution of financial and operational risk across multiple stakeholders. These are often used to de-risk projects to increase participation rates from private sector actors. For example, this could be through blended finance, where public or philanthropic funds often take on the riskier portions of the financing (e.g. first-loss capital), making the projects more attractive to private investors by reducing their risk exposure. Other risk-sharing options include insurance products, guarantees or results-based financing.
4. Payment for Ecosystem Services (PES)-based	Biodiversity credits	Instruments to allocate funds to projects with a measurable positive impact on biodiversity (e.g. species, ecosystems, genes) in exchange for certified credits.
	Carbon finance	A biodiversity credit is a certificate that represents a measured and evidence-based positive biodiversity outcome from nature restoration, conservation or stewardship activities, that is not purchased for the purpose of offsetting residual negative impacts caused to biodiversity. A financial instrument used to incentivize the reduction of greenhouse gas (GHG) emissions by providing funding to those who implement projects that reduce emissions or increase carbon sinks.
5. Compensation-based	Insurance (including parametric)	A financial safeguard paid for by parties to cover potential future expenses. Insurance could be used to cover potential project costs tied to extreme weather events, and enable long-term continuation of the project and protection from exogenous shocks. Insurance fees would be paid by parties obtaining a protective benefit from the projects and the insurance would pay out to restore and maintain nature in case of extreme weather events.

9. The classification and interventions covered in this chapter introduce and support the usage of common Financing Green interventions by the Network. The chapter serves as an introduction and is not meant to be fully exhaustive nor cover all nuances.

10. Can include multiple underlying interventions, e.g. donations, grants, commercial/concessional.


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INTERVENTION CATEGORIES LINK TO THE SOLUTIONS' ABILITY TO GENERATE FINANCIAL RETURNS

Different financing interventions will be appropriate to different conservation solutions, based on the solutions' ability to generate financial returns. Exhibit 7 indicates the most appropriate intervention categories for a set of common conservation solutions. As shown by the heatmap, not all intervention categories are suitable for every conservation solution. Two examples below further illustrate how intervention categories link to two common conservation solutions. It is important to note that applicable categories might vary in practice due to solution and landscape considerations.

HEATMAP ALIGNING COMMON CONSERVATION SOLUTIONS WITH FINANCIAL INTERVENTION CATEGORIES

COMMON CONSERVATION & HUMAN WELLBEING SOLUTIONS	COMMON INCLUSIVE CONSERVATION SOLUTIONS			
	GRANTS/DOMESTIC BUDGET	CONCESSIONAL	COMMERCIAL	PAYMENTS FOR ECOSYSTEM SERVICES (PES)
1 Corridors and wildlife habitat protection	e.g., bilateral grants, domestic subsidies	e.g., wildlife bonds		e.g., biodiversity credits
2 Protected and conserved areas, and OECMs	e.g., debt-for-nature swap			e.g., PES in form of tourist fees
3 Restoration	e.g., multilateral grants, philanthropic donations			e.g., carbon finance
4 Nature and biodiversity protective spatial planning				
5 Small scale sustainable agriculture & fisheries		e.g., microfinance, loans	e.g., loans	
6 Large scale sustainable agriculture & fisheries				
7 Small scale sustainable natural resource extraction				
8 Large scale sustainable natural resource extraction				
9 Pollution regulation and enforcement				e.g., offsets
10 Regulated wildlife trade	e.g., penalties, subsidies			
11 Resilience and adaptation		e.g., bonds, loans	e.g., bonds, loans	e.g., insurance
12 Sustainable businesses		e.g., de-risked loans with guarantees	e.g., equity	
13 Support and strengthen IP & LC Rights				
14 Human-wildlife coexistence				e.g. HWC insurance

Weak Match — Strong Match

EXHIBIT 7: Heatmap aligning common conservation solutions with financial intervention categories, illustrating their compatibility (this should be seen as a general guideline rather than a strict rule)

THE SPECIFIC INTERVENTIONS APPLIED DEPEND ON THE LANDSCAPE AND SOLUTION CONTEXT

- **Protected and conserved areas, and OECMs** (other effective area-based conservation measures) (Conservation Solution 2) – these are typically well-suited for grants/domestic budget interventions given that they rarely generate financial returns. In specific cases funding can be supplemented by PES-based interventions if revenue can be generated from the impact made.[11]
- **Sustainable businesses** (Conservation Solution 12) – these are typically well-suited to concessional and commercial interventions given their ability to generate financial returns from their operations. Grants/domestic budget interventions may be suited to support the creation and growth of sustainable businesses if revenue is insufficient to leverage other interventions.

Though intervention categories typically link to certain conservation solutions based on their ability to generate financial returns, the specific interventions and categories will depend on further factors such as:

- **Political context:** The stability of the political situation influences the risk for financial resource providers and can affect both the availability and stability of funding streams.
- **Legal context:** The existence of relevant legislation and regulation is important for finance interventions. For example, the existence of clear legal frameworks for green bonds can facilitate this type of financing.
- **Financial ecosystem:** The sophistication and level of innovation of the local finance and banking sector will greatly influence the options available for landscape finance. For landscape initiatives which lack a clear business model or track record, it may be necessary to develop new financial products/mechanisms which align with conservation goals.
- **Existing interventions:** Existing initiatives in the landscape, such as a blended fund, can influence the choice of intervention – for example, selecting a blended fund over a direct equity investment.
- **Stakeholders:** The stakeholders active in a landscape, and their willingness to collaborate, together with existing governance structures, will influence the choice of intervention. For example, the absence of a financial institution may limit the interventions available.
- **Funding recipients**: Some funding recipients and providers, such as non-profit organizations, may have restrictions on the types of funding they can receive or provide, which can influence the choice of intervention or partners.
- **Funding need:** The scale and timeline of funding required can influence intervention choice. For example, project finance for permanence (PFP) is appropriate for larger long-term funding needs, while grants can also satisfy shorter-term needs.


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11. See for example the tax incentives model for protecting threatened species in South Africa: wwfint.awsassets.panda.org/downloads/lfa-sa-tax-incentives-fact-sheet.pdf

Two case studies show how these parameters can influence outcomes. The case studies expand upon the two previous ones, related to Conservation Solutions 2 and 12, and highlight the selection of specific interventions within the heatmap categories of Exhibit 7.

- **Protected and conserved areas, and OECMs** – (Conservation Solution 2) – Although generally appropriate for the grants/domestic budget category, the most suitable intervention within this category varies based on the specific context and needs of the project. The long-term political commitment to the Amazon, combined with a stable context (at the time) and enabling institutions in Brazil, have enabled PFP for the Brazilian Amazon known as ARPA. For the Cerrado in Brazil, while most institutions and regulations are similar to those in the Amazon, a lack of political commitment and global interest still drives reliance on grants and donations despite a similar long-term funding need.
- **Sustainable businesses** – (Conservation Solution 12) – Sustainable businesses are typically well-suited to concessional and commercial interventions, potentially supported by grants/domestic budget. In the case of the Forest Africa Zambia Limited project, the presence of the Mobilizing More for Climate initiative (MoMo4C) influenced the selected set of interventions. MoMo4C provided technical assistance and subsequently facilitated commercial debt financing. The specific combination of technical assistance and commercial debt was enabled by the support offered by the MoMo4C in Zambia.

FINANCIAL INSTRUMENTS CAN BE USED IN COMBINATION AND PHASED OVER TIME

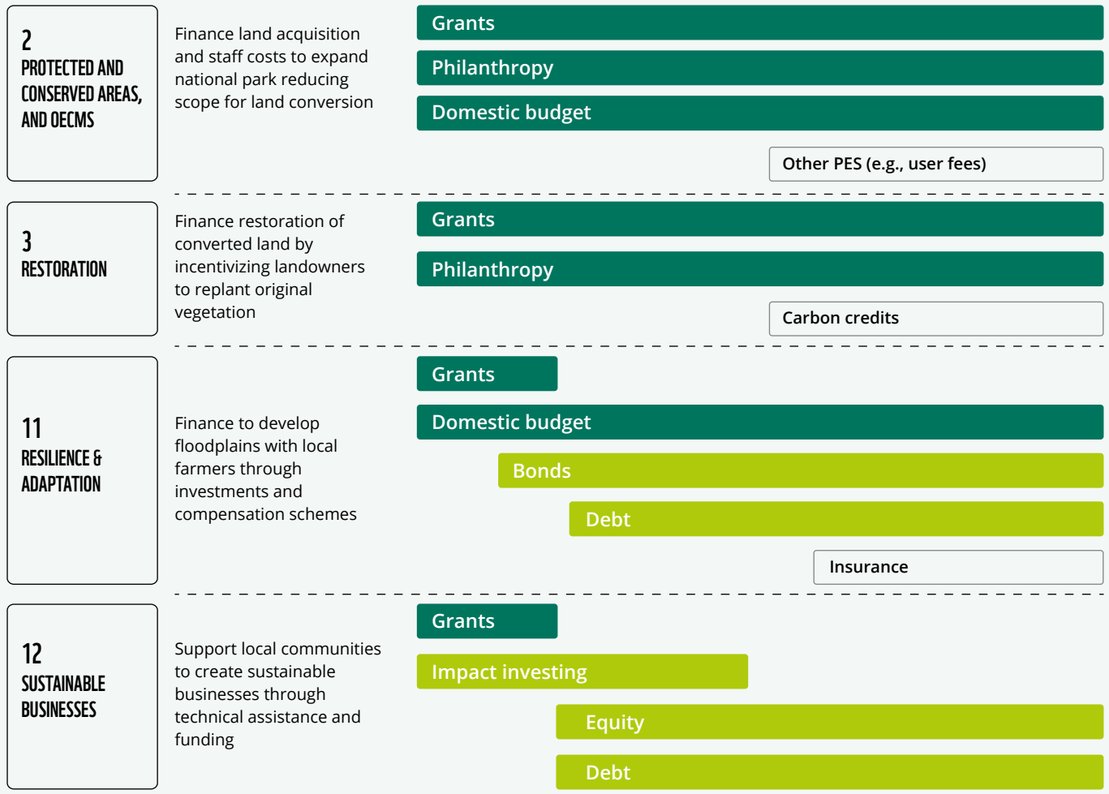

EXHIBIT 8: Four hypothetical cases of common conservation solutions, with interventions applied through time depending on their evolving funding needs

FINANCE INTERVENTIONS COMBINED OVER TIME TO SUIT THE CONSERVATION PLAN'S NEEDS

An inclusive conservation plan often requires various finance interventions, either simultaneously or sequentially, during the life of a project. Combining and/or phasing interventions can be essential to tailor funding to specific needs or to adapt to the changing financial requirements of a project as it matures. It can also be beneficial to engage multiple stakeholders, minimizing long-term funding risks and easing the scaling of financing.

Furthermore, if a project combines finance from different sources (e.g. public with private), types (e.g. concessional with non-concessional) and/or for different purposes (e.g. using funds with development purposes to mobilize funds with commercial purposes), the combined intervention is referred to as blended finance. A blended finance intervention is typically designed to act as a catalyst. It utilizes non-return-seeking capital to draw in commercial finance that may not have been invested without such an incentive.

Four hypothetical projects are presented to illustrate how interventions may be combined over time, tailored to project needs – these are displayed in Exhibit 8 and described on page 22.

PROTECTED AND CONSERVED AREAS

Solution 2:

- For protected and conserved areas, initial funding often comes from non-return-seeking capital such as grants, philanthropy and domestic budgets to cover land acquisition and staff costs.
- his type of funding is generally utilized because protecting and conserving areas does not typically generate revenue on its own. As projects progress, it might be possible to introduce PES mechanisms that can generate some revenue from the projects' impacts.
- Examples include user fees, which could supplement non-commercial funding. This approach could help generate a steady income for maintenance and conservation, potentially leading towards a more sustainable funding model.

RESTORATION

Solution 3:

- In restoration projects, non-return-seeking interventions like grants and philanthropy can initially finance the restoration of converted land, serving to kick-start the project.
- As with protected and conserved areas, this initial funding is crucial as the early stages of restoration probably do not immediately yield financial returns. However, as the ecosystem begins to recover and can offer quantifiable environmental benefits, implementing PES instruments, such as carbon finance, could generate a revenue stream.
- This transition aligns conservation success with financial sustainability, offering a path to maintain and expand restoration efforts over time by creating a (partly) self-sustaining model of funding through the environmental value generated.

RESILIENCE AND ADAPTATION –

Solution 11:

- For projects focusing on resilience and adaptation, non-return-seeking funds such as grants can initially support the proof of concept, with the goal of attracting further funding.
- Although these projects have a business model, they often require support in the early stages.[12] Take the example in the Exhibit above: non-return-seeking funds can help develop floodplains alongside local farmers, incorporating both investments and compensation schemes.
- If the concept proves beneficial to communities and other local stakeholders, the government could be convinced to use domestic budgets or issue bonds to finance the programmes. As these projects become established, they could develop the capacity to generate financial returns from their activities. Financing might then be secured through debt instruments. Additionally, they could take advantage of insurance products designed to charge beneficiaries and provide payouts to farmers in the event of extreme conditions to compensate for damages.

SUSTAINABLE BUSINESSES –

Solution 12:

- Sustainable businesses can initially benefit from a form of non-return-seeking capital, such as grants, which can play a crucial role in overcoming risk barriers.
- These barriers could deter return-seeking capital, such as impact investments, from early-stage involvement. By providing this financial support, grants enable local communities to demonstrate the viability of their sustainable business concepts.
- As these enterprises gain stability and their financial forecasts become more reliable, they become attractive to different forms of financing.
- For example, they may attract equity and debt financing, allowing them to sustain and expand their operations further. This progression from grant support to attracting investment capital illustrates the transition that sustainable businesses need to make from being concepts to becoming established entities with viable financial models.

Case studies of projects exhibiting a combination of interventions through time are linked to in the deep dives on Financing Green interventions in Appendix 1.

12. See for example Recharge Pakistan: www.wwfpak.org/our_work_/recharge_pakistan_/

SECTION 5.2: GREENING FINANCE

Greening Finance engages stakeholders to achieve three purposes

The goal of Greening Finance is to increase financial flows with a positive environmental and social impact and reduce financial flows to harmful activities. Greening Finance aims to have a positive impact through three sub-purposes:

- **Enable Financing Green interventions** by leveraging regulations, standards and principles. Sometimes Financing Green interventions cannot be applied because no supportive regulations or standards are in place. For example, a regulatory framework for green bonds can significantly enhance their deployment.
- **Address key conservation pressures** leveraging financial regulation, policies and practices by influencing key stakeholders. These financial regulations, policies and practices have a profound impact on how resources are allocated, giving them the power to direct financial flows to positive activities and away from harmful activities. For example, implementing stricter lending policies for projects in sensitive ecological areas can deter investment in harmful activities.
- **Advance local financial systems** through the integration of nature into financial decision-making and supervision. For example, incorporating environmental risk assessment into the supervisory practices of central banks and financial regulators can change how risks are perceived, priced and managed within the financial sector.

EACH STAKEHOLDER GROUP PLAYS A KEY ROLE IN GREENING FINANCE INITIATIVES

There are five key stakeholder groups in this space, with their roles determining their ability to drive Greening Finance initiatives.

Governments/ministries can directly or indirectly influence behaviour through public spending (directly) and legislation/standards (indirectly). Greening Finance interventions can aim to influence or engage governments/ministries to, for example:

- Halt and repurpose harmful subsidies, offer subsidies for sustainable practices, directly support companies involved in reforestation projects, and promote private investment in such initiatives (direct influence).
- Implement mandatory disclosure regulations for carbon emissions and climate risk mitigation strategies, compelling companies to publicly report their environmental footprint and reduction efforts, which can guide investment and consumer decisions (indirect influence).
- Require environmental due diligence for M&A and contractual agreements, compelling companies to disclose biodiversity and ecosystem impacts (indirect influence).

Central banks and regulators play a key role in maintaining the financial system's stability and managing the country or region's monetary policy. They hold the power to shape the actions of financial institutions through the creation of guidelines and policies. These rules guide how financial institutions operate, influencing their approach to lending, investing and overall financial practices. Greening Finance interventions can aim to influence, advocate or engage with central banks and regulators to, for example:

- Mandate nature-related disclosures to encourage financial institutions to consider nature more actively in their financing decisions, and the nature risks in their financing activities.
- Implement stress-testing for banks and insurers, requiring them to include environmental considerations in their risk assessments.

Financial institutions (FIs) include banks, insurers and asset managers in the country where the landscape is located. They enable all types of economic activities through the financing that they provide (loans, investment funds, grants, donations, insurance), which may support or hamper conservation objectives. Beyond their own portfolios, FIs have significant influence on other stakeholders, such as on those that require their services, their peers and governments. Greening Finance interventions can aim to influence, advocate or engage with FIs to, for example:

- Establish sustainability policies that limit the financing they provide for activities that are harmful to nature; for example developing credible policies limiting and monitoring their financing and investments in sensitive sectors such as oil and gas, mining or agriculture in sensitive areas.
- Mandate sustainability disclosures for their clients/portfolio companies as conditions for financing.
- Develop risk-adjusted financing options – along with the requisite infrastructure and processes to enable due diligence and underwrite the transactions – which align with the goals and timelines of conservation activities/initiatives.

Multilateral development banks (MDBs) are international financial institutions formed by groups of countries that provide funding and technical advice for development projects aimed at promoting economic and social progress. MDBs can be engaged to green their financial investments in the landscape and to contribute their expertise to advance the financial system. Beyond that, they can be engaged to leverage their influence on government, regulators and FIs. Greening Finance interventions can aim to influence, advocate or engage with MDBs to, for example:

- Support Financing Green interventions, help build capacity and provide technical assistance for projects. For example, the World Bank can launch a multi-country reforestation initiative that provides both technical and financial support.[13]
- Set best practice for well-designed projects – e.g. ensure the right amount of local consultation and encourage sustainable project design and implementation – influencing the broader market by setting examples for private sector financiers to follow.
- Use their policy influence and convening power (e.g. MDB spring meetings) towards recipient countries to implement enabling regulatory and market frameworks to attract different sources of capital. For example, this could be achieved by requesting the deployment of a sustainable finance taxonomy.

Commercial actors, including corporations across various industries, directly influence landscape finance through all their activities. They play a role by mitigating their own environmental impact, by influencing peers, and by influencing their upstream and downstream supply chains.

One effective intervention involves developing partnerships with commercial actors that have a stake in the landscape in question.

13. See also the Green Climate Fund with Pakistan Recharge: **www.wwfpak.org/press_releases/latest_news_2/?uNewsID=380536**

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THERE ARE FIVE KEY STAKEHOLDER GROUPS IN THIS SPACE, WITH THEIR ROLES DETERMINING THEIR ABILITY TO DRIVE GREENING FINANCE INITIATIVES.

LONG-TERM STAKEHOLDER RELATIONSHIPS ARE KEY TO FOSTER GREENING FINANCE INITIATIVES

Greening Finance interventions are commonly grounded in longstanding stakeholder relationships. These relationships take time to develop, to build the required trust, and to influence and mobilize stakeholders to change practices. They enable Greening Finance interventions by creating awareness on the impact of finance on inclusive conservation and by finding common ground in mutually beneficial interventions. A detailed understanding of the key stakeholders and their willingness to cooperate supports the initiation of effective relationships by identifying the most feasible and impactful partners. Specific tools can be leveraged to start relationships, e.g. benchmarking and assessment tools, but often relationships develop organically. It is important to understand the influence of the stakeholder and define the goal of the engagement up front, but the exact form of the final intervention can develop organically during the engagement, as is shown by the example below.

WWF-Netherlands proactively engaged with a major agricultural bank and a major dairy cooperative to encourage farmers towards sustainable practices. Given the farmers' reliance on these institutions for financial support, they were identified as critical in driving practice improvements. United by a shared recognition of biodiversity's importance, the three parties jointly developed a set of KPIs to monitor farmers' biodiversity impacts. Loan interest rates and the purchasing price for dairy were tied to farmer performance across these KPIs, to incentivize improvement. This evolved into the Biodiversity Monitor, a single monitoring platform that provides insights into how farmers perform relative to desired outcomes and facilitates rewards from various stakeholders like banks, provinces and purchasers for the same achievements. This is a good example of a successful multi-stakeholder Greening Finance initiative.

A MULTI-STAKEHOLDER APPROACH IS KEY TO GREENING FINANCE INTERVENTIONS

Negative impacts on nature are often the result of complex systemic challenges and cumulative impacts of numerous drivers, that require concerted efforts by multiple stakeholders to address. Taking a multi-stakeholder approach to Greening Finance interventions can be an effective way to increase their overall impact and drive real change.

For example, in the Cerrado in Brazil the conversion of land for large-scale soy cultivation is a major driver of deforestation and ecosystem degradation. WWF embarked on an initiative to shift this dynamic by engaging with key stakeholders surrounding soy farmers. FIs were approached to integrate the risk of land conversion into their lending criteria, with the aim of diminishing the available financing for farmers involved in such practices. Concurrently, the Ministry of Agriculture was engaged to increase the provision of subsidized financing to farmers who refrained from converting land. In addition, commercial entities within the value chain were lobbied to advocate for an industry-wide agreement that would prevent the purchase of agricultural products originating from recently converted lands. This last action aimed to further lessen the incentive for land conversion by reducing the market for these products.

This comprehensive approach underscores the importance of addressing the various pressures within a landscape through the involvement of a wide spectrum of stakeholders.

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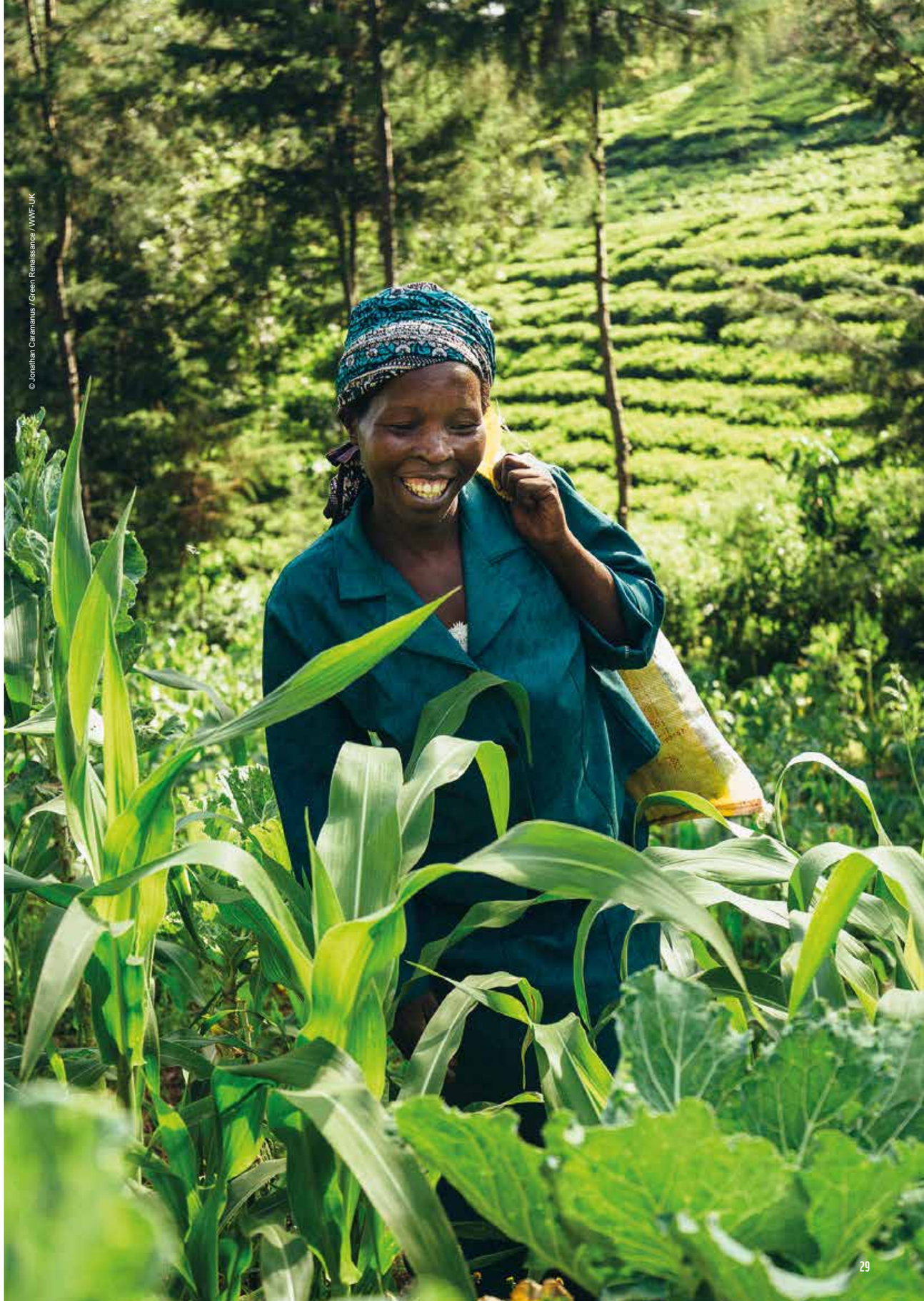

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CHAPTER 6

PUTTING IT INTO PRACTICE: IDENTIFYING SUITABLE INTERVENTIONS FOR A LANDSCAPE

To determine the appropriate interventions for a landscape, this chapter begins by outlining the necessary general steps for identification and implementation. It then offers a detailed guide for both Financing Green and Greening Finance. The chapter concludes by discussing what is required to implement these selected interventions within the landscape.

PUTTING IT INTO PRACTICE | GUIDE TO IDENTIFY A COMPLEMENTRY SET OF FINACE INTERVENTIONS AT A LANDSCAPE LEVEL

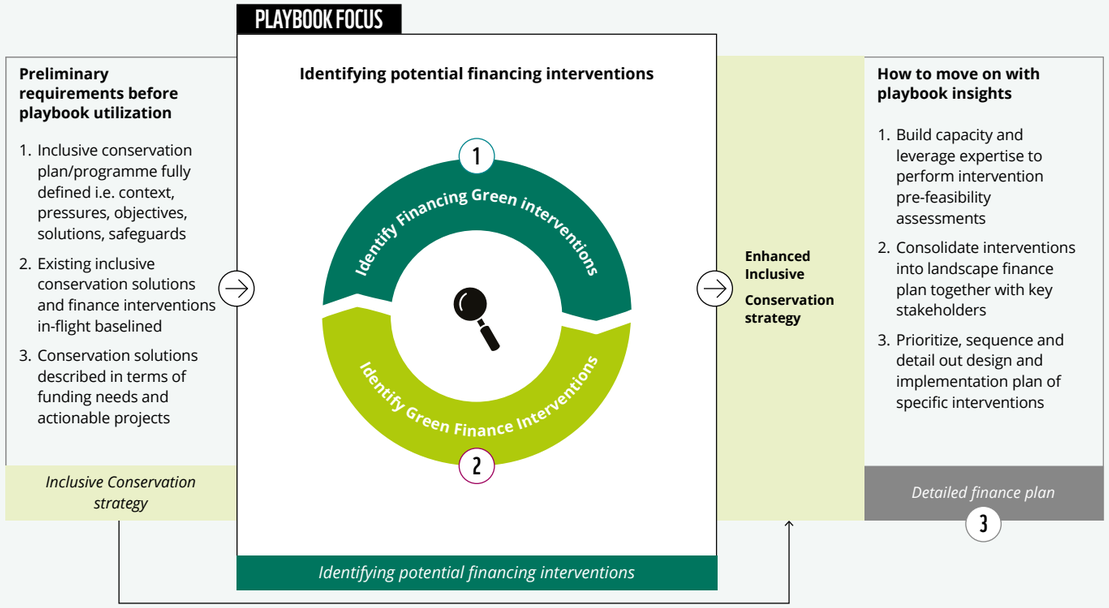

EXHIBIT 9: Using the playbook as a guide to identify a complementary set of finance interventions for conservation

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SECTION 6.1: APPROACH TO PUT IT INTO PRACTICE

This how-to guide provides a step-by-step approach to identify and assess the complementary set of finance interventions for an inclusive conservation plan; its positioning is shown in Exhibit 9 on p30.

The guide separately covers Financing Green and Greening Finance interventions, before integrating these into one overarching intervention set. The steps are outlined in more detail in Table 3 below. The guide offers a starting point for a detailed finance plan by providing an initial view on the finance interventions and actions needed to enable the inclusive conservation plan. The outcome, an enhanced inclusive conservation plan (which includes a finance plan), should be implemented in collaboration with other stakeholders to pilot, refine and implement the intervention set. The next section will outline the specific steps for Financing Green and Greening Finance.

STEP	DESCRIPTIONS AND TOOLS
Identify Financing Green (FG)	
A.1 First view on potential interventions	Identify a preliminary set of potential finance interventions based on financial characteristics of conservation solutions. **Tool:** Decision tree tool
A.2 Initial validation	Validate, for each potential intervention, if pre-conditions are met. **Tool:** FG deep dives
A.3 Identify stakeholders	Map potential stakeholders who can contribute to implementation for each intervention. **Tool:** Stakeholder mapping template
B.1 Understand needs and enablers	Outline main implementation needs and enablers for each intervention. **Tool:** FG Implementation template, guiding questions, and FG deep dives
B.2 Outline potential roles of WWF	Define potential roles of WWF in fulfilling the implementation needs, given own and stakeholder capabilities. **Tool:** FG Implementation template, FG deep dives
Identify Greening Finance (GF)	
A.1 Define landscape objectives	Define primary objectives for Greening Finance within the landscape. **Tool:** Inclusive Conservation programme, GF framework
A.2 Outline systemic gaps	Identify the main systemic gaps per stakeholder group and objective. **Tool:** GF template, GF deep dives
A.3 Determine required stakeholders	Outline specific stakeholders to be addressed for each identified systemic gap. **Tool:** GF template
A.4 Refine stakeholder set	Refine the stakeholder set by prioritizing on potential impact and ease of engagement. **Tool:** GF template
B.1 Outline potential interventions	Determine potential Greening Finance interventions for each stakeholder. **Tool:** GF template, GF deep dives
B.2 Identify tools and partners	Identify tools and partners that can support the execution of the chosen interventions. **Tool:** GF template, GF deep dives
B.3 Outline potential roles of WWF	Outline the role of WWF based on internal and partner capacity. **Tool:** GF template, GF deep dives

SECTION 6.2: IDENTIFY FINANCING GREEN INTERVENTIONS

This guide adopts a two-step approach, detailed in a series of actions, to identify and assess the complementary set of Financing Green interventions for an inclusive conservation plan, as shown in Exhibit 10. The initial step A, broken down into three actions, revolves around identifying potential interventions and the stakeholders critical to their success. The subsequent step B, encompassing two distinct actions, consists of defining the implementation needs and outlining the potential roles for various stakeholders in fulfilling these. The approach is designed to complement an existing conservation plan, which serves as a base to apply this guide.

Fundamental to this approach is a high-level view on funding needs that should accompany the inclusive conservation plan, with an estimate of the funding required for each solution to inform the approach through three key inputs:

1. **Funding need:** Outlining the financial resources required for each period and the overall lifespan of the conservation solutions and plan.
2. **Recipient:** Determining which entities will receive funding, acknowledging that not every intervention will be applicable to all potential recipients.
3. **Potential returns:** Assessing the ability of conservation solutions to generate cash flows that could reduce funding needs or repay potential financiers.

The above process can be further refined with the implementation of the playbook from the initial findings in the inclusive conservation plan.

With these inputs at hand, the guide first assists in identifying a potential suite of finance interventions (A.1). This set should then be refined by consulting the intervention deep dives in the Appendices and through consultation with experts (A.2). A.3 should lead to stakeholder mapping for each intervention to identify all potential contributors for implementation. In the second main step B, the focus shifts to outlining any implementation needs (B.1) and pinpointing the potential roles that various stakeholders can play to fill them (B.2). The guide will now go through each step and action in detail.

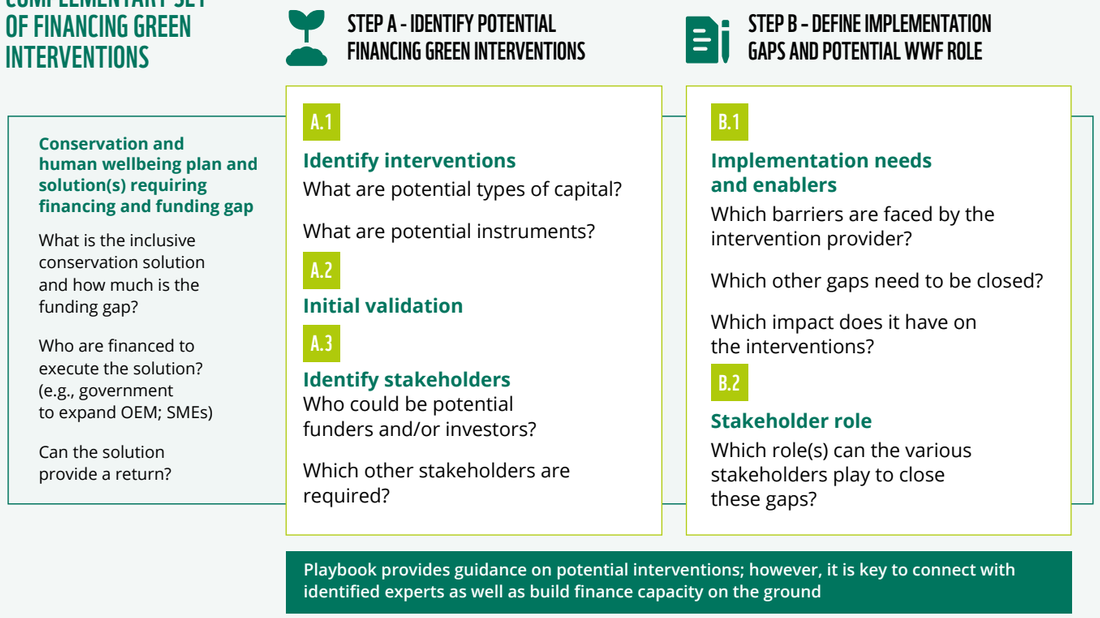

EXHIBIT 10: **Phase 1: Identify potential Financing Green interventions**

STEP A: IDENTIFY POTENTIAL INTERVENTIONS AND STAKEHOLDERS

Action A.1 Identify initial set of Financing Green interventions

The first action serves to derive an initial view on the Financing Green interventions that may be applied to the inclusive conservation plan. This action utilizes the financial characteristics outlined above and a step-by-step tool in Exhibit 11 to discern a preliminary set of potential interventions. The tool, while simplified, helps to identify the potential interventions that align with each conservation solution. It is important to note that this tool is only a starting point and, while it is projected as a decision tree, typically multiple mechanisms such as grants and donations will be applicable and can be employed simultaneously or phased over time. The tool provides an initial perspective, and the interventions should be validated in the next action.

The tool poses a sequence of questions. It begins with the potential of a conservation solution to generate cash flows to secure financing that requires some level of repayment. Interventions

HIGH LEVEL STEP-BY-STEP TOOL TO DISCERN A PREMLIMINARY SET OF POTENTIAL INTERVENTIONS

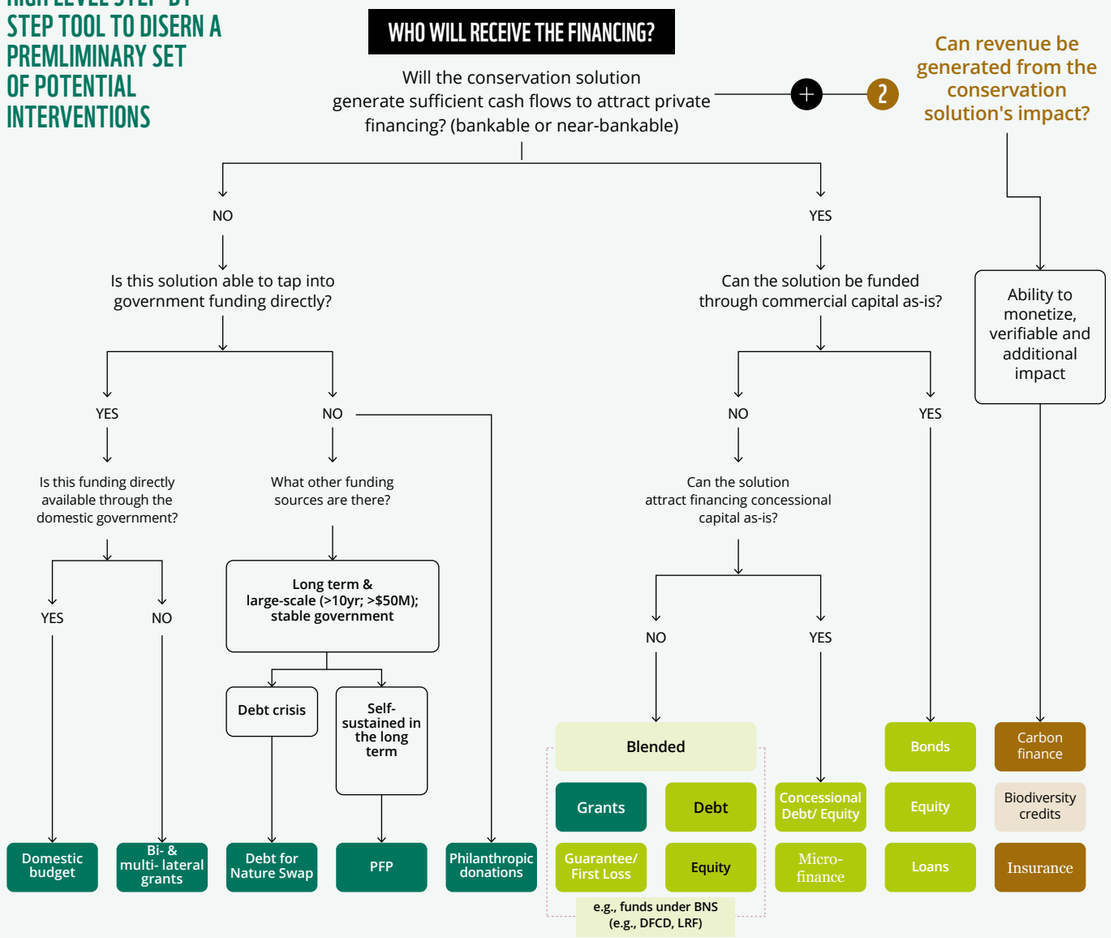

EXHIBIT 11: High-level guidance to select portfolio of Financing Green interventions

are then split into two sections. If expected cash flows are too limited for repayment, the left section of the tool indicates the funding options that require no or limited repayment, indicated as non-return-seeking. If the solution generates sufficient cash flows to hold potential for commercial investment, the tool suggests funding options that involve some level of repayment in the middle section, indicated as return-seeking. Additionally, the tool assists in identifying whether revenue from the impact of the solution could reduce funding needs or risk to funders in the right-hand section, indicated as payment for ecosystem services.

Section 1, non-return-seeking (blue), of the tool outlines the interventions that require no or limited repayment. The tool prompts questions on whether government funding, either domestic or through bi- and multilateral grants, can be directly accessed or whether new long-term government funding can be created under specific conditions. When government funding is not an option, philanthropic donations are considered, albeit acknowledging that the overall pool of donations is limited with significant competition, and donations can be exposed to funding cycles.

Section 2, return-seeking (green), of the tool details the interventions that require some level of repayment and additional return. This section first prompts the question whether the solution can be fully financed by financiers that expect to be paid back at commercial rates, such as local banks or investors. The financial return from the solution should be in line with similar companies


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or investments in the area. If the solution doesn't fit the criteria for commercial funding due to risk, repayment timelines or insufficient returns, concessional funders or a blend of various capital sources may be explored to create a viable financial structure.

Section 3, payment for ecosystem services (brown), of the tool focuses on leveraging the conservation solution's impact to generate additional revenue. These interventions involve verifying the impact made and finding parties willing to pay for the verified impact or services provided to reduce the financial resources required or the risk posed to funders.

The outcome of this action should be a list of Financing Green interventions that may be suitable for the conservation solutions in the inclusive conservation plan.

A.2 Initial validation of interventions

The second action refines Financing Green interventions by validating key conditions and requirements to deploy an intervention. It is important to perform this validation as the first action provides only an initial overview, highlighting potential interventions without considering all intervention-specific conditions and requirements.

A.3 Identify stakeholders and start collaboration as needed

The third action creates an initial mapping of stakeholders for each financial intervention. Stakeholders are essential to implementing interventions in a landscape and should be engaged early, to identify existing interventions and to co-develop new ones when needed. A Financing Green stakeholder mapping tool is provided in Appendix 2 to identify key stakeholders across four main categories:

- **Organizational and financial expertise** – Stakeholders that either take a management role by leading the development and implementation of a Financing Green intervention or provide specific financial, legal or organizational expertise.
- **Funders** – Stakeholders that provide financial resources to implement the intervention; stakeholders can provide multiple categories of

capital and a combination of stakeholders may be required to fulfil financial needs.

- **Social and environmental expertise** – Stakeholders that bring in-depth social and/or environmental expertise to ensure proper integration of safeguards and the realization of intended impact.
- **Technological and operational execution** – Stakeholders that supply the necessary technological and operational capabilities to ensure the practical delivery of interventions. They may enable recipients to access the financial intervention, monitor impact, or execute on a daily basis.

The outcome of this action should be an initial overview of potential stakeholders to involve for each intervention. This overview should be further expanded and refined in conversations with stakeholders. It is important to note that stakeholders may take multiple roles within a landscape, and cut across categories. An example from the Cerrado is the participation of supermarket chains as donors in a blended finance intervention.

B.1 Implementation needs and enablers

The fourth action identifies implementation needs for each proposed intervention. An initial view should be developed to inform the implementation form and feasibility of each intervention. An implementation template is provided in Appendix 2. The template should be completed to outline the current state of each intervention, the proposed intervention form and the resulting needs across key dimensions covered in the stakeholder mapping. In the previous actions, for example, microfinance may have been identified as a potential intervention for small-scale fisheries. This action now explores whether existing microfinance interventions are already present and what else would be specifically needed across categories – for example funding, or delivery of financial expertise – to implement a microfinance intervention for the small-scale fisheries.

The analysis to find needs and enablers should begin by identifying existing finance interventions and initiatives in the landscape. The analysis should then assess the possibilities of expansion or replication. When extension or duplication is feasible, it is critical to delineate what additional resources or conditions are required. Conversely, if current interventions cannot be scaled or replicated, it is imperative to investigate the limiting factors and identify which components can still be leveraged. The deep dives can be used to help shape a view of the enablers and needs. For interventions that are novel to the landscape, it is necessary to identify what foundational elements are needed for development and which components might already be present.

The outcome of this action should be an initial overview of implementation needs for each intervention, which serves as a basis for action five. The overview should be further refined in conversations with stakeholders in an iterative process. The microfinance deep dive for MTB and the blended finance vehicle deep dive for the Cerrado offer examples of such a process.

B.2 Potential stakeholder roles

The fifth action creates an initial perspective on the potential roles various stakeholders could take to fulfil the implementation needs per intervention, as identified in action four. These potential roles can be filled out in the implementation template in Appendix 2. By outlining the roles, this action aims for a strategic distribution of responsibility to foster successful implementation.

Many interventions will need the involvement of multiple stakeholders to make them a success, and organizations will likely need to participate across multiple interventions in a landscape. **Stakeholder capabilities** should be assessed along three dimensions: expertise, capacity, and relationships. Capabilities can be assessed on the basis of previous engagements and interventions undertaken by partner organizations. **Strategic considerations** should incorporate factors that influence the roles taken, e.g. potential risk, public exposure, expertise-building, relationship-building. These considerations can incorporate a forward-looking perspective on replicating or enabling further interventions in future.

SECTION 6.3: IDENTIFY GREENING FINANCE INTERVENTIONS

This guide takes a two-step approach to identify and assess Greening Finance interventions in support of an inclusive conservation plan. The steps and underlying actions are detailed in Exhibit 12, and the guide will outline each step in more detail below. The inclusive conservation plan should serve as a base to apply this guide by providing key inputs on (1) the main current and planned economic activities, (2) existing financial flows in the landscape, and (3) stakeholders active in the landscape.

STEP A: IDENTIFY SYSTEMIC NEEDS AND STAKEHOLDERS TO ENGAGE

Action A.1 Outline Greening Finance objectives

The first action serves to outline the key objectives for applying Greening Finance, which typically fall into one of three categories, as outlined in Exhibit 13. It is advisable to initially focus on a small set of objectives, which you expect to have the biggest impact. These objectives may fall into one or more of the three objective categories. Typically, landscapes with limited financial flows will have more objectives for enabling Financing Green interventions, while landscapes with pressures driven by large-scale economic activities will have more objectives to address key conservation pressures through regulation and policies. Examples of objectives include scaling green microfinance in Madagascar, reducing financial flows to soy farming driving land conversion in the Cerrado, and the inclusion of the economic value of nature in a government's economic development plan.

Different inputs can be leveraged per category to identify the main objectives:

- For Category 1, an overview of current interventions in a landscape and the set of interventions identified in Chapter 4.2 can be used to outline interventions with high potential but limited implementation feasibility.

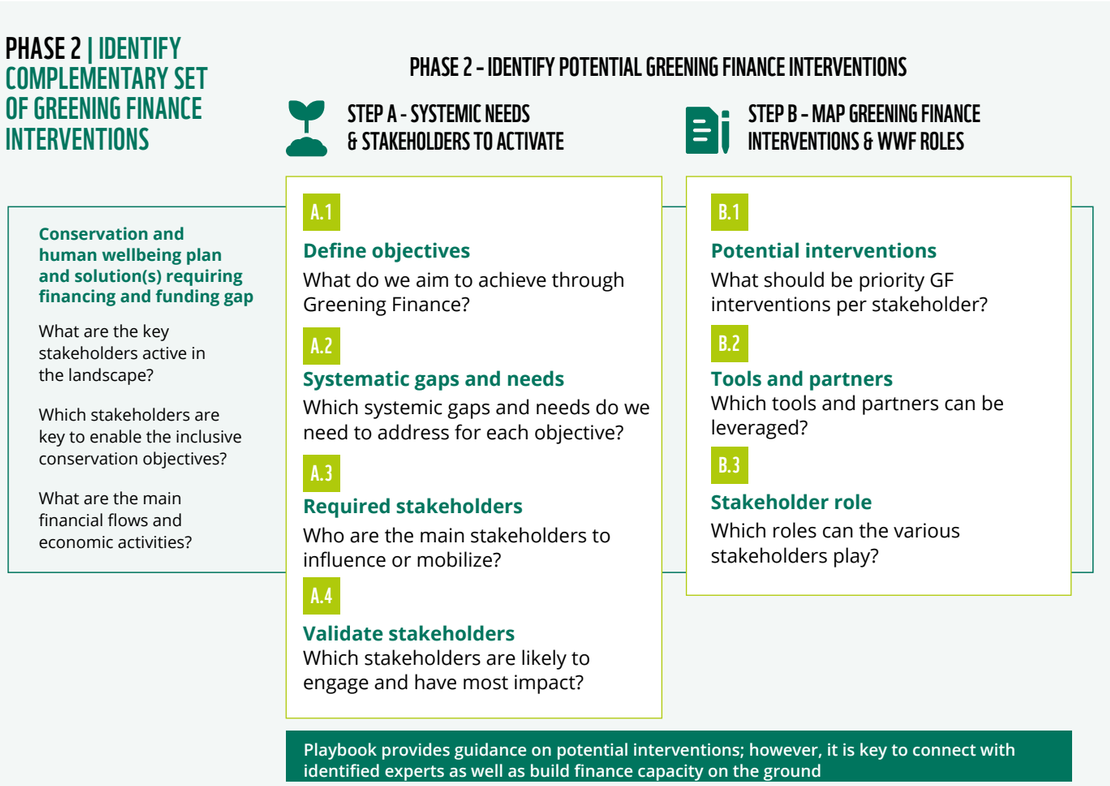

EXHIBIT 12: **Phase 2: Identify potential Greening Finance interventions**

- For Category 2, an overview of current and expected future landscape pressures and an understanding of economic activities and financial flows can be leveraged to outline pressures driven by economic activities and financial flows; e.g. large-scale agriculture, clothing manufacturing.
- For Category 3, the inclusive conservation plan, the economic development plan of the country, and (external) research on the economy and financial system in the landscape can be leveraged to identify systemic gaps in consideration of nature; e.g. limited integration of climate risk, low value attributed to nature.

Action A.2 Systemic gaps

Having identified the objectives, this action serves to identify the main systemic gaps per stakeholder group that need to be addressed to reach the objectives. Multiple systemic gaps and needs will likely need to be addressed to reach an objective. A template is provided in Appendix 2 which should be filled out with the key gaps per stakeholder group for each objective. A set of guiding questions provided in Appendix 3 and the Greening Finance deep dives in Appendix 1 can help identify the systemic gaps per stakeholder group. Examples of systemic gaps could be unclear government regulation on carbon rights-sharing in Madagascar; a lack of land conversion policies by commercial actors in the soy supply chain in the Cerrado; a lack of established green bond standards among regulators; or a lack of nature risk incorporation into FI lending. An example of the template is provided in Appendix 2 for Madagascar and the Cerrado. While outlining the key objectives, it is helpful to consider the underlying incentives of the different stakeholders which could fill the systemic gaps. This understanding will help to focus on specific stakeholders and interventions in later actions.

PHASE 2 | HIGH-LEVEL GUIDANCE TO SELECT PORTFOLIO OF GREEN FINANCE INTERVENTIONS

CLOSENESS TO DIRECT IMPACT

PURPOSE	COMMON AREAS OF INTERVENTION TO EXPLORE	KEY STAKEHOLDERS: Govs	CB&FS[1]	FIs	MOs[2]	CAs[3]
1. **Support and enable the deployment of identified financing green interventions** leveraging regulations, standards, and principles	National supportive regulatory frameworks (e.g. PES policies)	✓	✓			
	Standards, principles & metrics (e.g. green bonds principles)		✓	✓		
	Ecosystem building (e.g. credit certification & validation)		✓	✓	✓	✓
	Campaigning & awareness raising (e.g. blended finance upskilling)			✓		✓
2. **Address key conservation pressures leveraging financial regulation, policies and practices** to influence key stakeholders	Pressure-targeted regulation & corporate policies (e.g. DCF)		✓	✓		✓
	Taxonomies tackling landscape-specific harmful subsidies	✓	✓			
	Portfolio assessment, disclosure and targets aligned with landscape conservation objectives			✓		
3. **Advance local financial systems through the integration of nature into financial decision-making and supervision**	Impact & risk assessment (e.g. landscape stress-test scenarios)		✓	✓		✓
	Risk & impact disclosure (e.g. landscape-specific metrics)		✓	✓		
	Campaigning & awareness raising (e.g. nature risk)	✓	✓	✓		

1. Central banks and financial supervisors; 2. Multilateral organizations/platforms incl. international financial institutions; 3. Commercial actors

EXHIBIT 13: **Phase 2: Identify potential Greening Finance interventions**

A.3 Initial identification of key stakeholders

Stakeholders are at the heart of Greening Finance and should be identified early to target Greening Finance interventions. This action serves to deepen the overview created in action A.2 by identifying specific stakeholders needed to close the systemic gaps identified across the six stakeholder categories in the template. These specific stakeholders could for example be the ministry of finance which could change taxation mechanisms, or a specific FI which could change its practices. It is important to note that some organizations may fit into different or multiple categories depending on the topic addressed, e.g. a government may act as regulator or financier. The landscape understanding and the inclusive conservation plan should provide a starting point to identify relevant stakeholders.

The outcome of this action should be an initial overview of potential stakeholders to engage to close the systemic gaps identified previously; e.g. the specific banks writing loans to soy farmers that convert land, or the specific government body responsible for carbon price regulation. The initial overviews should be further refined in conversations with stakeholders and in the next action.

A.4 Refine stakeholder set

The fourth action aims to refine the previously identified stakeholder set per systemic gap by assessing each stakeholder on two dimensions: expected ease of engagement, and potential impact. The action serves as a preliminary assessment of expected impact based on current landscape understanding, which will require further refinement through stakeholder interactions. The refined stakeholder set offers a first view to prioritize and select stakeholders for engagement. In this action each stakeholder should be rated from 1-5, in the template, on the following dimensions:

Ease of engagement – should reflect the expected chance of success given the willingness to engage. The assessment can leverage previous or current engagements, experience from other organizations, and knowledge of the stakeholder's incentives and structure.

Expected impact – should reflect the magnitude of the impact each stakeholder is expected to have. The assessment can leverage the importance of each systemic gap per topic (e.g. which should be addressed first), and the importance of the individual stakeholders for each systemic gap (e.g. the size of financial flows per stakeholder). For example, Bank X finances over half of all Dutch farmers, and hence has a potentially large impact when it comes to driving changed practices.

The outcome of this action should be an enhanced stakeholder set for each systemic gap, to be further refined in practice.

STEP B: MAP GREENING FINANCE INTERVENTIONS AND INTERNAL ROLES

B.1 Outline potential interventions

This action serves to outline the potential interventions that each stakeholder can make to close the systemic gaps. Interventions can address one stakeholder, or be implemented in a multi-stakeholder engagement combining multiple stakeholder groups at once. The Greening Finance deep dives provide more detail on common interventions per stakeholder, and provide a source to identify potential interventions with further guidance from dedicated experts and resources.

Multiple interventions can typically be used for a single stakeholder, and the selection of one or more interventions will depend on a range of factors. This action serves to create an initial view on suitable interventions per stakeholder by outlining common factors to consider. Given the influence of the specific landscape and stakeholders, it is important to apply these considerations to your specific context and understanding.

SECTION 6.4: PUTTING IT TOGETHER AND MOVING FORWARD

After using the playbook and how-to guide, you should have a set of filled templates. These cover the initial view of the 'what and how' of green finance for your landscape, as outlined in the checklist below.

Going forward, this view should be iteratively refined with stakeholders to serve as a base for a landscape finance plan. The rest of the process will partly depend on your interactions with external stakeholders, but will likely cover the four main actions below:

1. **Engage stakeholders to validate and refine initial perspectives**
   While the playbook can be used in isolation, the views obtained need to be validated and refined in conjunction with external and internal stakeholders. External stakeholders can find collaborating partners, and validate systemic gaps.
2. **Build capacity and awareness within the local office**
   The initial views obtained can be used to build a case for local capacity to implement finance interventions in the landscape.
3. **Develop an aggregated plan on initial engagement**
   When the initial views have been refined through stakeholder engagement, they can be aggregated into an overarching plan that prioritizes interventions by impact, includes the first executing partners, and can be used to raise awareness and get buy-in.
4. **Build a detailed plan for each intervention**
   Following the aggregate overview and initial engagements, a detailed plan can be created for each intervention that outlines timelines, responsibilities and actions for the different parties involved.

IDENTIFYING THE 'WHAT' AND THE 'HOW'' OF FINANCING GREEN AND GREENING FINANCE

WHAT	HOW
Set of interventions Set of stakeholders to engage	View on implementation needs and enablers

WHAT	HOW
Objectives Systemic gaps Stakeholders involved	View on interventions Potential tools and partner roles

EXHIBIT 14: **Iterative process on the 'what' and the 'how'**

CHAPTER 7

KEY TAKEAWAYS AND TAKING IT FORWARD

KEY TAKEAWAYS

1. INCREASING STRAIN ON NATURE DEMANDS A FUNDAMENTAL SHIFT IN FINANCE

The increasing strain on our natural environment, alongside financial flows with direct negative impacts and substantial funding shortfalls for biodiversity and climate initiatives, calls for a fundamental transformation in how we approach finance for conservation.

2. WE HAVE AN OPPORTUNITY TO BETTER LINK FINANCE AND INCLUSIVE CONSERVATION

The scope and scale of the landscape approach and increasing interest from the private sector in sustainable investments open new avenues to align finance with inclusive conservation. These opportunities are not being fully captured today.

3. SUSTAINABLE FINANCE FOR CONSERVATION OFFERS A SYSTEMATIC APPROACH TO DO SO

Sustainable Finance for Conservation is a systematic approach to mobilize finance and align financial flows for inclusive conservation in a landscape through a comprehensive set of Financing Green and Greening Finance interventions.

4. THE APPROACH EMPHASIZES COLLABORATION FOR IMPACT AT LANDSCAPE SCALE

Sustainable Finance for Conservation emphasizes the need to engage partners and stakeholders in the landscape to drive collective change. The challenges transcend individual organizations.

5. LANDSCAPE CONTEXT AND CONSERVATION OBJECTIVES DETERMINE IMPLEMENTATION

Sustainable Finance for Conservation depends on a deep landscape understanding and an established inclusive conservation plan to identify a comprehensive set of finance interventions which will reach conservation objectives.

6. LOCAL CAPACITY AND COLLABORATION ARE NEEDED TO RETRIEVE FULL VALUE

Effective identification and implementation of interventions requires local capacity to build relationships and translate finance interventions to the local context, while being supported by experts with dedicated intervention expertise.

7. THE PLAYBOOK SERVES AS A STARTING POINT AND REFERENCE GUIDE TO WORK FROM

The playbook is intended as a starting point for stakeholders that want to learn about Sustainable Finance for Conservation and identify the opportunities for the approach within their own landscapes.

NEXT STEPS **For the reader**

DEVELOP AND REFINE THE IDENTIFIED INTERVENTIONS

The playbook provides a starting point on the potential interventions, stakeholders to involve, and roles to take. Refine these findings with stakeholders through iterative engagement to co-develop suitable finance interventions.

DEVELOP EXPERTISE AND BUILD LOCAL CAPACITY ON FINANCE

Use this playbook to develop your own expertise and build a case for further capacity in your landscape. Use the playbook as a starting point to mobilize and onboard capacity in the mid to long term.

ENGAGE BROADLY WITH STAKEHOLDERS AND START COLLABORATIVE FINANCE EFFORTS

Engage with stakeholders in the landscape – such as NGOs, financial institutions, corporates, MDBs and governments – on the approach; identify areas for collective action and potential for aligned initiatives.

PROMOTE SUSTAINABLE FINANCE FOR CONSERVATION LOCALLY

Encourage the adoption of Sustainable Finance for Conservation by sharing insights and raising awareness of its potential impact. You can leverage the playbook and further materials to explain the approach, showcase potential applications, and share inspiring case studies.

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APPENDICES

APPENDIX 1: PUTTING IT INTO PRACTICE

MADAGASCAR AND THE CERRADO

APPENDIX 1.1: MADAGASCAR (MTB) CASE STUDY

LANDSCAPE CONTEXT

Manambolo Tsiribihina (MTB), located on the west coast of Madagascar, is an operational land- and seascape where WWF works characterized by its rich biodiversity. The area hosts a diverse array of marine, coastal and terrestrial ecosystems, including mangroves, seagrass meadows, saltmarshes, coral reefs, baobab dry forests, and rivers. Among these, mangroves stand out as the area's most valuable natural asset. MTB features various protected and community-managed marine zones and is primarily used for small-scale fishing and smallholder agriculture. It has seen little urbanization or infrastructure development.

MTB faces overexploitation of its natural resources due to local communities' dependence on them to meet their basic needs (such as building materials and fuel wood/charcoal) and sustain their livelihoods (in particular fishing and agriculture). Pressure on the landscape is exacerbated by rapid population growth, unsustainable fishing practices, illegal logging, and land conversion for agriculture. Additionally, climate change is altering the delicate balance between freshwater and saltwater in the coastal zone.

The communities' reliance on natural resources is driven by MTB's remoteness and limited economic development. Community members have few opportunities to access markets and to develop alternative income streams. Small-scale fisheries and agriculture, therefore, form the backbone of the local economy; supplemented by a nascent tourism industry. Apart from local communities, a small number of larger actors, such as the government and local aggregators for fishing and agricultural products, operate in the landscape. MTB has limited infrastructural development and urbanization to provide market access. Furthermore, there are limited financial services available, characterized by a handful of local banks and a small office of the central bank.

INCLUSIVE CONSERVATION STRATEGY

Sustainable economic development is critical to enable short- and long-term conservation. Increasing economic opportunities beyond resource-intensive subsistence agriculture will reduce the pressure on nature, and over time will generate local sources of funding. Encouraging more sustainable agricultural and fishing practices in the short term is critical to reduce pressures on nature. WWF-Madagascar's conservation strategy aims to enable the expansion of local funding channels for conservation with potential financial flows from taxes, ecosystem service payments, and contributions from private sector actors.

Specifically for the MTB landscape, the inclusive conservation strategy focuses on three solutions:

- **Sustainable businesses** – Tailored support and funding is provided for specific enterprises, ranging from business model development for early-stage ventures to financing for established companies.
- **Sustainable small-scale fishing** – Training on sustainable practices is provided to communities, alongside support to obtain higher prices for sustainably-caught fish.
- **Mangrove restoration** – Activities include reforestation and enhanced management to counteract the impact of illegal logging and land conversion.

The three solutions differ in their financial profile – with sustainable business development likely to be the only solution with potential to generate short-term cash flow for funders.

Sustainable businesses

- Required funding varies with the business's size and development phase. Early-stage ventures need limited funding for development support, while mature enterprises may require multi-million-dollar funding.
- The funding is either received by business support organizations or directly by targeted companies.
- Business support to early-stage ventures is unlikely to generate short-term returns.
- Larger/more established companies should be more likely to generate sufficient cash from their operations to repay funders.

Sustainable small-scale fishing

- Modest funding is required in each community to deliver training and market support after the initial programme design. Funding is received by WWF or its implementing partners to run the training and is not expected to generate returns as the training is offered for free or at low cost to encourage participation.

Mangrove restoration

- Significant and long-term funding is required to secure long-term impact at scale. The funding is typically directed to organizations managing the mangroves in a certain area, and is not expected to generate sufficient cash to pay back funders.

IDENTIFYING FINANCING GREEN INTERVENTIONS

Five finance interventions have potential to mobilize funding for the three solutions based on their financial characteristics.

Sustainable small-scale fishing

- **Bi- and multilateral grants and/or donations** – Given the lack of expected financial returns and limited domestic budgets, it is key to seek funding from sources that do not require repayment.

Sustainable businesses

The interventions will depend on the business stage, size and support provided:

- Bi- and multilateral grants and/or donations – Support to early-stage businesses is typically funded without return due to minimal revenue generation.
- Microfinance – Established micro- and small-scale companies can attract private financing given their existing income.
- Blended finance – Established or promising larger companies can provide a return to financiers from existing income streams, but are expected to require further support to professionalize given the state of economic development in MTB. Therefore, a combination of interventions is best suited.

Mangrove restoration

- Bi- and multilateral grants and/or donations – Given the lack of financial returns, it is key to seek funding from sources that do not require repayment.

Climate finance – The carbon sequestration benefits of mangrove restoration offer an opportunity to utilize carbon financing for the restoration/protection of mangroves, and their sustainable use. By quantifying and verifying impact for climate impact, part of the funding may be attracted through finance from private companies.

The five identified interventions fit well into the long-term development trajectory of MTB, whereby non-return-seeking capital, such as grants and donations, is increasingly complemented by return-seeking capital. After a four-year process, MTB now relies on a mix of return- and non-return-seeking capital whereby non-return-seeking capital is needed to nurture micro-enterprises, facilitate the adoption of new business models, and bolster sustainable small-scale fishing and agriculture; while return-seeking capital can be mobilized to finance the enterprises and communities that have previously been supported.

Going forward, MTB can increasingly attract return-seeking capital to finance sustainable economic activities as businesses scale successful business models and enhance regional supply chains through larger investments. Simultaneously, grant and donation funding for conservation and restoration can increasingly be supplemented by domestic funding sources as financial flows in the landscape increase, along with domestic budgets.

An initiative to establish a landscape-wide fund in recent years faced significant funding challenges due to the current level of economic development. Attracting large-scale funding proved difficult given the small-scale and high-risk, early-stage nature of most ventures and projects in the landscape. Therefore, focus has shifted to strengthen the economic foundation through grant and donation-funded business and fishing support, while increasingly mobilizing return-seeking funding for selected communities and businesses in the form of microfinance and blended vehicles.

This current approach leverages a combination of individual interventions, while increasingly offering the opportunity of a landscape-wide fund as the economy develops. Next to the individual interventions, WWF engages a broad set of stakeholders to lay the base for a landscape-wide stakeholder platform that can support a future landscape-wide fund.

MTB | FIVE FINANCING GREEN INTERVENTIONS IDENTIFIED WITH POTENTIAL TO DRIVE FINANCING FOR SUSTAINABLE ECONOMIC DEVELOPMENT AND RESTORATION

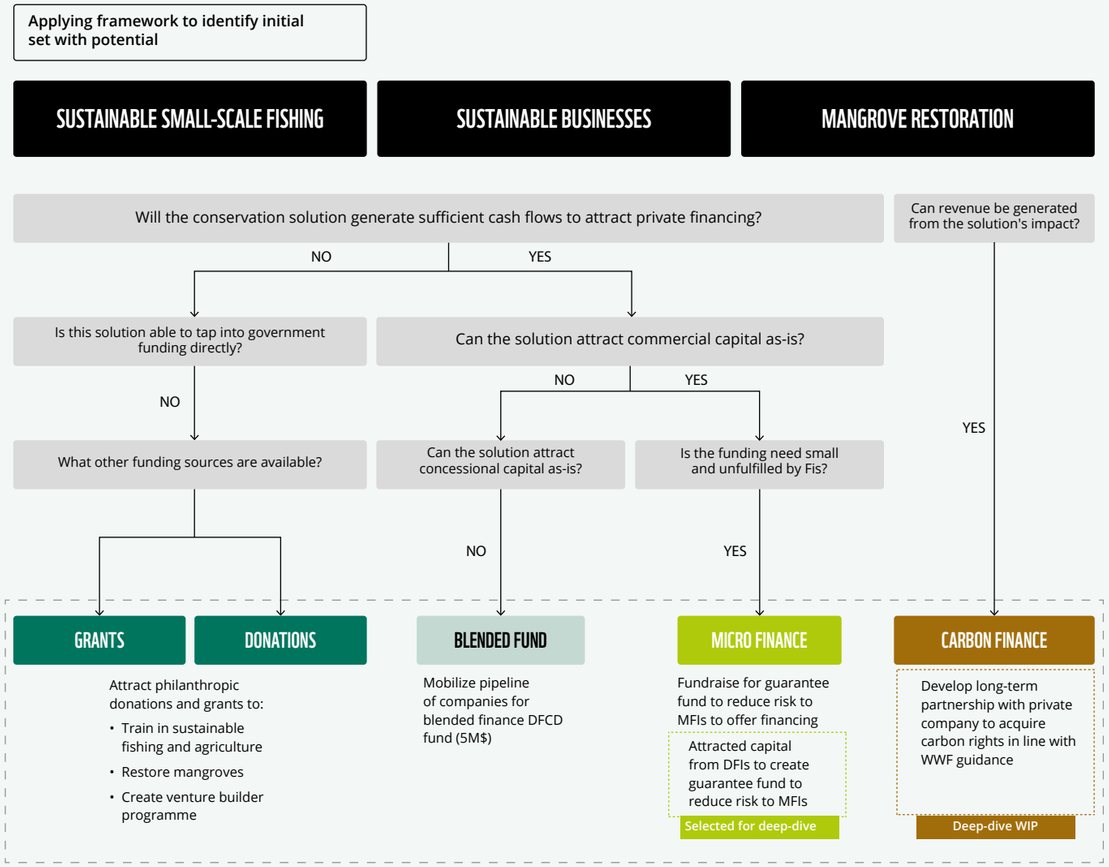

EXHIBIT 15: Framework application to identify initial set of interventions in the MTB case study

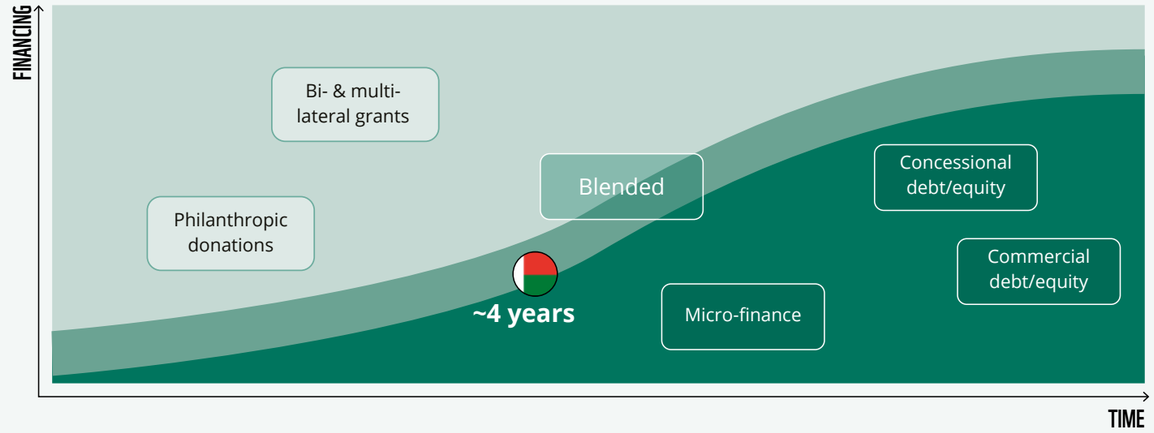

EXHIBIT 16: Framework application to identify initial set of interventions in the MTB case study

IDENTIFYING GREENING FINANCE INTERVENTIONS

Greening Finance interventions are focused on enabling Financing Green through government and FI collaboration, and advancing the local financial system through broad stakeholder engagement. Multiple approaches are currently being taken in the landscape.

- **Government engagement for green domestic funding** – active dialogues with the national government to earmark tax revenues for conservation efforts and to introduce subsidies for sustainable practices and products to encourage sustainable fishing and farming.
- **Clarification of rights-sharing** – working with the national government to resolve uncertainties around the rights-sharing mechanisms for carbon finance, especially on state-owned lands, to enhance mobilization of carbon finance for mangrove restoration.
- **Developing sustainable microfinance standards for FIs** – WWF are developing a replicable standard based on existing project experience in MTB, to encourage sustainable financial product offerings by FIs across Madagascar to scale impact.
- **Lobbying for voluntary disclosure standards with the central bank** – encouraging the development of voluntary disclosure standards through dialogue with the central bank to provide greater incentives for the roll-out of sustainable finance products.
- **Building awareness on threats to nature** – leading a comprehensive stakeholder engagement initiative to raise awareness among economic actors on environmental threats. The initiative seeks to create a shared understanding of sustainable economic development in MTB.

MICROFINANCE DEEP DIVE

Communities in MTB often lack access to financial services, which limits their potential to develop sustainable livelihoods. The remoteness and high risks in the fisheries sector deter financial service providers, limiting opportunities to enhance practices or diversify income. Microfinance can serve as a key tool to improve access to financial services, facilitating small-scale investments by small-scale fishers and smallholder farmers to improve their livelihoods and increase sustainability.

An iterative process was followed to tailor a microfinance solution for MTB. The first step involved engaging with local banks to assess their interest in financing communities, and was met with reluctance due to perceived risks. A novel funding structure was then developed, offering banks low-cost financing to reduce the risk through a fund that simultaneously benefits conservation via interest payments to WWF. This initiative is being enabled by donor contributions that provide the necessary funding and an independent fund manager to meet regulatory requirements.

The development of this microfinance solution in MTB involves a wide array of stakeholders. Funding is sourced from banks, acting as commercial capital providers, alongside philanthropic donors. These banks further contribute their financial acumen to evaluate risks and formulate loan structures. An independent trust fund manager facilitates this arrangement through a dedicated fund, ensuring compliance with legal standards and overseeing financial governance. Ultimately, community-based organizations, in collaboration with banks, play a pivotal role in disbursing microfinance services to the end users.

Risk mitigation strategies are deployed to address two principal risks in microfinance interventions. The first risk concerns the potential for community debt levels to become excessively high or unsustainable. To counter this, measures include ensuring that partner financial institutions offer comprehensive financial education to communities early on, as well as implementing checks and balances to prevent harmful lending practices. The second risk involves the possibility of businesses failing to generate enough revenue to repay their loans, which could diminish the guarantee fund. This is managed by offering incubation and entrepreneurial support via partner organizations, and by establishing stringent eligibility requirements for accessing the guarantee fund by partner financial institutions.

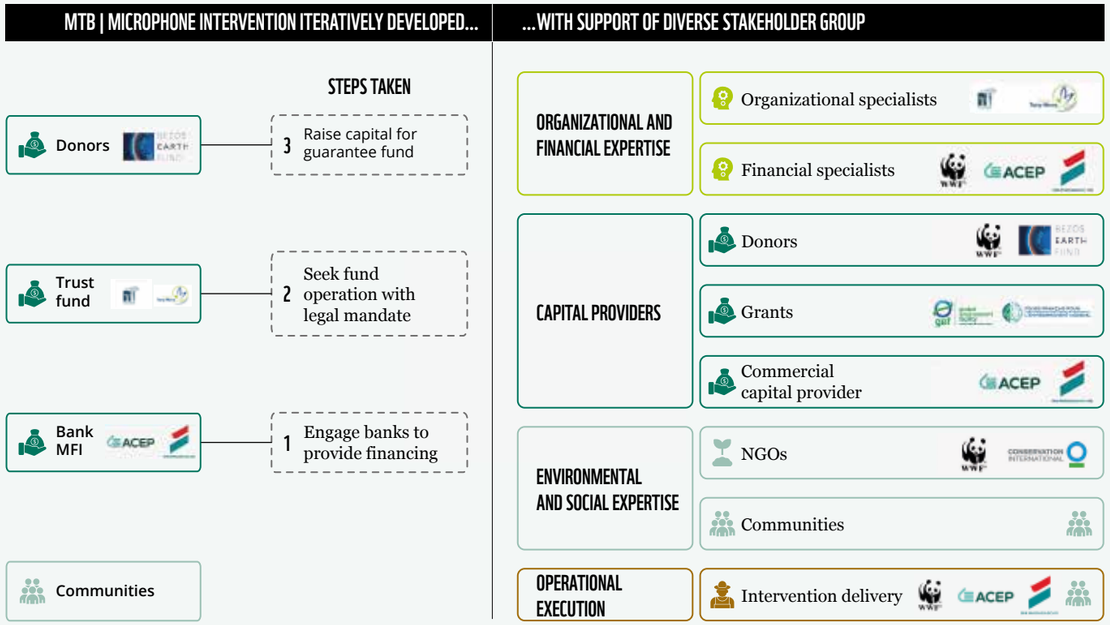

EXHIBIT 17: **The process of iterative intervention development with the support of a diverse stakeholder group**

CARBON FINANCE DEEP DIVE

WWF advocates for specific considerations in NbS for climate mitigation projects, tailored for both corporate funders and project developers. For corporate funders, WWF recommends – as set out in the **WWF Blueprint on Corporate Climate Mitigation Action** (the 'demand-side blueprint') – that companies account for and publicly disclose emissions across the value chain. They should set about reducing these emissions in accordance with science-based targets that are compatible with limiting global warming to 1.5°C. Through a 'contribution' approach, companies should assign an internal carbon price to their remaining emissions that reflects the societal and environmental harm they cause, and then redirect the financial proceeds towards initiatives that benefit the climate, biodiversity and communities.

For project developers, WWF advises focusing on high-quality NbS projects that simultaneously address climate change, biodiversity conservation and social outcomes. These projects should strive for significant impact and, ideally, be part of broader jurisdictional programmes. The approach, which is in line with WWF's *Blueprint for High-Quality Interventions that Work for People, Nature and Climate* (the 'supply-side blueprint'), encourages addressing the needs of the landscape over merely maximizing the generation of credits, and advises that practitioners must ensure strong engagement with communities from the outset, and robust benefit-sharing mechanisms. Furthermore, they should ensure project outcomes are credible, verifiable and sustainable in the long term.

The mangrove restoration initiatives in MTB show significant promise for carbon sequestration, presenting a viable opportunity for carbon financing. In 2020, the VELUX Group and WWF initiated a 20-year partnership with the aim of reducing and removing at least 4.5 MT of CO_2 – the equivalent of the VELUX Group's Scope 1 and 2 emissions since its foundation in 1941 through to its 100-year anniversary. This will be achieved through a portfolio of tropical forest conservation and restoration projects, including a project in MTB. All projects in the VELUX-WWF portfolio deliver NbS for climate mitigation aligned with WWF's supply-side blueprint.

WWF is measuring the reduction and removal of carbon through third-party verification through the Verra Verified Carbon Standard (VCS). The verified carbon units (VCUs) generated from the projectsthe VELUX funding are retired immediately after issuance, which means no credits generated will be sold on the voluntary carbon market. Instead, the ambition is to donate the VCUs to the host country's conditional Nationally Determined Contributions targets, if permitted by the host country's carbon market regulations. In other words, VELUX are is not receiving VCUs for offsetting, but rather follows a contribution approach where the are financing this goesas a beyond VELUX's value chain mitigation contribution.

The VELUX-financed project in Madagascar – the Green Shores project – is working towards sustainably managed mangroves, thriving biodiversity and increased resilience of local communities in MTB. The Green Shores project encompasses efforts to enhance forest management and reforestation, improve community livelihoods, and boost the well-being of local communities for the next two four decades. The project uses the VCSbest-in-class carbon standards to ensure transparency and avoid double-counting. The partnership with VELUX showcases the potential for carbon finance to offer long-term funding to high-integrity, high -quality conservation projects delivering strong climate mitigation outcomes without WWF or the funder participating in the voluntary carbon market.

The pricing strategy in the partnership is simple. The VELUX Group has agreed to cover the projected total costs of the project upfront, providing much-needed long-term financing for conservation. Estimating the cost based on ex-ante projections of CO_2 reductions and removals presents a level of uncertainty and needs to be continuously monitored to ensure that projects stay on track to deliver results. To ensure that WWF delivers on the target, the WWF-VELUX portfolio is projected to deliver 25% more VCUs than VELUX's target of 4.5 million tCO_2.

The partnership serves as a good example of effective mobilization of private carbon finance for conservation. The 2040-year project is still in its early stages, but some lessons are already emerging:

- **Forest carbon projects require substantive external and internal specialist expertise**. In the first years of the partnership WWF-Denmark has made extensive use of carbon consultants and an international legal counsel. WWF-Denmark has also expanded its in-house carbon expertise with two full-time specialists to support project planning and implementation in the three countries.
- **It is beneficial to involve carbon consultants in project area selection**. WWF partnerships select project areas based on landscape strategies, conservation and social metrics, but for forest carbon projects it is also relevant to consider the carbon metrics. This is best done by involving carbon consultants in the process early on.
- **Prioritize early capacity development for WWF country offices and partners**. At the beginning of the partnership WWF-Denmark put in place a training programme on carbon projects and how they differ from conservation projects.
- **WWF has had to scale up the focus and budget for monitoring and evaluation**. The partnership must deliver on the Verra VCS+CCB carbon standard, and this set-up has much more onerous requirements in terms of monitoring and data collection than we have seen in more standard conservation projects.
- **Relationships are important in ensuring the required agreements**. To deliver on the Verra carbon standard land-access agreements with governments and landowners and other stakeholders are needed. These agreements require expert legal advice and take a long time to prepare and finalize: this should be allowed for when planning climate mitigation finance projects.
- **A forest carbon partnership is a continuous journey**. The VELUX-WWF partnership is a project-based approach. WWF-Denmark is currently developing the approach to adapt to developments in climate policy and carbon standards, e.g. by nesting into jurisdictional programmes.


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ENABLING CONDITIONS

Current efforts in the MTB landscape are an extension of a three-year initiative aimed at establishing a foundation for long-term conservation finance. Over this period, the stakeholders and available financial tools were evaluated, dialogue with stakeholders facilitated the identification of potential conservation measures, and a comprehensive mapping of key players and opportunities within the ecosystem was conducted. This outward-facing endeavour was complemented by an inward focus within the WWF office to cultivate an understanding of the critical role that sustainable economic development and financial mechanisms play in conservation efforts.

This initiative, deeply rooted in the WWF-Madagascar strategy, emphasizes the promotion of sustainable community livelihoods alongside the advancement of the green and blue economy. It has been supported by a specialized financial team within the country office, bolstered by consultant expertise. Reflecting the strategic priorities, this team has been instrumental in analysing the financial landscape and identifying emerging opportunities for conservation finance over the past four years. The finance team comprises three individuals dedicated to implementing the national strategy, with one person assigned to each landscape focusing on enterprise development, partnerships, and value chain enhancement. Additionally, consultants have provided valuable assistance in defining specific objectives within these landscapes.

APPENDIX 1.2: THE CERRADO

CONTEXT

The Cerrado, Brazil's second-largest biome, is a vast tropical savanna extending over 2 million km^2 in central Brazil. The Cerrado consists of diverse ecosystems including dry forests, grasslands and wetlands. It serves as a critical watershed, feeding eight of the country's major river basins, including those sustaining the Pantanal. Despite its ecological significance, the Cerrado is one of the least protected regions in Brazil, with only 8% under formal protection.

The Cerrado faces substantial pressure from large-scale land conversion, mostly for soy production. Most conversion takes place in the northern MATOPIBA, while large parts of south Cerrado have been previously converted. Conversion is driven by large-scale soy farmers, local cattle ranchers and land speculation; and is financially enabled by multinational trading and input companies, and sometimes by banks providing loans. Limited restrictions are imposed by the government, requiring landowners to preserve only 20% of their land. Conversion is highly profitable, with land value increasing three to four times after conversion. Conversion is further stimulated by degradation of previously converted land. As a result, the Cerrado experiences significant land conversion, with ~50% already cleared and a further 72,000km^2 of conversion expected in MATOPIBA by 2030.

Agriculture is seen as a crucial industry, and Brazil is the largest soy producer in the world. The government emphasizes agriculture in its economic development plans and supports large-scale agriculture through legislation and infrastructure. The Cerrado is undervalued compared to the Amazon, with less regulation and private-sector interest to develop initiatives such as a soy moratorium. A change in incentives is needed to change agricultural practices and protect the Cerrado.

INCLUSIVE CONSERVATION

Changing agricultural practices is crucial to address land conversion, as they are its primary driver. WWF's inclusive conservation plan aims to reduce land conversion by increasing the productivity of current agricultural land in the Cerrado. By investing in this land, the objective is to significantly increase productivity, with the potential to double food production without new land conversion.[14] The theory of change centres on increasing agricultural productivity and recovering degraded pastures in south Cerrado to reduce land conversion.

In line with the theory of change, the inclusive conservation plan devotes most attention to moving soy production expansion to previously degraded and consolidated land. It is complemented by two solutions that limit the potential and need for land conversion by increasing protected areas and fostering alternative income sources through community-owned sustainable cooperatives:

- **Large-scale sustainable agriculture (move agriculture to previously degraded/ consolidated land)** – Limit land conversion by mobilizing funding and creating financial incentives for farmers to conserve land and use previously degraded land.
- **Expand protected areas**
  - Increase the share of the Cerrado being protected to move closer to Amazon standards and thereby limit the potential for land conversion.
  - Foster sustainable businesses – Support and fund the development of community cooperatives that use non-timber products and sustainably manage land.

FINANCIAL CHARACTERISTICS

The three conservation solutions have different financial characteristics and funding needs:

- **Large-scale sustainable agriculture (move agriculture to previously degraded/ consolidated land) –**
  - The funding need is in line with other soy farmers in the landscape and will be received by individual farmers. Expected returns are in line with other farmers, but returns are expected with a three-to-four-year delay to get land back to productivity.
- **Expand protected areas –**
  - The level of funding depends on the scale of the programme and can range from medium to high. Funding is received by organizations that manage

protected areas – e.g. government bodies, NGOs – to buy land and develop management capacity. The funding need is long-term, and limited returns are expected to pay back funders.

- **Foster sustainable businesses –**
  - The funding need is limited given the typical small scale of the community cooperatives. Cooperatives are expected to generate returns to repay investors, but come with higher risk given their often nascent stage. Depending on the development stage of the cooperatives, funding is either received by business support organizations or directly by cooperatives.

IDENTIFYING FINANCING GREEN INTERVENTIONS

Six Financing Green interventions have high potential to mobilize funding for the conservation solutions.

- **Large-scale sustainable agriculture (move agriculture to previously degraded/ consolidated land)**
  - **Concessional debt** – As soy farmers are expected to generate cash flows in line with other farmers after a period of three to four years, it important to find financiers willing to make concessions to the payback period and higher resulting risk.
  - **Blended finance** – Given the high level of financing needed to make impact at scale and the limited presence of concessional debt, blended mechanisms are needed to scale impact. In particular, risk-sharing interventions, e.g. first loss capital and guarantees, are needed to attract private capital.
- **Expand protected areas**
  - PFP – Given the lack of expected financial returns and the objectives of long-term protection, PFP can provide long-term funding for impact at scale.
  - Bi- and multilateral grants and donations – Given the limited expected financial returns and the complexity of PFP, short- and mid-term funding at a smaller scale can be secured through grants and donations.
- **Foster sustainable businesses**
  - Bi- and multilateral grants and donations – Support to early-stage community cooperatives, typically funded without return due to limited revenue generation.
- **Microfinance** – Established community cooperatives can attract private financing given existing revenues at small scale.

CERRADO | SIX FINANCING GREEN INTERVENTIONS WERE IDENTIFIED AS HAVING HIGH POTENTIAL TO ENABLE AN INCLUSIVE CONSERVATION STRATEGY

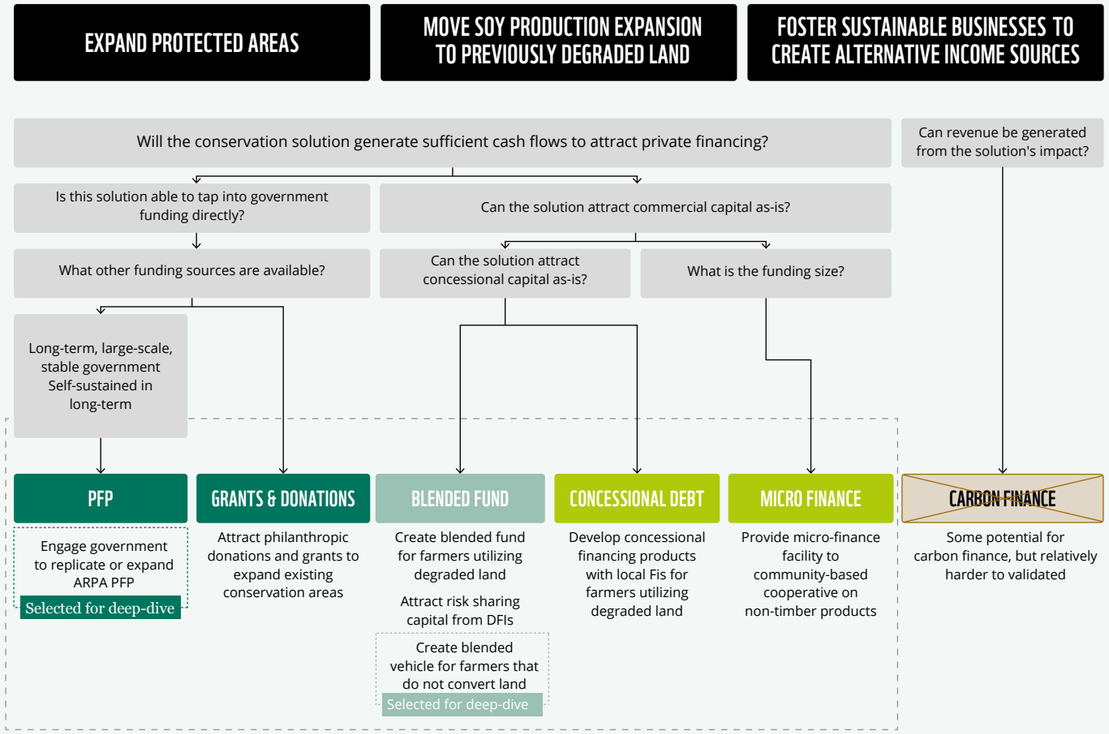
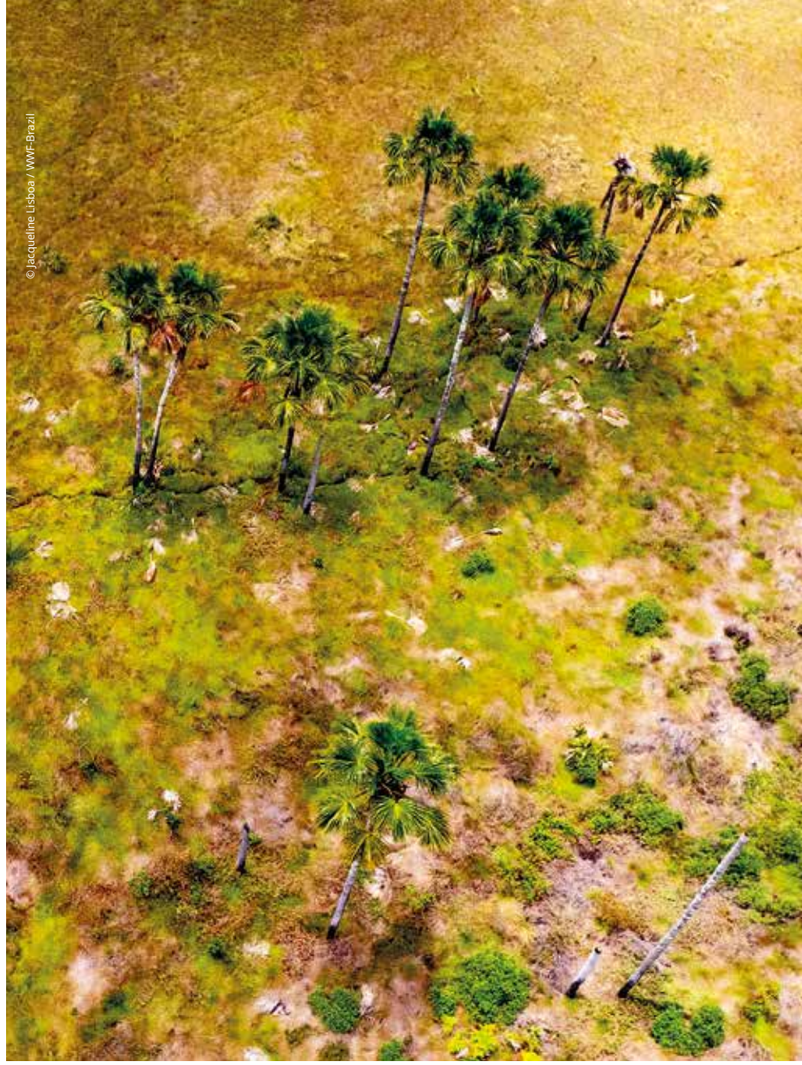


EXHIBIT 18: Six Financing Green interventions were identified as having high potential to enable an inclusive conservation strategy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FINANCING GREEN DEEP DIVE 1: EXPAND OR REPLICATE ARPA PFP

CONTEXT

WWF played a key role to initiate the ARPA PFP for the Amazon, and has subsequently investigated the potential to expand or replicate the PFP to the Cerrado. A PFP programme would drive long-term funding at scale to expand protected areas in the Cerrado. WWF-Brazil could leverage experience from the ARPA PFP as described below, but faced a lack of government support to implement PFP in the Cerrado.

STAKEHOLDERS

Stakeholders were needed across specializations to raise the required funding, and ensure policy changes and the inclusive and agreed use of funds.

- **Government bodies**, e.g. Ministry of Environment and the Department of Protected Areas, were needed to ensure long-term political commitment and required policy changes.
- **Financial specialists**, e.g. WWF and the World Bank, supported the financial model and the design of long-term domestic funding streams.
- **Governance partners**, e.g. FUNBIO, were needed to ensure funds were independently managed in line with the PFP agreement.
- **Donors**, e.g. the Gordon & Betty Moore Foundation, provided initial funding.
- **Grant providers**, e.g. GEF and Germany through KFW, also provided initial funding.
- **NGOs**, e.g. WWF, supported inclusive conservation, impact and fund allocation.
- **Communities** were involved to ensure inclusive implementation.

TABLE 1: **Implementation needs - Given the large-scale and complex nature of the PFP, multiple needs were filled with WWF playing varying roles in each**

IMPLEMENTATION NEEDS	WWF ROLE	WWF RESOURCES
Broad stakeholder engagement captured in formal agreement	Coordinate overall initiative, driving stakeholder engagement	• **Dedicated staff:** at least 3 high-level leaders (part-time; joint effort by WWF-Brazil, FUNBIO and government) • **Duration:** multi-year project governance engagement • **Money:** to cover staff costs and run workshops • **Expertise:** relationship building, landscape management with partners (FUNBIO, Enduring Earth)
US$215 million grant and donation funding to fulfil long-term funding need	Leading fundraiser	• **Dedicated staff:** at least 2 experts in fundraising (~50% dedication) • **Duration:** 2 to 3 years • **Money:** to hold meetings, cover staff costs, and articulate fund/single closure mode • **Expertise:** fund raising
Financial model for PFP and development of sustainable funding streams	Provide financial expertise to co-develop model and funding streams	• **Dedicated staff:** at least 2 specialists in financial modelling (50% time) • **Duration:** 2 to 3 years or longer • **Money:** to cover staff costs, admin costs and fundraising engagement • **Expertise:** financial modelling of long-term programmes, shared capacity with partners MMA, Enduring Earth, and FUNBIO)
Independent fund administrator with strong governance and oversight to ensure proper fund management	Advise on trust fund structure and governance	• **Dedicated staff:** 5 specialists/ analysts in fund management (full-time, mainly FUNBIO) • **Duration:** advise 2 to 3 years, execution 15 years • **Money:** to cover staff costs • **Expertise:** fund management, financial management, governance
Conservation and community development plans with management structure and community support	Support development of inclusive conservation plan	• **Dedicated staff:** ~4 specialists/ analysts in conservation (full-time, joint efforts by WWF Brazil, FUNBIO and MMA) • **Duration:** development: 2 to 3 years, execution: 15 years • **Money:** to cover staff costs, workshop, community engagement, monitoring • **Expertise:** PFP management, protected areas, landscape planning and monitoring

LESSONS LEARNED

Despite the presence of most regulatory and institutional preconditions and experience from the ARPA PFP, the lower value attached to the Cerrado and related lack of political willingness have so far inhibited the use of a PFP programme there. Stakeholder engagement is a key factor in many of the Financing Green interventions. Given the difficulty of PFP, the conservation has relied more on grants and donations at a smaller scale.

FINANCING GREEN DEEP DIVE 2: BLENDED FINANCE FOR FARMERS THAT DO NOT CONVERT LAND (RCF)

CONTEXT

Landowners are allowed to convert up to 80% of their land in the Cerrado, which is a profitable endeavour as land increases 300% to 400% in value after conversion. Landowners lacked an incentive to maintain nature, and in response a financing instrument with cheaper loans was developed for farmers who do not convert land. The cheaper financing is achieved by using donor funding to de-risk and attract investments from commercial capital providers, e.g. banks. The combination enables the provision of cheaper loans to farmers. Launched in 2022, 8.5km2 were conserved in the first two years. The conserved area is expected to expand to 1,500km$_2$

STAKEHOLDERS

The design and implementation of the instruments has involved multiple stakeholders with diverse capabilities and contributions.

- **Financial specialists** were needed to develop the vehicle and to perform critical financial activities, e.g. credit analysis and issuance of loans.
- **Legal specialists** were needed to set up the legal structure and develop contracts.
- **Donors** were needed to reduce the risk of banks through non-return-seeking capital.
- **Commercial banks** were needed to provide the majority of the capital.
- **NGOs** were involved to ensure environmental and social safeguards were integrated and upheld.
- **Execution partners** were needed to reach individual farmers and to monitor compliance.

IDENTIFYING GREENING FINANCE INTERVENTIONS

WWF-Brazil set out to reduce the attractiveness of land conversion and support alternatives through four main Greening Finance interventions aligned to the purposes in Section 6.3, with most focus devoted to reducing land conversion pressure through regulation and policies.

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PURPOSE 1: Support Financing Green interventions deployment

SYSTEMIC GAPS	STAKEHOLDER	INTERVENTION	WWF ROLE	WWF RESOURCES
Small share of subsidized financing in national farm legislation allocated to sustainable agriculture	Ministry of Agriculture	Direct engagement with ministry, suggesting and driving detailed policy changes based on in-depth analysis	• Funding external policy expert • Partnership with CPI • Involved in government engagement	• **Dedicated staff**: 1 finance analyst (30% dedication) • **Duration:** multi-year and ongoing • **Money:** US$0.5 million to US$1 million • **Expertise:** public policies and public finance
Purpose 2: Leverage regulation and policies to reduce pressure from land conversion				
Soy value chain lacks policies that prohibit and take account of land conversion	Commercial actors	Lobby for sector commitment in roundtable to prohibit soy purchases from recently converted land	Founding and leading roundtable, coordinating participant engagement	• **Dedicated staff:** CEO (10%), conservation expert (70%), finance expert (40%) • **Duration:** 3 years (initiative was closed in 2019 due to unfavourable political circumstances) • **Money:** to cover staff and travel costs • **Expertise:** corporate engagement, conflict resolution, finance
Financing provided to farmers who convert land with limited consequence from land conversion	Financial institutions	Partner with FIs and apply DCF toolkit to develop improvement plan, ultimately aiming for inclusion of conversion risk in lending policies	Driving direct engagement with multiple FIs; providing expertise and toolkit	• **Dedicated staff:** 1 finance analyst (50%) • **Duration:** multi-year and ongoing • **Money:** to cover staff costs • **Expertise:** investor engagement
Purpose 3: Advance local financial system to incorporate risks from land conversion and climate change				
Limited incorporation of financial risks imposed by land degradation and climate change in financial decision-making	Central bank	Benchmark central bank with SUSREG methodology to identify areas for improvement; engage directly on improvements	Perform benchmark analysis and identify areas for improvement; engage directly with central bank and provide expertise	• **Dedicated staff**: 1 finance expert • **Duration:** multi-year and ongoing • **Money:** to cover staff costs • **Expertise:** public finance and regulation

ENABLING CONDITIONS

The efforts by WWF-Brazil have been enabled over time by four main conditions that serve as a foundation to drive the Financing Green and Greening Finance interventions.

- WWF-Brazil has inhouse financial expertise, allowing it to drive and actively contribute to the development of Financing Green interventions. The financial expertise consists of 5 finance experts and 1 finance analyst (1 finance expert and 1 finance analyst working with DCF in the Cerrado), and has been present for eight years.
- The longstanding engagement on the Amazon and the Cerrado has enabled the development of a wide stakeholder network which can be mobilized in varying configurations to drive interventions. The stakeholder network is enabled by office capacity to maintain and build the relationships with stakeholders directly or indirectly active in the landscape.
- WWF-Brazil is relatively well funded with stable funding streams that can be leveraged to onboard capacity, pay for external expertise, and contribute donor funding to a range of interventions, such as the blended finance vehicle in the deep dive.
- WWF-Brazil has developed an in-depth understanding of the Cerrado and the financial flows, economic activities and drivers of degradation within it, to inform conservation and related finance efforts. This understanding has been built over several years, with additional support from external consultants.

LESSONS LEARNED

The approach taken by WWF-Brazil has changed over the years in response to changing conditions in the landscape. A change of government in 2019 reduced political willingness to support nature conservation, initiating a shift in focus to the private sector. Simultaneously, multiple commercial actors bailed out of roundtable conversations given the reduced political pressure, leading to a focus on the financial sector and selected commercial actors.

Financing Green and Greening Finance have been applied in parallel to be mutually reinforcing. Financing Green is applied to financially incentivize alternatives to current land conversion, while Greening Finance is applied to both reduce the financial attractiveness of land conversion and strengthen the incentives for alternatives.

WWF has taken different roles across interventions depending on internal expertise and the expertise of other stakeholders in the landscape. WWF has taken the lead in the sector roundtable, while onboarding external expertise for government engagement.

WWF has sought to focus on the most impactful conservation solutions and interventions to drive impact at scale based on an in-depth understanding of the drivers of land conversion. The inclusive conservation plan has been based on the key economic activities, actors and underlying incentives which identify soy agriculture as a key lever for change.

The Cerrado examples highlight the importance of concessional and non-return-seeking funding to attract commercial capital for impact at scale in blended vehicles. The funding needed to regenerate degraded land is estimated at US$50-100 billion for Brazil, and commercial capital will play a crucial role in mobilizing the finance required.

APPENDIX 2: TEMPLATES FOR IMPLEMENTATION

© Simon Rawles / WWF-UK

FINANCING GREEN STAKEHOLDER MAPPING TEMPLATE

You will find the instructions for the template below. On the next page there is an empty template to fill, followed by a completed example.

Template instructions

Starting point:

A set of Financing Green interventions has been identified in action A.1 of the Financing Green how-to guide by using the flowchart, and has been validated in action A.2 with the deep dives.
If these steps are not completed yet, please refer to those actions of the how-to guide in Chapter 6.

Instructions:

1. Fill in the intervention names in each column of the template (max. 3 per template).
2. In each stakeholder category, highlight the stakeholder groups that you think are required for that specific intervention (the Financing Green deep dives can aid in this assessment).
3. For the relevant stake-holder groups (that were highlighted in Step 2): fill in some potential stakeholders within the landscape, e.g. a specific FI.
4. Perform Steps 2 and 3 for each of the selected interventions.

End state:

The template provides an initial overview of potential stakeholders in a landscape, for each intervention. Simultaneously, it allows you to identify whether some stakeholders are missing for specific interventions.

COMPLETED TEMPLATE

STAKEHOLDER GROUPS	SUB-STAKEHOLDER GROUPS	INTERVENTION NAME (1): PFP		INTERVENTION NAME (2): BLENDED FINANCE		INTERVENTION NAME (3):	
		Step 1: Cross if relevant	Step 2: Fill in Stakeholders if crossed box	Step 1: Cross if relevant	Step 2: Fill in Stakeholders if crossed box	Step 1: Cross if relevant	Step 2: Fill in Stakeholders if crossed box
ORGANIZATIONAL AND FINANCIAL EXPERTISE	Project management						
	Government bodies	X					
	Financial specialists	X		X			
	Legal specialists						
	Organizational specialists						
CAPITAL PROVIDERS	Donors	X		X	Sainsbury's TESCO		
	Grants	X	KfW				
	Domestic budget						
	Commercial capital provider			X	Rabobank Santander		
	Concessional capital provider						
	Benefit sharing						
ENVIRONMENTAL AND SOCIAL EXPERTISE	Environmental expertise	X		X			
	Social expertise						
	Local communities and Indigenous People						
TECHNOLOGICAL AND OPERATIONAL EXECUTION	Intervention delivery			X	Local partners (agri suppliers, FIs)		
	Technological capabilities			X	EarthDaily agro		
	Executing capacity						
OTHER	Other						

TEMPLATE: FINANCING GREEN STAKEHOLDER MAPPING

STAKEHOLDER GROUPS	SUB-STAKEHOLDER GROUPS	INTERVENTION NAME (1):		INTERVENTION NAME (2):		INTERVENTION NAME (3):	
		Step 1: Cross if relevant	Step 2: Fill in Stakeholders if crossed box	Step 1: Cross if relevant	Step 2: Fill in Stakeholders if crossed box	Step 1: Cross if relevant	Step 2: Fill in Stakeholders if crossed box
ORGANIZATIONAL AND FINANCIAL EXPERTISE	Project management						
	Government bodies						
	Financial specialists						
	Legal specialists						
	Organizational specialists						
CAPITAL PROVIDERS	Donors						
	Grants						
	Domestic budget						
	Commercial capital provider						
	Concessional capital provider						
	Benefit sharing						
ENVIRONMENTAL AND SOCIAL EXPERTISE	Environmental expertise						
	Social expertise						
	Local communities and Indigenous People						
TECHNOLOGICAL AND OPERATIONAL EXECUTION	Intervention delivery						
	Technological capabilities						
	Executing capacity						
OTHER	Other						

FINANCING GREEN IMPLEMENTATION TEMPLATE

Laying the foundation for implementation of Financing Green interventions

The instructions for the template are below. On the next pages you will find an empty template to fill followed by a set of guiding questions, and a completed example for the Cerrado.

Template instructions

Starting point:

A set of Financing Green interventions has been identified in action A.1 of the Financing Green how-to guide by using the flowchart, and validated in action A.2 with the deep dives. A stakeholder overview for each of the interventions is created in action A.3 with the template above.

Instructions:

1. Fill in one template for each intervention.
2. State the name of the intervention at the top of the template.
3. In column 1: For each of the categories, fill out the outcomes of action A.3 outlined in the stakeholder mapping template.

TEMPLATE: FINANCING GREEN IMPLEMENTATION

FINANCING GREEN TEMPLATE INTERVENTION:

	STAKEHOLDERS[1]	ENABLERS[2]	NEEDS[2]
	List results from stakeholder mapping tool	List requirements that are available in the landscape	List requirements that are not yet available in the landscape
ORGANIZATIONAL AND FINANCIAL EXPERTISE			
CAPITAL PROVIDERS			
ENVIRONMENTAL AND SOCIAL EXPERTISE			
TECHNOLOGICAL AND OPERATIONAL EXECUTION			
OTHER			

1. Use the stakeholder mapping tool provided in the Appendix 2. Use guiding questions on Financing Green interventions provided in the Appendix.

4. In columns 2 and 3, referring to action B.1 in the how-to guide: For each of the categories, outline the enablers and needs that support or limit the implementation of the intervention.

   a. Guiding questions for each of the categories can be found after the template to suppor the process.

5. In column 4, referring to action B.2 in the how-to guide: For each of the needs identified, outline the potential roles various stakeholders can play in filling these by using the three dimensions outlined in the how-to guide.

   a. The Financing Green deep dives can be used as inspiration regarding the roles to take.

End state:

The completed template gives a single overview of the potential stakeholders, enablers, needs and roles of various stakeholders for each Financing Green intervention.

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GREENING FINANCE TEMPLATE

The instructions for the template are below. On the next page you will find an empty template to fill, and on the page after there is a completed example for the Cerrado.

TEMPLATE: GREENING FINANCE

Template instructions

Starting point:

A number of objectives for Greening Finance have been identified in step A.1. The template should be completed separately for each objective.

Instructions for completing the template:

1. Write out the specific objective at the top of the template.
2. In column 1, list the main systemic gaps that need to be addressed through Greening Finance, to

GREENING FINANCE TEMPLATE OBJECTIVE:

STEP A

SYSTEMIC GAPS	STAKEHOLDERS	PRIORITY
List gaps to objective per stakeholder-group	List specific stakeholders per gap	[Impact]+[Ease] [Total]

STEP B

INTERVENTIONS	TOOLS	PARTNERS
List intervention per stakeholder	List tools per intervention	List partners per intervention

GOVERNMENTS / MINISTRIES	REGULATORS	FINANCIAL INSTITUTIONS	COMMERCIAL ACTORS	MDBS	MULTI-STAKEHOLDER

reach the objective. Systemic gaps should be filled out for each stakeholder group. It is not required to have systemic gaps for each stakeholder group.

3. In column 2, list the specific stakeholders that need to be engaged for each systemic gap in the stakeholder column, e.g. the Ministry of Finance, or a specific bank.

4. In column 3, rate the stakeholders identified in the priority column on expected impact and ease of engagement on a scale from 1 (low impact/low ease) to 5 (high impact/high ease) to obtain a combined indication of priority.

5. In column 4, outline the potential set of interventions that can be applied for each stakeholder, leveraging the deep dives in the Appendix and expert colleagues for inspiration.

6. In column 5, outline potential tools for each intervention, leveraging the deep dives in the Appendix and expert consultation.

7. In column 6, identify potential partners per intervention, leveraging the deep dives in the Appendix and landscape understanding.

8. In column 7, outline potential roles in executing the Greening Finance interventions by assessing the three dimensions outlined in the how-to guide.

End state:

The completed template gives a single overview of the potential stakeholders, interventions and implementation considerations for each objective for Greening Finance.

TEMPLATE: GREENING FINANCE COMPLETED

GREENING FINANCE TEMPLATE **OBJECTIVE:** REDUCE FINANCIAL FLOWS TO EXPANSIVE SOY FARMING THROUGH REGULATION AND POLICIES

	STEP A				STEP B		
	SYSTEMIC GAPS	STAKEHOLDERS	PRIORITY		INTERVENTIONS	TOOLS	PARTNERS
	List gaps to objective per stakeholder-group	List specific stakeholders per gap	[Impact]+[Ease]	[Total]	List intervention per stakeholder	List tools per intervention	List partners per intervention
GOVERNMENTS / MINISTRIES	Limited restrictions on subsidized farmer funding Limited taxation on land conversion Infrastructure investments in conversion areas	Ministry of agriculture Parliament Regional governments Ministry of finance Ministry of environment	5 | 3 4 | 2 2 | 3 3 | 2 1 | 4	8 6 5 5 5	Direct engagement with ministry of agriculture to expand restrictions on farmer financing		CPI Expert consultant
REGULATORS	Room to increase restrictions in rural credit for non-compliant farmers in Cerrado Lack of metrics and targets for FIs on climate	Central bank of Brazil Financial Stability Board National Monetary Council	4 | 4 2 | 3 4 | 3	8 5 7			
FINANCIAL INSTITUTIONS	Lack of land conversion integration in lending policies Limited deforestation monitoring	Brazilian Federation of Banks - FEBRABAN Brazilian Development Bank Rabobank Banco do Brasil	4 | 3 1 | 4 1 | 4 2 | 2	7 5 5 4	Develop partnerships with FIs to influence lending polices to include conversion risk	DCF toolkit	
COMMERCIAL ACTORS	Soy supply chain companies lack deforestation policies	Trading companies: Cargill ADM, Bungei Input companies: Bayer Supermarkets: TESCO, Walmart, Ahold Delhaize	4 | 1 4 | 1 2 | 3	5 5 5	Push for sector commitment to prohibit land conversion in sector roundtable	DCF toolkit	Other NGOs Selected supermarkets
MDBS							
MULTI-STAKEHOLDER							

APPENDIX 3: GUIDING QUESTIONS FOR AN INCLUSIVE CONSERVATION PLAN

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1 LANDSCAPE TYPE AND STATUS

- What is the landscape in question?
- How is the landscape defined (e.g. ecologically, jurisdictionally)?
- Is it an operational landscape? If not, where do we work within the landscape?
- Is the landscape recognized by other actors?
- Are there active partnerships for management of the landscape in place (public-private)?
- What are the main land-use activities in the landscape?
- Does the landscape include any protected and conserved areas? If so, what type and category?
- Is it a transboundary landscape?
- What are the biomes within the landscape (e.g. tropical forests, mangroves)?
- What are the tenure rights?
- What is the status of the landscape (e.g. level of protection, level of degradation)?

2 CONSERVATION PRESSURES

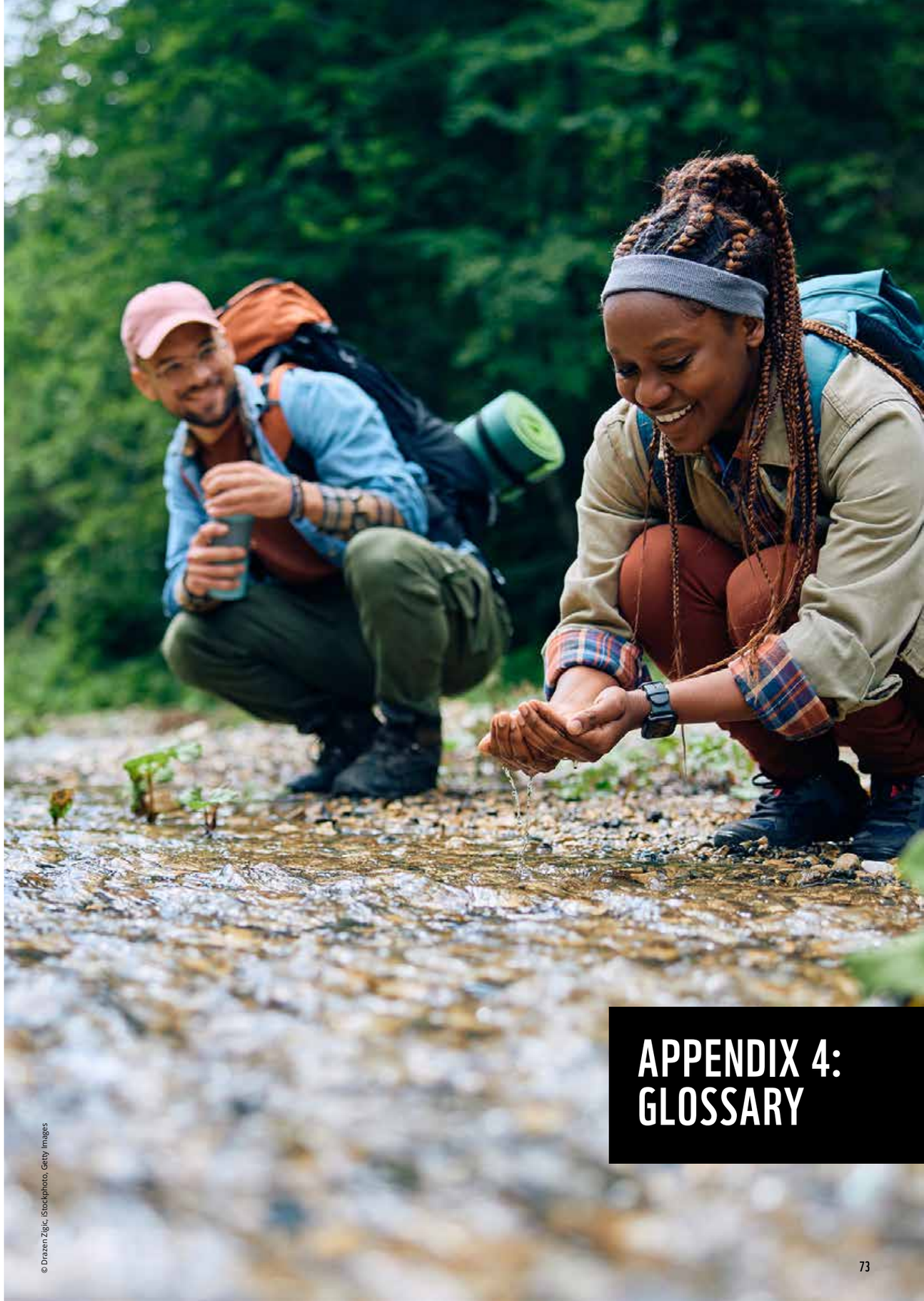
- What are the major trends and developments in the landscape (e.g. increasing population, infrastructure development)?
- What are the current key drivers of degradation, habitat loss or species extinction? What are the expected future threats?
- Are measures for the mitigation of these pressures already identified or implemented?
- Are these drivers/pressures direct or indirect causes of degradation?
- What are the metrics to assess the baseline state of the landscape? And target?
- What is the baseline state of the landscape?

3 INVOLVED ACTORS

- Who are the key actors active in the landscape today? What are their interests and motivations, and level of influence?
- Are the main pressures driven by local or international actors?
- Are there existing governance mechanisms in place? Who holds most power?
- Are there financial institutions present (local or international)? Are they stable and regulated?
- Is the central bank active and enforcing regulation?
- Are the government/ministries stable? Are they actively managing conservation pressures today?

4 ECONOMIC ACTIVITY

- What are the main economic activities in the area?
- Who are the investors and actors in the landscape?
- Where are key investment and finance streams directed today?
- Which solutions are fully funded and which have gaps? How big are the gaps?
- What are the economic risks and opportunities in the area?
- What is the economic development plan/outlook?
- Are there harmful investments, taxes or subsidies present today? Can they be redirected?
- What is the economic value attached to the landscape?



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APPENDIX 4: GLOSSARY

APPENDIX 4: GLOSSARY

ACRONYMS

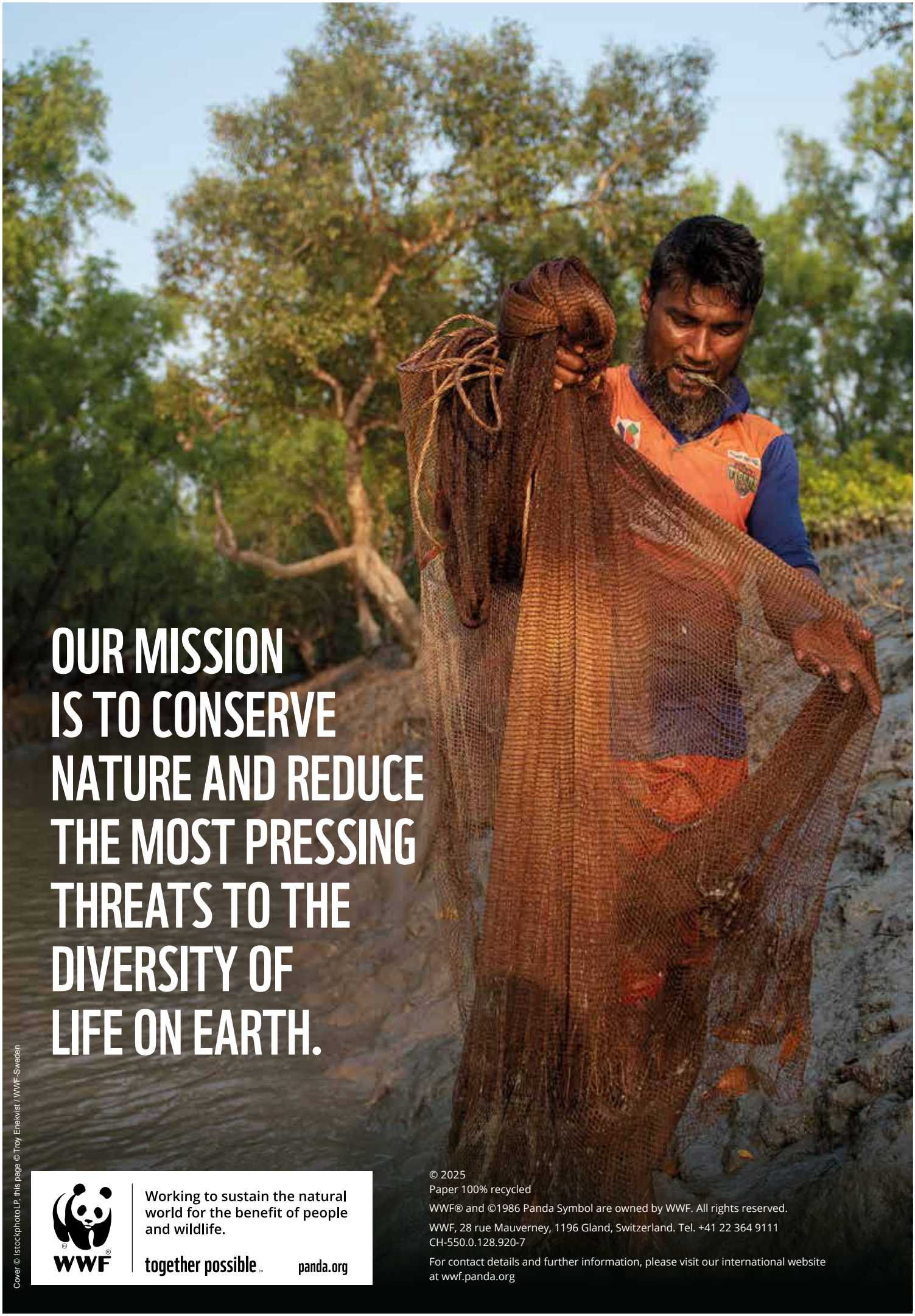
ACRONYM	FULL FORM
BVCM	Beyond Value Chain Mitigation
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CSRD	Corporate Sustainability Reporting Directive
DCF	Deforestation and Conversion Free
DFCD	Dutch Fund for Climate and Development
ESG	Environmental, Social and Governance
EU ETS	European Union Emissions Trading System
FI	Financial Institution
GBF	Global Biodiversity Framework
GEF	Global Environment Facility
GFANZ	Glasgow Financial Alliance for Net Zero
IFI	International Financial Institutions
LRF	Landscapes Resilience Fund
MDB	Multilateral Development Banks
MoMo4C	Mobilising More for Climate
MRV	Monitoring, Reporting and Verification
NbSA	Nature-based Solutions Accelerator
NGFS	Network for Greening the Financial System
NZAOA	Net Zero Asset Owners Alliance
PFP	Project Finance for Permanence
RESPOND	Resilient and Sustainable Portfolios that Protect Nature and Drive Decarbonisation
SBTi	Science-Based Targets initiative
SDGs	Sustainable Development Goals
SUSBA	Sustainable Banking Assessment
TFCI	Taskforce on Scaling Voluntary Carbon Markets
TNFD	Taskforce on Nature-related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change
UNPRB	United Nations Principles for Responsible Banking
VCM	Voluntary Carbon Market

LEXICON

TERM	DESCRIPTION
Benchmarks	Standards or references for measuring performance or quality.
Biodiversity credits	Credits representing verifiable, quantifiable and evidence-based units of biodiversity outcomes over a fixed period. Aim to enable increased voluntary contributions that are effective and aligned with global biodiversity goals. Can be bought by private sector, governments and individuals.
Blended finance	A financial approach that leverages non-return-seeking capital to incentivize commercial investments, thereby acting as a catalyst for private sector involvement in areas typically perceived as unattractive for investment.
Bond	Fixed-income instrument that represents a loan made by an investor to a borrower, typically corporate or governmental. Bonds are typically publicly traded and are multilateral, with secondary market pricing reflecting perceived borrower risk.
Carbon finance	Carbon finance is a financial instrument used to incentivize the reduction of greenhouse gas emissions by providing funding to those who implement projects that reduce emissions or increase carbon sinks.
Central bank	National financial institution that manages a country's currency, money supply and interest rates. It oversees the commercial banking system of its country and is typically the primary regulatory authority for the national economy's monetary policy.
Commercial actors	Businesses and corporations that directly or indirectly impact a landscape's environmental dynamics.
Compliance markets	Marketplaces created by regulatory frameworks where companies or entities are mandated to obtain and surrender emissions reductions or credits.
Concessional financing	A category of financial instruments offered on more favourable terms than those available in the market, including lower interest rates, longer repayment periods, or more flexible repayment terms.
Debt (non-public)	Financial instrument in which an organization lends money to an individual, company or project with the agreement that the money will be repaid over time, with interest. The most common form is a loan.
Debt-for-nature swap	A financial agreement where a portion of a nation's foreign debt is forgiven in exchange for local investments in conservation.
Domestic budget	Domestic budget is the balance of a government's income (e.g. taxes) and expenditures (e.g. subsidies). The allocation and specificity of the budget can be used to support conservation efforts and discourage harmful activities.
Environmental KPIs	Metrics used to assess the effectiveness, impact and sustainability of projects.
Equity investments	Investments made in exchange for ownership shares in a company.
Financial ecosystem	The complex network of financial institutions, markets, instruments, services, regulations and actors in financial transactions.
Financial institution (FI)	An organization that provides financial services to its clients or members, for example a bank or an insurance company.
Financing intervention	Finance interventions include the mechanisms and systemic actions available to align financial flows to conservation objectives in a landscape.
Financial KPIs	Indicators measuring the performance, viability and financial health of an organization or project.
Financial supervisors	Regulatory authorities responsible for overseeing the conduct of financial institutions and ensuring their adherence to laws and regulations designed to protect consumers and ensure the stability and integrity of the financial system.

LEXICON

TERM	DESCRIPTION
Financing Green	Financing Green is the complementary set of finance interventions used to mobilize funds for activities with a positive conservation and human well-being impact.
Global Biodiversity Framework	A set of international agreements developed under the Convention on Biological Diversity to guide global efforts in conserving biodiversity, promoting sustainability, and ensuring the equitable sharing of the benefits of natural resources.
Grants	Financial awards from government or philanthropic sources to support projects without the expectation of repayment, typically aimed at public benefit goals.
Green taxonomies	Classifications defining to what extent economic activities can be considered environmentally sustainable.
Greening Finance	Greening Finance is the set of interventions to influence and mobilize financial institutions, stakeholders and systems to align financial flows with conservation and human well-being; e.g. reducing harmful subsidies, establishing industry alliances, or increasing regulatory protection for landscapes.
Human-wildlife conflict (HWC) insurance	Insurance products that compensate individuals or communities for losses due to conflicts with wildlife, aiming to mitigate economic impacts and foster coexistence.
Impact investing	Investments that aim to combine a financial return with a form of social or environmental impact.
Inclusive conservation plan	Strategy that sets out the conservation and human well-being objectives and required solutions in a landscape or area of intervention to address key pressures on nature, restore degraded nature, and ensure ecological resilience of the landscape in the long term.
Legal and regulatory frameworks	Laws and regulations governing behaviour and ensuring policy compliance, especially regarding finance and the environment.
Metrics	Quantifiable measures typically used to track performance and progress.
Micro- and community finance	Small-scale financial services, including loans, savings and insurance, provided to individuals and communities. These are often provided to actors without access to traditional borrowing options. Financing is typically concessional, with funding often provided by NGOs and governments, although some private sector players also participate.
Mitigation	Efforts to lessen adverse outcomes, such as risk mitigation through safety measures or climate mitigation via emissions reductions.
Multilateral development banks (MDBs)	International financial institutions established by multiple countries to provide financing and professional advice for the purpose of (typically economic, social and institutional) development. Notable examples include the World Bank, the Asian Development Bank and the African Development Bank.
Multi-stakeholder interventions	Actions and strategies that involve multiple stakeholders to achieve shared and aligned goals.
Nature-based solutions (NbS)	Nature-based solutions (NbS) are actions to address societal challenges through the protection, sustainable management and restoration of ecosystems, benefiting both biodiversity and human well-being.
Nature-related disclosures	The reporting by organizations on how their operations impact natural resources, ecosystems and biodiversity, as well as the risks and opportunities arising from their interaction with nature. These disclosures aim to inform stakeholders and guide sustainable business practices.
Non-governmental organization (NGO)	Non-profit organization supporting a social cause, that is not part of the governmental structure.
Parametric insurance	An insurance product that disburses funds contingent upon the occurrence of a specified event, as defined by pre-agreed parameters, rather than basing payouts on assessed losses.
Paris Agreement	A global treaty signed by 195 nations and the EU in 2015, committing to limit the average rise in global temperatures above pre-industrial levels to below 2°C, with an ambition to keep it under 1.5°C, to combat climate change.
Payments for ecosystem services	Beneficiaries/users of an ecosystem service make direct/indirect payments to the provider of that service.
Philanthropic partnerships	Longstanding relationships that are closely connected to philanthropic donations, focused on sustained collaboration to achieve shared goals.
Portfolio	A range of investments or projects managed as a group, not necessarily in concert but under a common strategic framework or objective.
Project finance for permanence (PFP)	A long-term financing approach designed to secure large-scale, sustainable funding for extensive conservation areas, ensuring both ecological and financial sustainability.
Science-Based Targets initiative (SBTi)	A framework for corporations to set emissions reduction targets.
Social and environmental safeguards	Policies and measures to prevent and mitigate adverse impacts of projects on communities and the environment.
Stakeholders	Individuals, groups or organizations that have an interest in or are affected by the outcomes of a particular project, decision or organization.
Sub-commercial financing	Financing for projects that generate financial returns below market rates.
Subsidies	Financial support provided by governments to organizations, businesses or individuals, aimed at promoting economic and policy objectives.
Sustainability-linked bond	A bond where the return is dependent on achieving specific social or environmental outcomes.
Sustainable Development Goals (SDGs)	17 global goals set by the United Nations for social, economic and environmental sustainability by 2030.
Voluntary carbon market (VCM)	Market where carbon credits are bought and sold voluntarily to offset emissions.



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