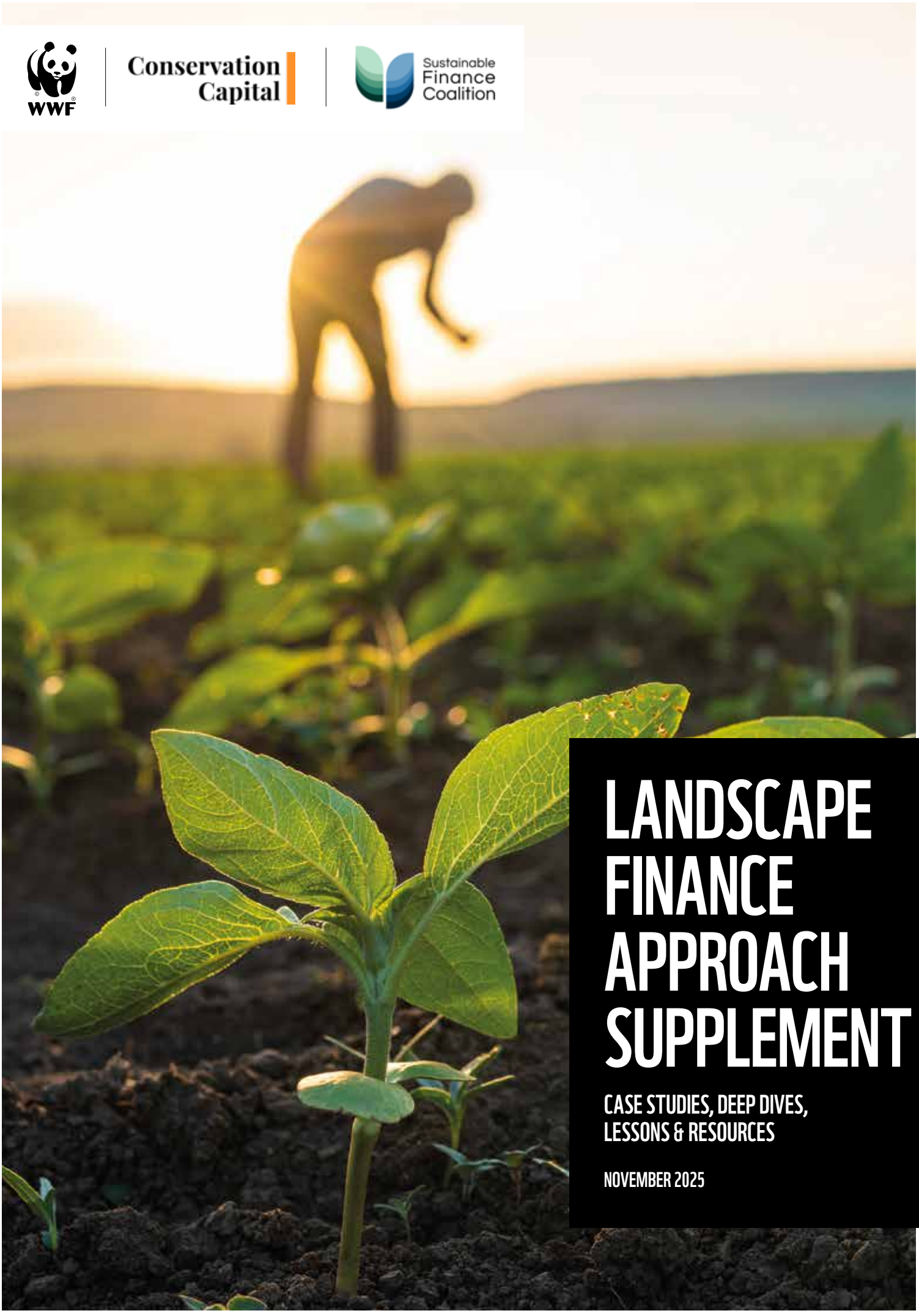

LANDSCAPE FINANCE APPROACH SUPPLEMENT

CASE STUDIES, DEEP DIVES, LESSONS & RESOURCES

NOVEMBER 2025

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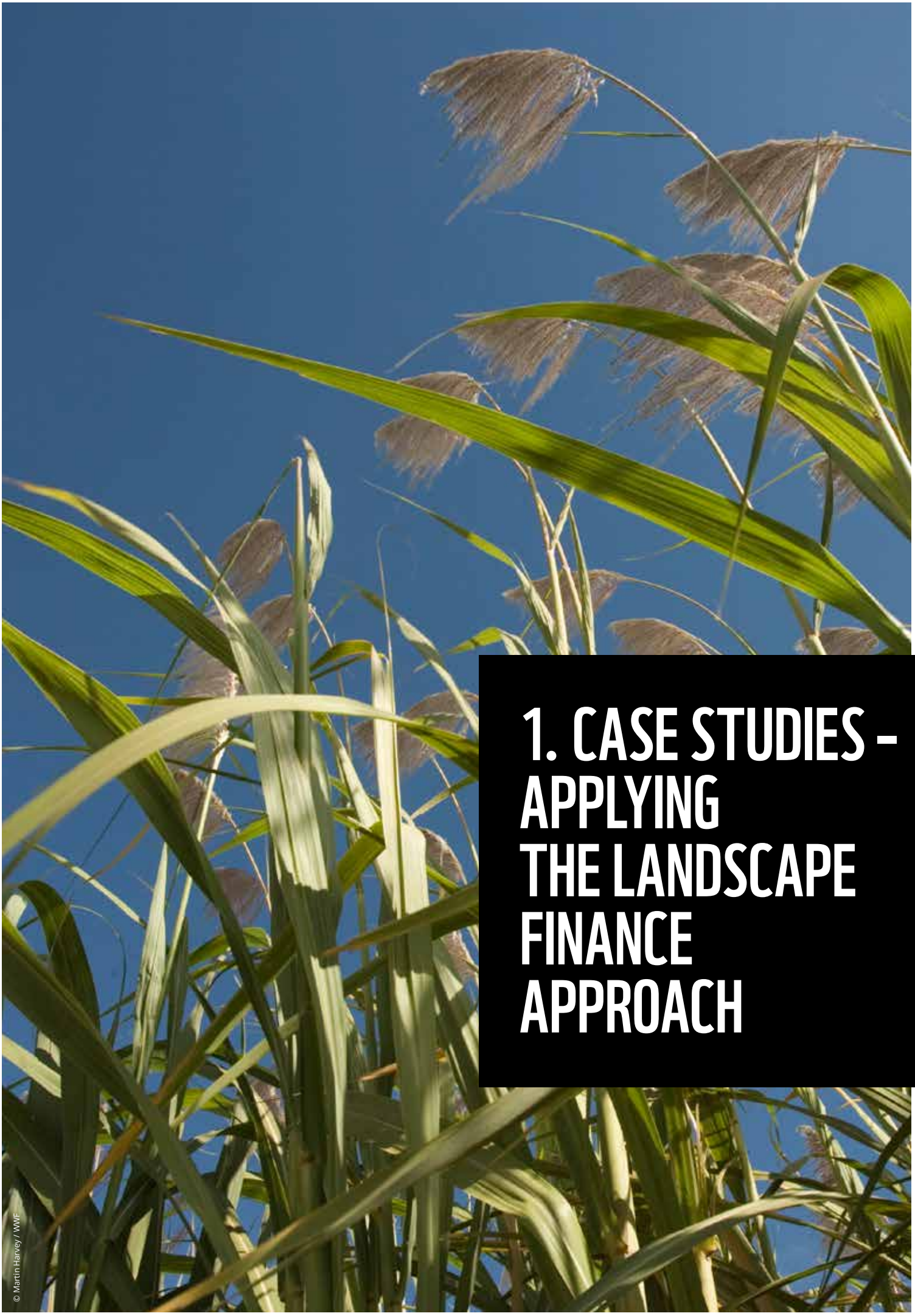
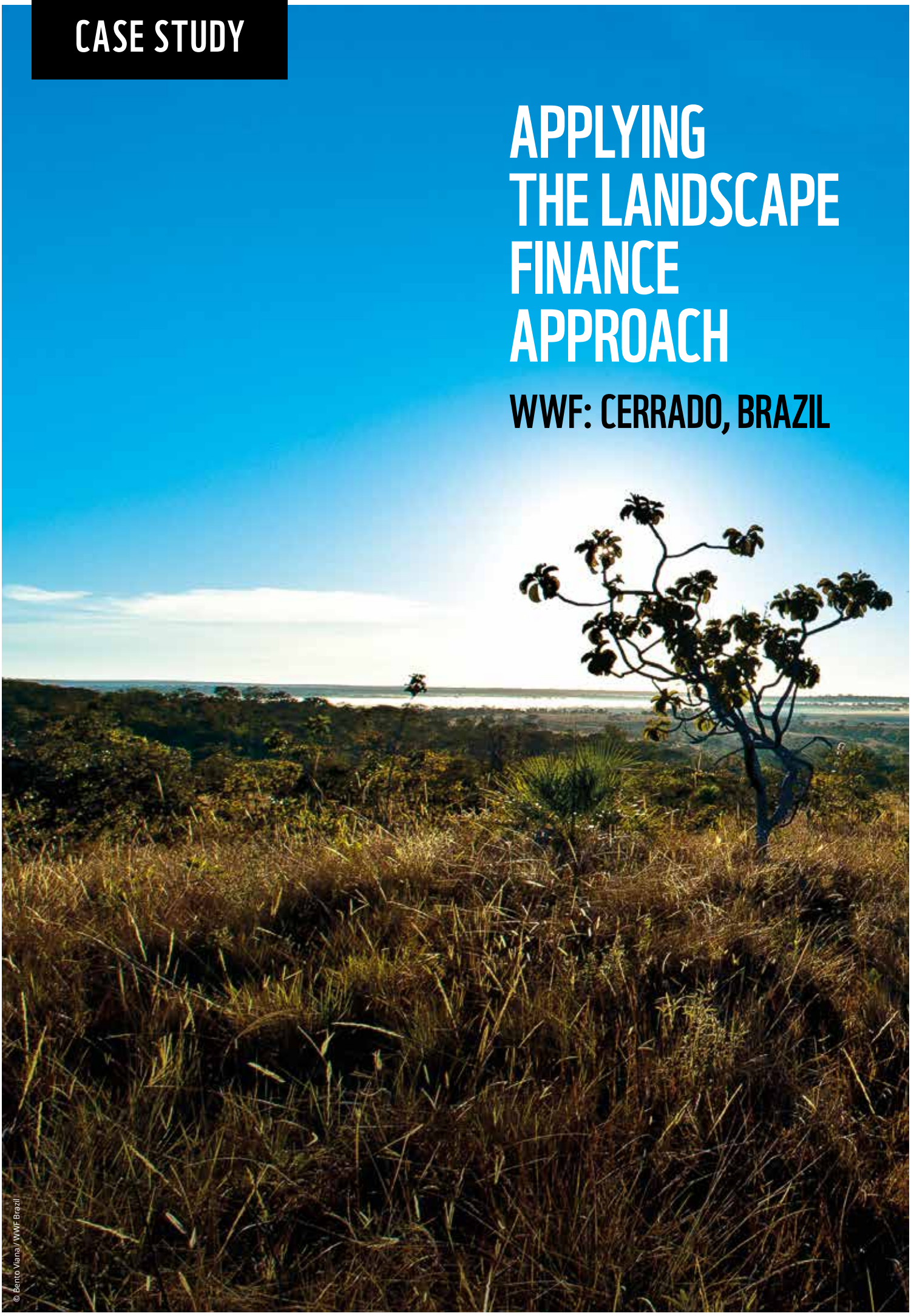


1. CASE STUDIES – APPLYING THE LANDSCAPE FINANCE APPROACH

CASE STUDY

APPLYING THE LANDSCAPE FINANCE APPROACH

WWF: CERRADO, BRAZIL



WWF: Cerrado, Brazil

The landscape

The Cerrado, Brazil's second-largest biome is a vast tropical savannah extending over 2 million square kilometres 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 emphasises 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.

1. **Understanding through an inclusive conservation plan and needs**

Changing agricultural practices is crucial, as they are the primary driver of current and anticipated land conversion. WWF's inclusive conservation programme 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. 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 programme 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 mobilising 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 forest products and sustainably manage land.

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 organisations that manage protected areas – e.g. government bodies or 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.

2. Identifying & Matching Financing Green interventions

Six Financing Green interventions have high potential to mobilise 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 is 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.

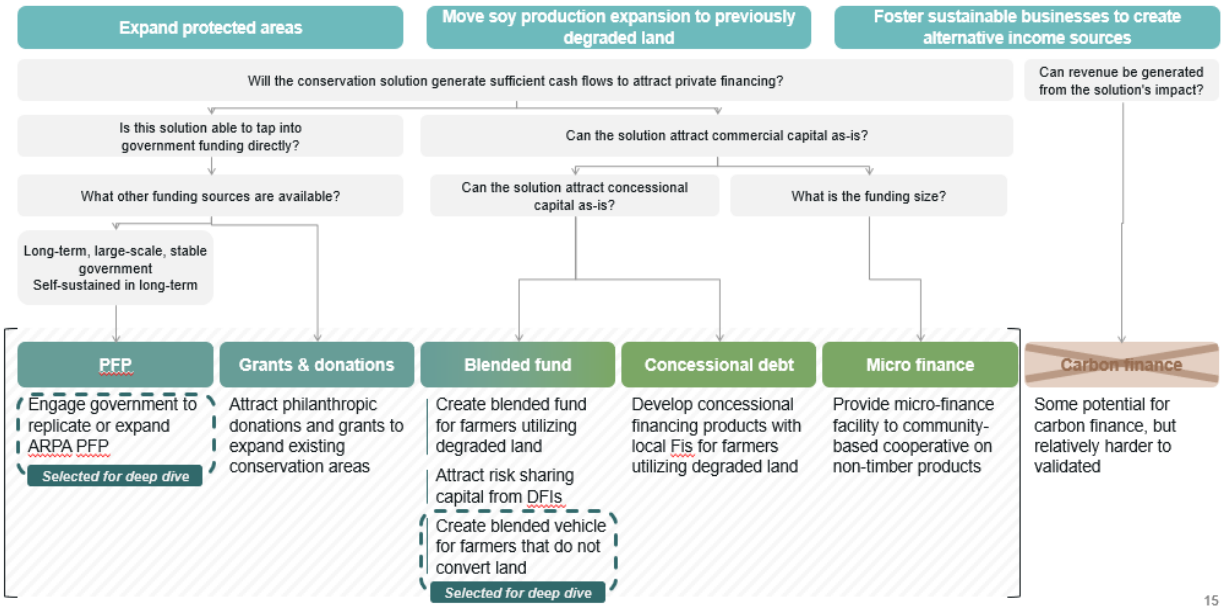
Expand protected areas

- **Project Finance for Permanence (PFP)** – Given the lack of expected financial returns and the objectives of long-term protection, PFPs can provide long-term funding for impact at scale.
- **Bilateral 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

- **Bilateral 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.



3. **Implementing - The following approaches have been prioritised to date:**

Expand or replicate ARPA Project Finance for Permanence
WWF played a key role in initiating the ARPA Project Finance for Permanence 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.

Stakeholders: Stakeholders were needed across specialisations 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 and 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.

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 in the Cerrado.
- Stakeholder engagement is a key factor in many of the Financing Green interventions. Given the difficulty of PFP, conservation has relied more on grants and donations at a smaller scale.

Blended finance for farmers that do not convert land (Responsible Commodities Facility)
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 - a Responsible Commodities Facility - offering lower-interest rate loans and longer timeframes than existing credit was developed for farmers who do not convert land. This was 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, 8.5km^2 was conserved in the first two years. The conserved area is expected to expand to 1,500km^2 with the attraction of further commercial capital in 2024.

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 for 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, with most focus devoted to reducing land conversion pressure through regulation and policies.

Support Financing Green interventions deployment

Systemic gaps	Stakeholder	Intervention
Small share of subsidised 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

Leverage regulation and policies to reduce pressure from land conversion

Systemic gaps	Stakeholder	Intervention
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
Financing provided to farmers who convert land with limited consequence from land conversion	Financial institutions	Partner with financial institutions to develop improvement plan, ultimately aiming for inclusion of conversion risk in lending policies

Advance local financial system to incorporate risks from land conversion and climate change

Systemic gaps	Stakeholder	Intervention
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

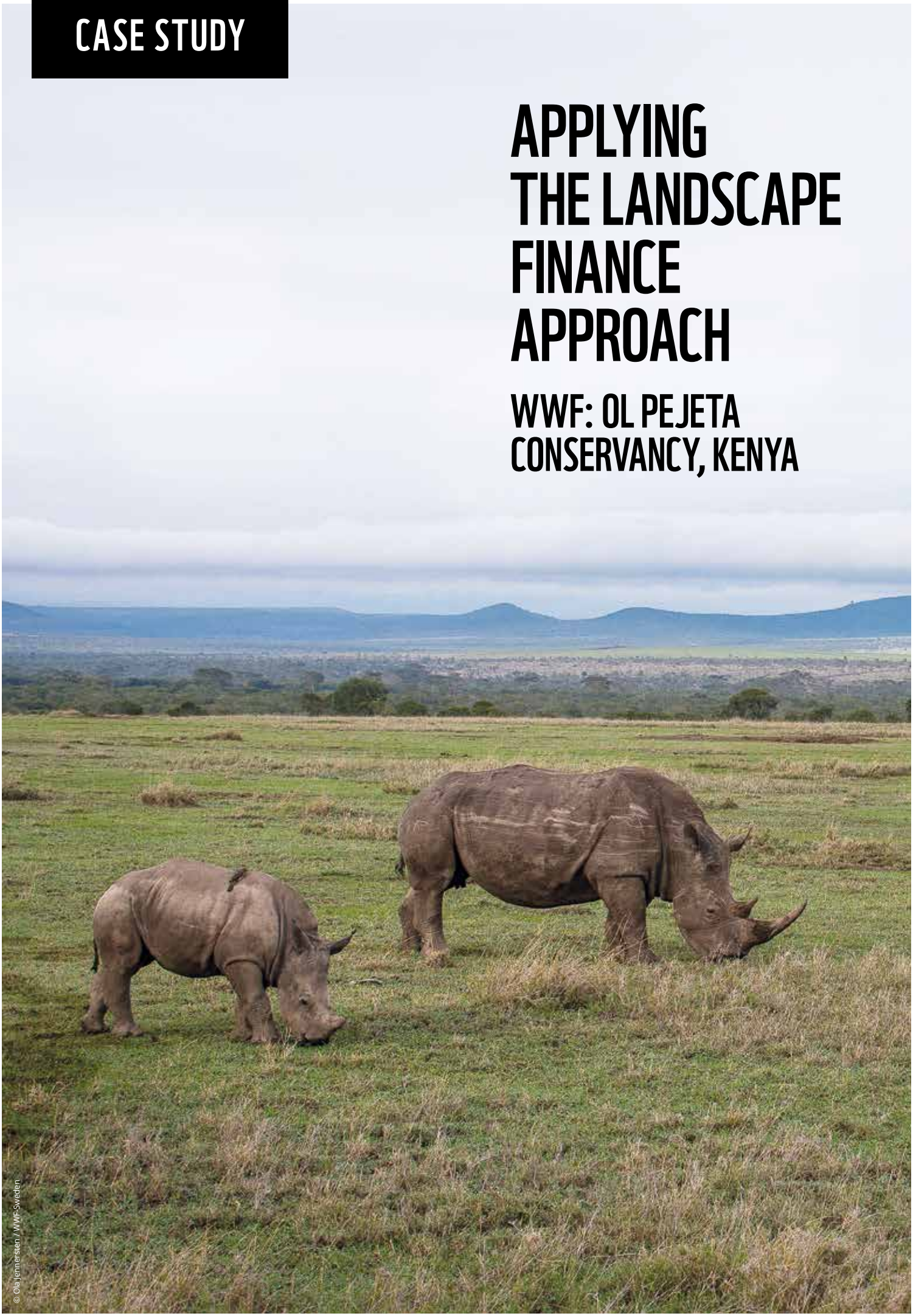
Lessons learned

- **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 incentivise 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.
- **An in-depth understanding of the drivers of land conversion can identify the most impactful conservation solutions**. The inclusive conservation programme 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 mobilising the finance required.

CASE STUDY

APPLYING THE LANDSCAPE FINANCE APPROACH

WWF: OL PEJETA CONSERVANCY, KENYA



Conservation Capital: Ol Pejeta Conservancy, Kenya

The landscape

The Laikipia region in central Kenya historically supported numerous unprofitable livestock ranches, including Ol Pejeta Ranch. Despite its significant ecological potential –bolstered by healthy rainfall, fertile soils and inherent wildlife habitat value – the property was under mounting pressure from rapid agricultural expansion, the encroachment of migrating pastoral communities and escalating human-wildlife conflicts. These challenges not only threatened the region's rich biodiversity and wildlife populations but also jeopardised essential ecosystem services, such as water catchment protection and soil fertility. In light of these risks, urgent conservation interventions became imperative to safeguard both the natural environment and local communities' livelihoods.

A. Conservation plan and needs

In 2005, Conservation Capital worked with three international conservation organizations to spearhead the acquisition, restructuring and redevelopment of the 90,000-acre Ol Pejeta Ranch, transforming it from a commercial livestock operation into a sustainable, multifaceted wildlife conservancy. Valued at US$27 million, this landmark transaction was Kenya's largest private-sector conservation deal at the time.

The funds were structured as preferred equity and invested into a newly formed holding company, the Ol Pejeta Conservancy (OPC). Although OPC was established as a limited liability company, its constitution structured it as a not-for-profit entity. OPC acquired 100% of the ordinary equity shares in Ol Pejeta Ranching Limited – the for-profit company that owned the land and all related operational assets. This hybrid financial and corporate structure enabled Conservation Capital to mobilise both philanthropic funds and commercial capital while maintaining a clear focus on conservation and sustainable development.

B. Design and development process and outcome

Conservation Capital chaired the newly established holding and subsidiary boards, leveraging its proprietary methodologies – Nature Financing Activation (NFA) and Nature Based Business Building (NB3) – to design and implement a comprehensive five-year sustainable conservation development plan. These frameworks ensured that every component of the plan was rooted in ecological compatibility, long-term sustainability, market viability, revenue diversification and robust community engagement.

To achieve a balanced and resilient revenue model, the strategy selected a portfolio of complementary, non-correlated income streams. Key initiatives included third-party tourism concessions, integrated livestock management, sustainable agriculture and residential developments. This multidimensional financial strategy was designed to balance commercial profitability with tangible conservation outcomes. By diversifying revenue channels, Ol Pejeta not only fortified its financial resilience against market and environmental uncertainties but also set a benchmark for sustainable, nature-based business models.

C. Financing outcome: A portfolio of integrated instruments

Ol Pejeta's transformation was underpinned by a multilayered financial structure that combined equity, debt, grants and diversified revenue mechanisms:

Equity

- A zero-coupon redeemable preference share structure mobilised the initial US$27 million for acquisition and development. These shares were subject to strict conservation and governance covenants, ensuring accountability.
- An additional US$25 million-plus was raised by leveraging third-party equity (and debt) through multiple concessions – awarding five tourism and one conservation agriculture concessions – to attract external investors for operating associated tourism and sustainable agriculture ventures.
- A strategic 1,000-acre, 99-year land sub-lease was exchanged for a 50% equity stake in the Mount Kenya Wildlife Estate, a 100-unit housing project on the conservancy's border. With a third-party developer providing the cash equity, this deal created an innovative link between real estate and conservation finance.

Debt

- The existing livestock herd served as collateral to secure US$220,000 in term debt. This debt financed the pioneering “Integrating Livestock Markets to Conservation” programme, which partnered with local communities to enhance value through sustainable livestock trading and access to market initiatives.

Grant mechanisms

- By structuring the not-for-profit holding company (OPC) as a ‘cost-clean’ entity, Ol Pejeta created a transparent platform for attracting grant funding. This funding supports special projects, such as the northern white rhino programme and community development, with millions of dollars of grants secured through this hybrid model.

Non-correlated revenue streams

- The diversified portfolio of third party-operated tourism, agricultural and residential housing concessions has generated a substantial annuity stream of concession fees and user fees. These, alongside in-house livestock operations and livestock sales (including components like embryo trading), have created over US$15 million in gross annual revenues – with US$3 million plus accruing directly to the conservancy. This spectrum of non-correlated revenue streams has proven crucial in de-risking the conservancy’s financial profile during external shocks such as the 2008 election violence and the 2020 Covid-19 pandemic.

In total, the integrated financing approach has generated over US$50 million in capital and significant ongoing revenue streams, building a robust nature-based business asset base that underpins both the conservancy’s ecological mission and its economic resilience.

D. Outcomes

Ol Pejeta Conservancy, spanning approximately 90,000 acres in Laikipia County, Kenya, is an example of conservation outcomes and innovative, nature-based business. Today, it hosts significant biodiversity, including East Africa’s largest black rhino population, alongside thriving wildlife communities, including various endangered species. It also preserves vital ecosystem services for surrounding communities, such as water catchment protection and improved grazing opportunities.

From a business perspective, Ol Pejeta leverages ecotourism, agriculture and integrated cattle operations to generate sustainable revenue. Attracting over 100,000 visitors annually – primarily from the domestic market – the conservancy reinforces its financial viability while raising broad conservation awareness, balancing ecological integrity with economic growth and community development. Internationally recognised as one of Africa’s foremost conservation initiatives, Ol Pejeta has garnered multiple awards and was named Kenya’s first IUCN Green List site.

Key lessons

Key dynamics that contributed to Ol Pejeta's success from a financing perspective included:

- **Strong property rights:** Securing full title ownership and the power to sub-lease property rights to third-party partners was fundamental. This clear legal control over the land provided the necessary collateral and confidence for investors and lenders alike, ensuring that the conservancy’s assets could be effectively leveraged.
- **Hybrid corporate structure:** By combining for-profit and not-for-profit legal entities within a coherent group structure, Ol Pejeta created a basis to target both grant-based and commercial financing mechanisms. This dual framework allowed for a flexible approach to capital sourcing, aligning the project’s conservation goals with revenue generation.
- **Robust governance and management:** Comprehensive governance frameworks, transparent decision-making processes and rigorous management protocols built strong investor confidence and stakeholder trust. This operational excellence enhanced financial credibility and improved overall project effectiveness.
- **Revenue stream diversification and non-correlation:** Developing multiple, complementary income streams – ranging from tourism and agriculture to residential concessions – significantly

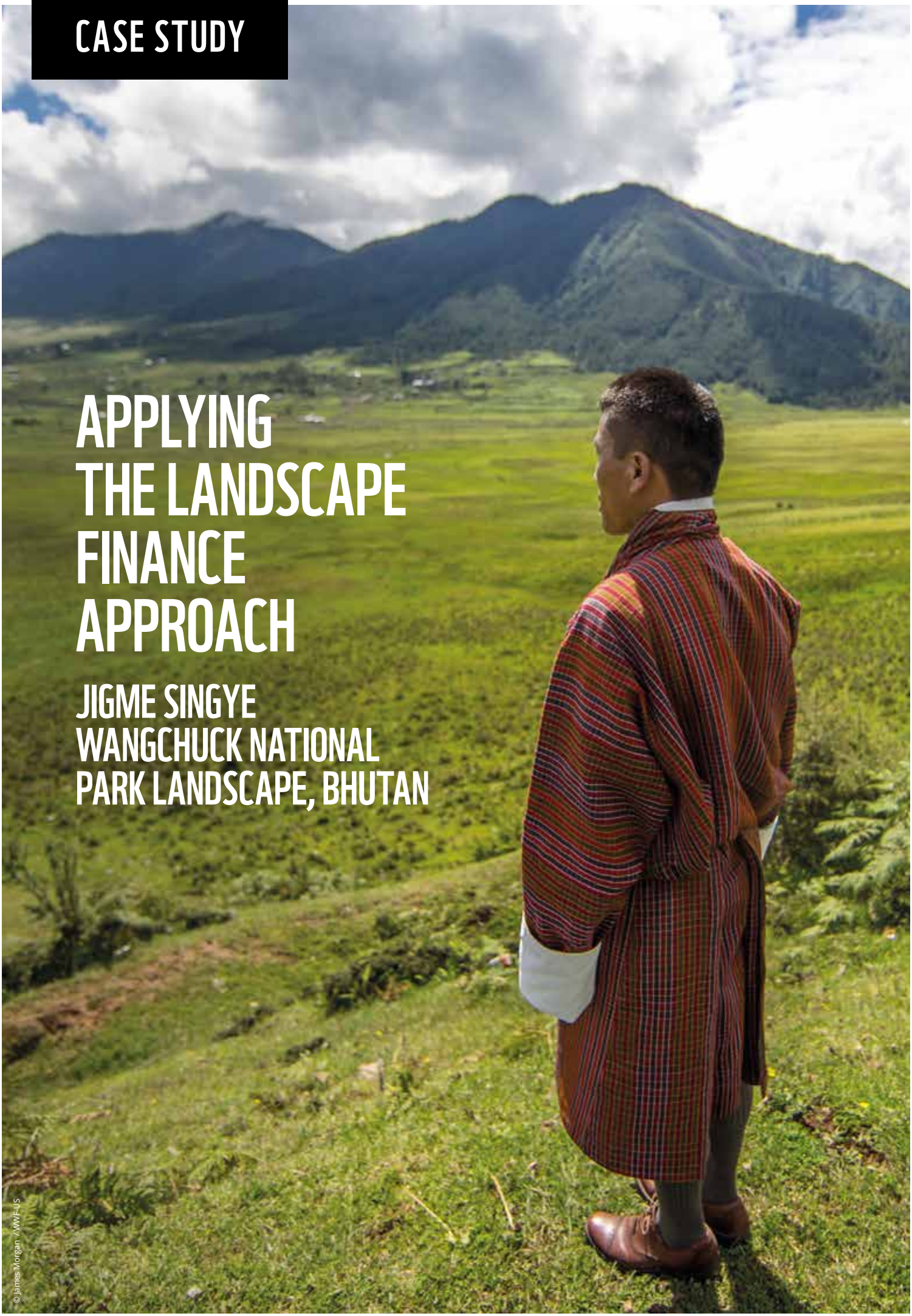
enhanced financial resilience. This non-correlation reduced vulnerability to market fluctuations or environmental variability, ensuring a steady cash flow even in challenging times.

- **Scale:** The ambitious scope of the project enabled the targeting of larger ticket size opportunities – a dynamic not common in the conservation sector but one that private finance markets tend to seek. Scaling up operations contributed to improved transaction cost efficiency and a more robust economic model.
- **Outsourcing:** Employing a concession-focused business model allowed Ol Pejeta to tap into the specialised skills of various third-party operators. This strategy not only broadened market access for the conservancy's overall product offering but also ensured operational excellence.
- **Community-centric conservation:** Active engagement with surrounding local communities was key to ensuring social equity and securing lasting support for conservation initiatives. This inclusive approach helped foster local partnerships, reduced conflicts and ensured that conservation benefits were broadly shared.
- **Adaptive management and planning:** Continuous ecological monitoring and regular market feedback informed responsive planning processes. This adaptive management approach allowed the conservancy to remain flexible and proactive, ensuring long-term effectiveness and sustainability in the face of changing environmental and economic conditions.

CASE STUDY

APPLYING THE LANDSCAPE FINANCE APPROACH

JIGME SINGYE WANGCHUCK NATIONAL PARK LANDSCAPE, BHUTAN



Conservation Capital: Jigme Singye Wangchuck National Park Landscape, Bhutan

The landscape

Jigme Singye Wangchuck National Park (JSWNP) sits at the heart of Bhutan's protected area system, safeguarding both a vital mid-Himalayan landscape and providing connectivity for tigers and other wildlife between northern and southern conservation areas of Bhutan. JSWNP boasts diverse habitats from subtropical forests to alpine meadows and supports approximately 5,500 people whose livelihoods largely depend on agriculture and livestock.

Despite Bhutan's strong track record on nature conservation, threats to the National Park include overgrazing, poaching, habitat degradation from hydropower development and deforestation. Currently, JSWNP relies entirely on government and donor financing, highlighting the need for more sustainable and diversified funding mechanisms to support conservation over the long-term.

A. Conservation plan and needs

Recognising the pressing need for financial sustainability, the Tiger Conservation Coalition – a consortium of leading international conservation NGOs working on tiger conservation (including Panthera, WWF, IUCN, WCS and ZSL) – commissioned Conservation Capital to develop a comprehensive conservation financing plan for the national park and surrounding landscape. This was one of several financing plans developed by Conservation Capital to support efforts to secure US$1 billion in new finance for tigers and tiger habitats over the next decade.

The financing plan focuses on diversifying funding sources to secure long-term conservation outcomes and strengthen community livelihoods. This effort aligns with Bhutan's commitment under the Global Tiger Initiative, aiming to protect and sustainably manage critical tiger habitats through innovative financing solutions.

The development of the plan involved:

- Assessing key conservation threats, interventions and level of financing need
- Reviewing macroeconomic conditions influencing the environment for investment
- Stakeholder consultations involving government agencies and NGOs
- Identifying priority finance instruments to sustainably support conservation operations.

The estimated annual financing needs were modest (BTN 11-25 million or US$132,000-335,000 over a 10-year period), reflecting prior work to define the immediate park management needs rather than broader landscape restoration and community development objectives. This assessment highlighted the necessity to broaden financing mechanisms to support the landscape in a more integrated way.

Financial instruments considered

Multiple financing mechanisms were evaluated using CC's structured Nature Financing Activation (NFA) methodology, which classifies opportunities based on macro-economic conditions, feasibility (presence of key enablers specific to each mechanism), potential impact, and alignment with conservation priorities. For the JSWNP landscape, the most promising instruments identified included:

Higher priority

- Debt-for-nature swap
- Carbon credits
- User fees (tourism)

Medium priority

- Payments for ecosystem services (PES)
- Impact bonds
- Biodiversity credits
- Nature stewardship bonds

B. Selection process and outcome

A systematic and consultative selection process was undertaken to identify the most appropriate financing mechanisms for JSWNP, guided by CC's NFA methodology. This process assessed each mechanism's ecological compatibility, financial sustainability, institutional feasibility, revenue diversification potential, and alignment with community needs.

Mechanisms were evaluated through stakeholder consultations, government engagement, and an extensive review of existing biodiversity finance initiatives in Bhutan, including Bhutan for Life and UNDP BIOFIN. Broader considerations such as the landscape's conservation priorities, macroeconomic conditions, and potential for sustained impact were also factored in.

The result was the prioritisation of three core financial instruments that offer strong potential to attract long-term investment, demonstrate scalability, and deliver measurable conservation and community outcomes: Debt-for-Nature Swaps, Carbon Credits, User Fees (Tourism). Together, these mechanisms form a strategic financing mix capable of addressing JSWNP's funding needs while supporting Bhutan's broader conservation and sustainable development goals.

Detailed description of selected finance interventions

Intervention 1: Debt-for-nature swap
Debt-for-nature swaps involve restructuring national debt in return for a country's commitment to conservation investments. With Bhutan's public debt estimated at around 125% of GDP (FY24/25)[1], one of the highest in the region, and low levels of economic development (140th in the world in terms of GDP per capita)[2], the potential for debt relief and restructuring to support nature conservation and economic development was identified as particularly relevant. The team assessed the structure of Bhutan's debt (much of which is hydropower-linked credit from India, and therefore self-liquidating) and identified approximately US$1 billion in credit from multilateral institutions, where there may be higher potential to negotiate a debt restructuring agreement.

Engaging key creditors on debt relief for even a small proportion of this debt (e.g. 10%) would represent a significant windfall to help capitalise a programme of social and environmental projects at the national level. This should include the development of nature-based businesses (e.g. ecotourism) and associated incubation services, that could become a sustainable source of revenue to support the national park and other key landscapes, while delivering a range of wider social and economic benefits (job creation, development of basic infrastructure, enhanced access to markets etc.).

Key stakeholders	● Bhutan government (Ministry of Finance; Ministry of Foreign Affairs and External Trade; Department of Forests and Park Services etc.) ● Multilateral financial institutions (Asian Development Bank, International Development Association etc.)
Finance receiver	Bhutan government, which could be channelled into the Bhutan for Life (BFL) Fund and Bhutan Trust Fund for Environmental Conservation (BTFEC).
Estimated value	Potential restructuring of even a relatively small portion of Bhutan's **~US$1 billion multilateral debt** could mobilise millions of dollars. The value could be well in excess of the financing needs of the JSWNP landscape. A carefully structured programme of conservation and nature-based enterprise development, and associated capacity-building and incubation, across key landscapes would be recommended to support self-sustaining revenue streams that create enduring revenue and wider economic benefits beyond a one-off debt restructuring effort.

[1] World Bank, 2025
[2] World Bank, 2023

Instrument considerations	● Strong political will, creditor buy-in, transparent governance and clearly defined conservation and socioeconomic development outcomes are critical. ● If implemented effectively, the mechanism could ease Bhutan's fiscal pressure while supporting the creation of nature-based enterprises (e.g. ecotourism and associated user fee structures) that would represent an ongoing revenue stream and support sustainable, long-term sources of conservation financing.

Intervention 2: Carbon credits
In a conservation context, carbon credits monetise greenhouse gas emission reductions through forest conservation or landscape management and restoration. Bhutan's commitment to preserving extensive forest cover and carbon-negative position present an opportunity to explore nature financing through carbon credit markets. Two opportunities were identified – the international trade of emission reductions through carbon markets under Article 6 of the Paris Agreement, and emerging standards and the creation of new asset classes aimed at the maintenance of high-integrity forests (e.g. the ART TREES standard), with further due diligence underway.

Key stakeholders	● Bhutan government (Ministry of Finance; Department of Environment and Climate Change; National Environment Commission; Department of Forests and Park Services etc.) ● Global carbon market participants (buyers/investors) ● Local communities (beneficiaries)
Finance receiver	To be determined.
Estimated value	Potential to mobilise millions of dollars annually through voluntary and compliance-based carbon markets.
Instrument considerations	● Requires robust monitoring, reporting and verification (MRV) systems, clear policy frameworks and equitable benefit-sharing mechanisms with communities. ● Implementation must balance market opportunities with conservation integrity and social inclusion.

Intervention 3: User fees (tourism)
In a tourism context, user fees can support protected areas by generating revenue from appropriate fee structures that can include, for example, park entry fees, activity-based fees and lease fees. Bhutan enjoys a global reputation as a world-class nature and cultural tourism destination. Introducing a system of user fees both in JSWNP and in the wider protected area network could sustainably fund park management and local community projects.

Key stakeholders	● Bhutan government (Ministry of Finance; Department of Tourism, Ministry of Foreign Affairs and External Trade; Department of Forests and Park Services) ● Private tourism operators ● Domestic and international tourists
Finance receiver	Dependent on the model adopted, but likely to be a combination of appropriate revenue-sharing with local communities engaged in ecotourism and conservation activities.
Estimated value	Lack of visitor data precluded a local estimate of revenue-generating potential. However, in other conservation contexts, carefully structured user fees can generate

	hundreds of thousands of dollars annually, significantly contributing to funding core protected area operations and local livelihood projects.
Instrument considerations	● Success depends on clear and transparent pricing, high-quality visitor experiences, and a direct, visible link between fees collected and conservation outcomes. ● Community engagement and benefit-sharing are essential for local buy-in and long-term viability.

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Enabling conditions / lessons learned

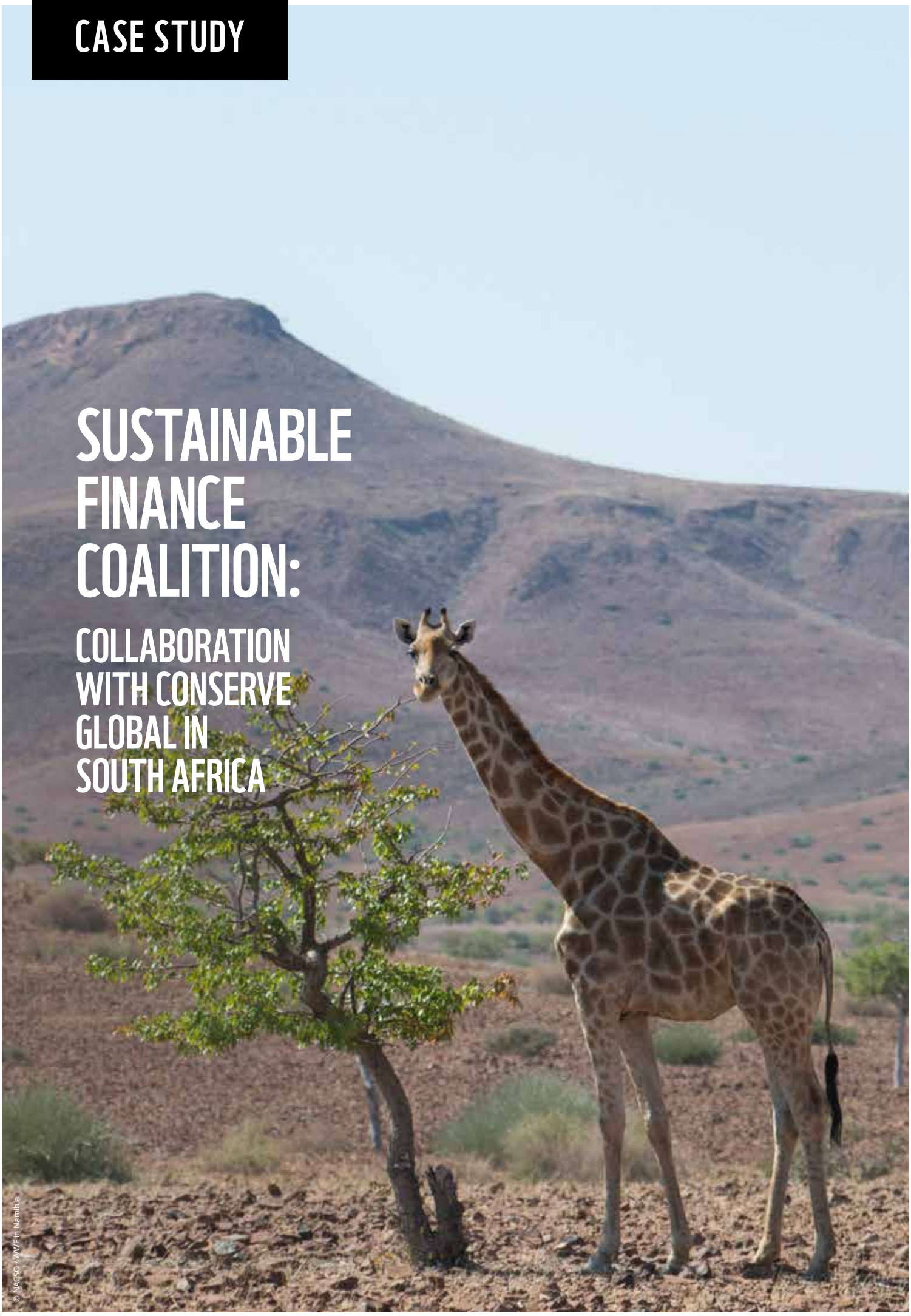
Several key conditions underpin the feasibility and success of JSWNP's sustainable financing plan:

- **Strong national commitment to conservation:** Bhutan's global environmental leadership, political stability and rule of law, and international credibility are expected to support investor confidence.
- **Alignment with international climate and biodiversity goals:** Bhutan's proactive stance in international biodiversity and climate agreements puts it as a world leader and attracts substantial global interest, unlocking international finance opportunities.
- **Established institutional frameworks:** National-level nature financing structures (BFL and BTFEC) offer robust governance and an existing fund structure in which revenues from financing mechanisms could be pooled.
- **Investment in enhancing conservation management**: Bhutan for Life, a Project Financing for Permanence initiative (a financing strategy discussed elsewhere in this report), has significantly increased national conservation budgets and supported the development of long-term, costed management plans for Bhutan's protected areas, around which nature financing mechanisms can be designed and capitalised.
- **Local community benefits:** The long-term success and sustainability of conservation efforts will depend on wider economic benefits for local communities, and nature conservation efforts are pursued alongside development objectives. Identifying enterprise opportunities and integration of benefit-sharing will be critical
- **Potential for replication and scale:** Several of the mechanisms identified through the Financing Plan can potentially support financing efforts beyond the Park, benefiting the wider PA network, leading to opportunities for scaled investment and planning by Government Ministries

CASE STUDY

SUSTAINABLE FINANCE COALITION:

COLLABORATION WITH CONSERVE GLOBAL IN SOUTH AFRICA



Sustainable Finance Coalition: Collaboration with Conserve Global in southern Africa

Context: Conserve Global aims to expand Africa's conservation footprint and nature-based economy by supporting the establishment of community-initiated conservancies in the buffer zones adjacent to thriving concessions by building strong local institutions with robust governance, capacity and financial resilience. These deliver effective management of natural landscapes beyond national parks to unlock their enduring value for people. This work is done across Angola, Cameroon, Kenya, Mozambique, Namibia and Zambia. The Sustainable Finance Coalition 'FINDs', 'DESIGNs' and 'MOBILISEs' tailor-made finance solutions for nature through collective action in Africa.

1. Understanding the conservation opportunity and finance need
The Sustainable Finance Coalition works shoulder to shoulder with organizations to unlock sustainable finance from tailor-made finance solutions in Africa. These organizations are carefully selected through a FIND Process for People and Places, prior to finding the right finance solutions. Partnerships that replicate the finance model at a landscape or seascape scale are referred to as Finance Doers at Scale.

> **Tools:** The FIND Scorecard for People and Places is used by the Coalition and partners to select the right organizations to work with. Each of these organizations has its own methods and tools for conservation planning and understanding the finance need. If they don't, the Coalition provides a rapid finance needs assessment that assists in determining the finance required for optimal and effective conservation management coupled with social impact.

Lessons learned:
To ensure that finance solutions are selected and implemented in the most effective way through the Finance Model, five key things need to be in place:

1. An alignment on values and commitments to financing nature and achieving impact.
2. An understanding of the environmental, social and economic context in the places where they work – this includes conservation planning and financial need.
3. A commitment to undertake the full Finance Model.
4. Professional capacity and capability to undertake the work that is required over at least a three-year period.
5. Positive scoring across the 12 criteria in the FIND Scorecard.

2. Select finance interventions
The Coalition refers to this stage as FIND. The FIND stage of the finance model identifies the most viable finance solutions for implementation within a 1–3-month period. Finance solutions are identified through three steps, each supported by a set of tools.

- Step 1: Scope the available sustainable finance solution opportunities and understand the building blocks that would determine viability.
- Step 2: Screen a longlist of finance solution options to arrive at a shortlist.
- Step 3: Select the highest potential finance solutions for DESIGN.

> **Tools:** The Finance Solution Inventory is an African-led knowledge hub of finance solutions targeted at conservation. The FIND Scorecard is a rapid screening tool for all finance solutions listed per Naturescape (e.g., landscapes and seascapes). The FIND Assessment Tool uses a set of 12 criteria to interrogate each shortlisted finance solution for selection. The FIND workshop is an in-person exchange facilitated by the Coalition to scope, screen and select finance solutions for any given context, utilising the tools to do so.

The FIND stage was applied with Conserve Global for three landscapes in three countries between July and September 2024. Several finance solutions were selected per landscape to ensure the greatest chance of success when transitioning to the DESIGN stage.

The effectiveness of the FIND stage is summarised in the table below.

	No. of finance solutions		
Landscape	Scoped (longlist)	Screened (intermediate list)	Selected (shortlist)
Kunene, Namibia	13	11	5
Tondwa, Zambia	12	7	5
Futi Corridor, Mozambique	13	13	5

The finance solutions selected ultimately included a range of typologies from insurance products to nature credits, bankable projects, environmental funds and bonds. Due to confidentiality, the specific solutions determined per landscape cannot be shared.

Lessons learned:

- It is advisable that the 'Doer Team' (in this case the Conserve Global team) study the Coalition's Finance Solutions Inventory prior to the FIND Workshop to familiarise themselves with the different typologies and tailor-made finance solutions.
- The FIND Workshop should include team members from the Doer with different experience, expertise and knowledge about the landscapes operated in to provide balanced input into the FIND process. This will ensure that adequate context is brought to the FIND process.

3. Implementation

The Coalition refers to this stage as DESIGN. The DESIGN stage of the finance model takes a finance solution from idea to impact with clear milestones, parameters and timelines. The DESIGN stage holds three steps, to incubate, implement and achieve impact.

- Step 1- Incubate: Establishing the building blocks, and an implementation pathway, for new or newly unlocked sustainable finance solutions
- Step 2- Implement: Actualising finance flows from a sustainable finance solution through a detailed implementation plan.
- Step 3- Impact: Taking a sustainable finance solution to a point of impact on nature and society.

Tools - The tools used at each stage include:

- Incubators: Incubator launch, incubator how-to guide, incubator viability report
- Solution roadmaps: Implementation pathway per solution, implementation plan per landscape
- Impact frameworks: Rapid Finance Needs Assessment, Impact Framework.

The Conserve team has requested that a tailor-made finance solution be incubated as a new idea (the incubator is due to launch in the second half of 2025). Conserve Global is in Step 2 Implementation of 14 other finance solutions selected in FIND for the three landscapes.

Lessons learned:

- Prioritisation of finance solutions is essential to focus on the most viable finance solutions. Challenges and obstacles need to be addressed in a strategic manner, with appropriate stakeholder engagement and within set timelines.
- The implementation plan for each landscape should detail all these aspects and, together with implementation pathways for individual finance solutions, provide a roadmap for implementation.
- Implementation Task Teams for individual finance solutions provide the platform for experts to come together on a regular basis to ensure all challenges are addressed promptly, while a Collaboration Advisory Group within each landscape provides the necessary coordination

D. Scale

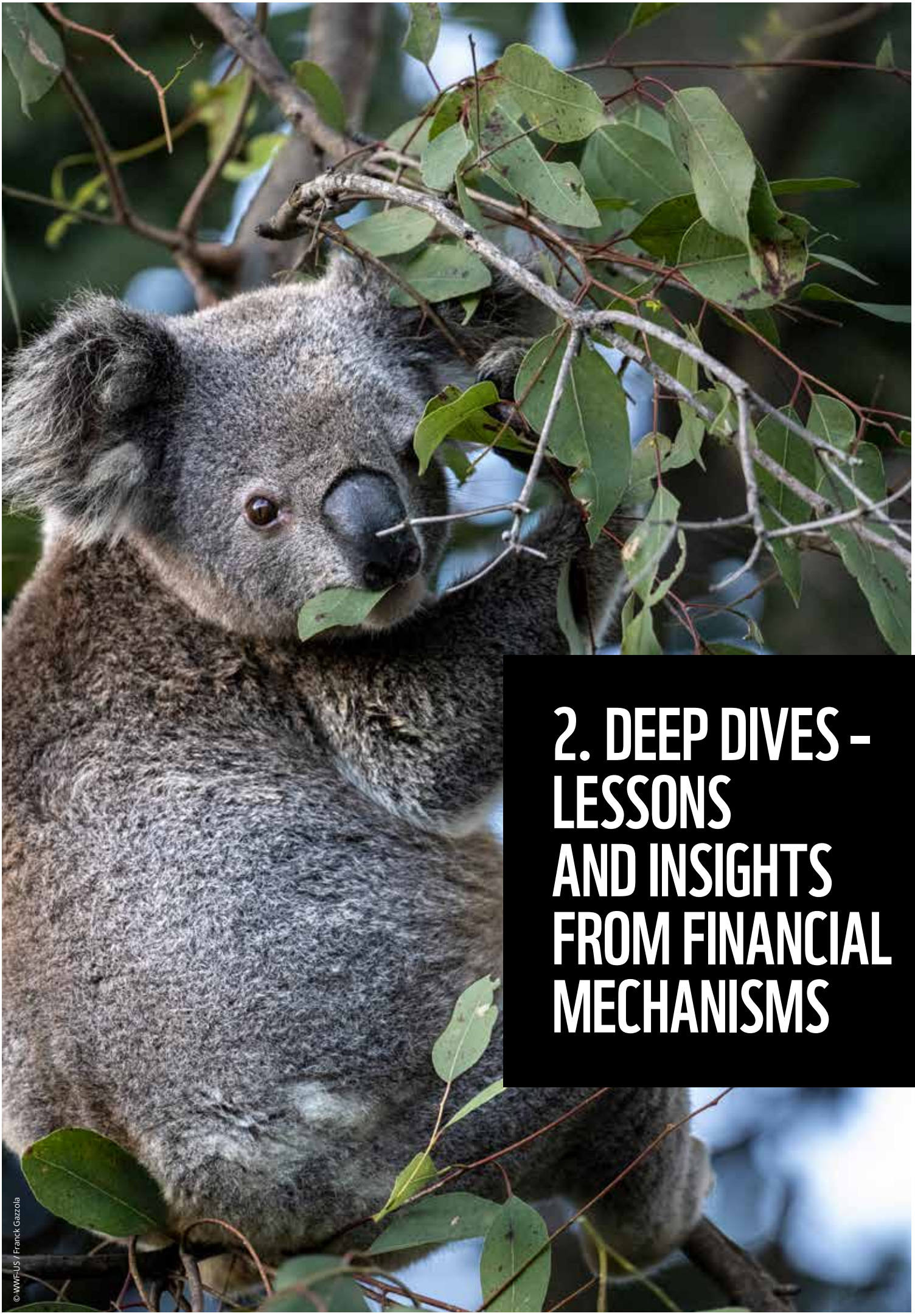
The Coalition refers to this stage as MOBILISE. The MOBILISE stage harnesses the power of collective action to mobilise money and expertise to take finance solutions to scale. The MOBILISE stage includes three steps:

- Step 1 – Scale: A commitment between the Coalition and an organization to stand shoulder to shoulder and walk a sustainable finance journey in order to embed the Finance Model to identify, develop and unlock tailored finance solutions on an enduring basis.
- Step 2 – Share: Use engagement platforms to foster a cohesive network that drives social capital from a range of sectors to unlock resources, expertise and buy-in that make finance solution development possible.
- Step 3 – Support: Use curated communication tools, knowledge products and capacity building events to stimulate innovation and increase co-creation support for financing nature.

  Tools: Events, Finance for Nature Ecosystem (e.g., network of collaborators), Doers (e.g., implements like Conserve Global) and Drivers (e.g., corporate collaborators like Nedbank who pursue sustainable finance solutions together with the Coalition).

The Coalition team and Conserve Global (as a Finance Doer at Scale) have been working together with the support of a dedicated Sustainable Finance Coordinator. Together the teams have been meeting with several organizations in the finance for nature ecosystem to both drive and finance selected finance solutions. The teams are making good progress in this regard.

Lessons learned:
An established finance for nature ecosystem and supportive relationships on landscapes and countries are essential to gaining buy-in and support for finance solutions and their impact.



2. DEEP DIVES – LESSONS AND INSIGHTS FROM FINANCIAL MECHANISMS

Financial interventions covered in this section

- **Venture Debt:** Venture debt is a form of financing designed to support the growth of early-stage enterprises. Essentially a repayable loan, in a conservation context, venture debt can help finance nature-based businesses that hold potential for generating measurable environmental and social outcomes, without diluting the equity holdings, and the associated incentives this creates, of mission-driven founders. Debt structures can be tailored to the unique cash flow patterns and impact cycles of these enterprises, aligning financial sustainability with long-term conservation goals.

- **Land Value Capture:** Land value capture (LVC) is a nature financing mechanism that leverages increases in the value of land proximate to core nature landscapes under active conservation management. As these landscapes become ecologically healthier and more physically attractive, land values tend to rise. Capturing this increased value through strategic sales, leases or the transfer of economic rights can generate ongoing funding for conservation. Traditionally, LVC has been a government mechanism where public investment, often in urban or peri-urban contexts, generates revenue through increased property taxes such as capital gains tax and stamp duty equivalents. However, LVC can also be adapted and exploited by private conservation initiatives.

- **Impact bonds:** An impact bond is a results-based financial instrument that links investor returns directly to measurable outcomes – helping channel funds into projects that deliver clear environmental or social benefits. Rather than relying on upfront grants or traditional donor funding, impact bonds begin with private investors who invest capital. If independently verified outcomes are achieved, investors are repaid – often with a return – by an outcome payer (essentially a donor).

- **Blended finance:** Blended finance refers to the strategic use of public, philanthropic and private sector capital to mobilise investments for projects or initiatives that have both financial returns and positive social or environmental impacts. It involves structuring financial arrangements that combine concessional funding, such as grants/philanthropic or public funds, to catalyse capital from private sources to increase private sector investment in sustainable development. Blended finance mechanisms aim to de-risk investments in socially and environmentally impactful ventures, making them more attractive to private sector investors while leveraging public resources to achieve sustainable development goals.

- **Environmental funds:** Environmental funds are investment vehicles that channel financial capital into projects, companies and assets that yield a financial return, as well as measurable positive environmental outcomes. One type of environmental fund is an outcomes fund, and while literature on this is still developing, outcomes funds facilitate payments for social or environmental outcomes, rather than inputs or activities. Outcomes funds enable several outcomes-based contracts to be grouped in a portfolio and supported in parallel *(see solution sheet)*.

- **Human Wildlife Conflict Insurance:** Insurance is a financial instrument that provides protection against financial losses incurred due to risks caused by certain situations and events. It is a legal agreement between two parties whereby one party (insurer) agrees to compensate the other party (insured) in the event of a loss. The aim of insurance is to provide a financial safety net by providing people and communities the ability to quickly recover from shocks caused by unforeseen events. *(See Solution Sheet)*

- **Protected Area Tax Incentive:** The protected area tax incentive is a type of environmental fiscal benefit. Environmental fiscal benefits are positive economic or environmental impacts that result from a fiscal policy or measure. Environmental fiscal benefits have the potential to significantly affect decisions that may impact the environment, with the aim of disincentivising harmful actions and incentivising sustainable land and resource use. They can encourage behavioural change that supports the conservation of biodiversity and environmental management. *(See Solution Sheet)*.

- **Project Finance for Permanence:** PFP is an approach designed to secure policy changes and necessary funding to achieve specific conservation goals of a conservation area system over a long timeframe. A PFP aims to ensure ecological, social, political, organizational and financial sustainability. Aiming to secure permanent protection, a PFP initiative may cover protected areas and OECMs and may cover public, private and Indigenous land. PFP initiatives typically include both conservation and community development objectives. Initial funding from donors and grants typically transitions to domestic sustainable funding sources, with the donor funds managed by an independent fund administrator and disbursed when stakeholders meet agreed milestones.

Venture debt – Conservation bonds

Projects financed	Conservation Bond 1 (2010) and Conservation Bond 2 (2012)	**Geography**	Ethiopia, Kenya, Tanzania, Zambia, Namibia
Instrument	Venture debt (blend of senior debt, revenue-based royalties and milestone-linked tranches) from a range of commercial and concessional investors	**Sectors**	Sustainable agriculture, ecotourism, conservation livestock, community-based enterprises
Summary	The two conservation bonds (CB1 and CB2), launched by African Wildlife Capital (AWC) and managed by Conservation Capital, represent one of the earliest attempts to build a structured, impact-first debt vehicle for conservation in Sub-Saharan Africa. The initiative channelled over US$7 million into nine high-potential nature-based enterprises across five countries and three sectors (regenerative livestock, regenerative agriculture and nature-based tourism) in a first-of-its-kind investment to find a viable alternative to grant-based models for developing nature based-businesses and scaling conservation financing. The bonds were capitalised by investors who would have ordinarily provided this funding through traditional grants. In a region marked by ecological urgency and underdeveloped financial ecosystems, the CBs provided much-needed risk capital to enterprises working at the intersection of conservation and community development. Investee companies included Rungwe Avocado Company in Tanzania, which engaged over 3,000 smallholder farmers in conservation agriculture; Grootberg Lodge in Namibia, a flagship model of community-owned ecotourism; COMACO in Zambia, which links regenerative agriculture to poaching reduction across the Luangwa Valley; and the pioneering Linking Livestock Markets to Conservation programme run through the Ol Pejeta Conservancy in central Kenya. Although the funds operated in high-risk, low-liquidity environments – coinciding with the civil war in Ethiopia, a business unfriendly political era in Tanzania and the Covid-19 pandemic – the near 90% debt recovery rate to date stands out as a relative success in a landscape otherwise almost completely dominated by grants.		

Financial structure	
Total raised	US$7,080,457
Capital recovered to date (% recovered to date)	US$6,270,456 (88.5%)
Written off	US$3,340,769
Return expectations	Impact-first (with goal to preserve capital and maximise environmental/social outcomes)

Lessons learned

- **Proved the potential of debt in conservation finance:** While a blended structure would have been ideal for the CBs, they successfully showcased debt's potential in nature-based enterprises – even in some of the world's most challenging contexts and without the cushion of lower-risk donor capital. They helped shift the perception of conservation from being solely grant-dependent to an investable sector.
- **Conservation covenants:** These investments were among the first to tie loan agreements to structured conservation covenants – simple, measurable commitments that link business success to ecological impact. By keeping the number of covenants small (typically 3–5), they remained focused and implementable, avoiding overburdening early-stage enterprises.
- **Financial terms matched to business needs:** The CBs used innovative terms such as revenue-based repayments and milestone-triggered disbursements, which gave businesses breathing room to manage

seasonal or unpredictable cash flows. These structures helped maintain accountability without creating unmanageable repayment pressure.

- **Diversified portfolio to manage risk:** By investing across geographies and sectors, the CBs were able to weather underperformance in some areas while benefiting from standout results in others. Flagship investments such as Grootberg Lodge (Namibia) and COMACO (Zambia) performed especially well both financially and ecologically.
- **Linked capital cost to conservation performance:** In several cases, the interest rate was adjusted downwards based on conservation results, incentivising businesses to stay mission aligned. This reinforced ecological outcomes without compromising financial discipline.
- **Supported community-based enterprises:** Many investees were first-time borrowers or small community-led organizations. The CBs demonstrated that, with the right design and support, local enterprises can deliver impact and manage repayable finance responsibly.

Recommendations

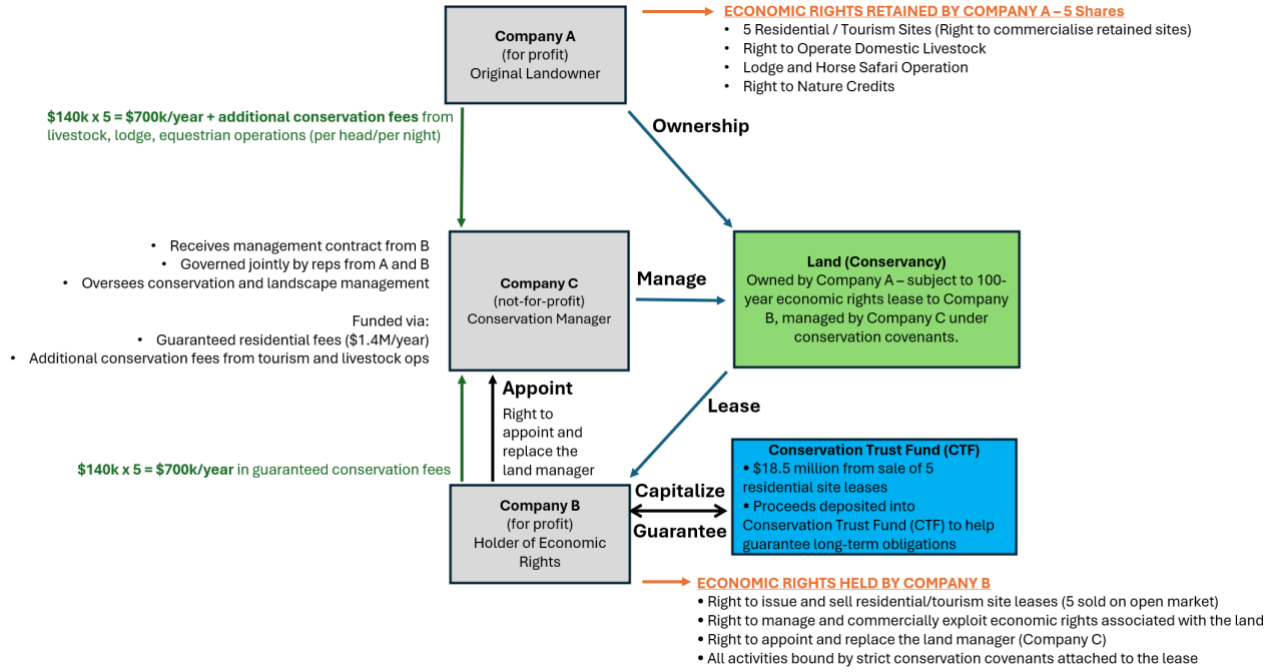
- **Start small, then scale:** Several investees were over-leveraged too early. A more effective approach would be to start with smaller loan tranches and scale up based on performance – especially for early-stage ventures with limited financial history.
- **Stronger oversight and governance:** The fund had limited ability to intervene in underperforming businesses. Future structures should secure greater levels of board representation, veto rights or reserved matters to strengthen alignment and enable corrective action than AWC was able to do – despite only being a debt (as opposed to equity) investor.
- **Currency and country risk:** Lending in hard currency exposed investees to exchange rate volatility. Future funds should explore local currency instruments, partner with domestic lenders, or consider hedging strategies in volatile markets, although our experience to date has been that all available hedging instruments are too expensive.
- **Invest in MEL (monitoring, evaluation and learning):** Impact tracking was underfunded and as a result led to inconsistencies. Future funds should budget from the outset for field visits, conservation performance verification and impact learning across the portfolio. Over the 10-year term of the CBs we learned that self-assessment of impact performance (rather than external auditing) was both significantly cheaper and much more effective at building an accountable and focused culture around this dynamic.
- **Use collateral or guarantees for larger loans:** Several of the larger loans were not backed by collateral (and in the case of local community-based investments this was arguably difficult from an ethical perspective anyway), despite several borrowers having access to other resources. In future, especially for projects that require significant upfront investment, securing some form of guarantee or collateral to protect the investment is key if things don't go as planned. It should be noted, however, that actually deploying these risk mitigation mechanisms in practice can be very difficult.
- **Simplify legal and fund structures:** The CB vehicle's legal setup (i.e., in Mauritius) proved costly and complex. Future vehicles should opt for leaner, jurisdiction-appropriate structures that are easier to administer without sacrificing accountability.
- **Balance risk and impact at portfolio level:** Several projects that delivered the greatest conservation outcomes also carried the highest financial risk, and vice versa. Future funds should intentionally balance these trade-offs as the CBs did – accepting that supporting a select number of higher-risk, high-impact ventures may be essential. These can be balanced by lower-risk, financially stronger investments that might deliver moderate conservation impact but provide stable returns to subsidise the overall portfolio.

Land value capture – Conservancy X

Projects financed	Conservancy X	**Geography**	Laikipia County, Kenya
Instrument	Land value capture	**Sectors**	Livestock, tourism, residential
Summary	In the early 2000s, a 13,000-hectare livestock ranch in Kenya faced a range of ecological, market and related financial pressures. In 2010, the landowners partnered with Conservation Capital to transform the ranch into a wildlife conservancy, funded via LVC. Conservation Capital helped design a corporate legal structure that separated underlying land ownership from economic rights related to that land. The original landowners retained ownership of the land but vested this in a corporate structure that leased certain economic rights to a separate entity (in which they became part shareholders) under a 100-year agreement. A non-profit management entity was also established to manage the land for conservation with structured residential and tourism fees ensuring its financial sustainability together with additional non-correlated revenue streams from conservation livestock operations alongside future potential around nature and carbon credits. Five 50-acre residential/tourism development sites were taken to market and rapidly traded. The sale of these residential rights raised US$18.5 million, capitalising a Conservation Trust Fund (CTF) that would act as a downside-risk backstop to secure the conservancy's long-term financial sustainability. This would not have been possible without a 100-year conservation commitment, backed by a robust legal and financial structure to secure this. Both the original landowners and owners of the five development sites became shareholders in a new company, and each pays annual conservation fees to support the ongoing management budget of the conservancy. The original landowners also maintained certain economic rights including residential rights, the right to operate a 16-bed tourism lodge, livestock and equestrian activities. Since the conservancy was formed its conservation value has increased (e.g., black rhinos have now been introduced and there has been a significant uplift in landscape regeneration and increased social welfare work with neighbouring local communities) and it is clear the residential/tourism sites (including those retained by the original owners) are worth multiples of what they were originally traded for.		

Financial structure	
Initial land valuation (2010)	US$10,000,000
Sale of five LCV driven sites capitalised the CTF	U$18,500,000
Obligation for each site to contribute to the non-profit conservancy management company	US$140,000 per annum
Guaranteed annual conservation fees *(not including fees from livestock operations)*	U$1,400,000
Net present value (NPV) of the conservancy's conservation-related cash flows	U$15,000,000
Total inherent net asset values	U$100,000,000+

Figure 1: Conceptual management and financial structure of Conservancy X



Lessons learned

- **Balance sheet driven:** Conservation globally is characterised by a very income and expenditure driven dynamic. In contrast, Conservancy X has demonstrated how LVC can be used to build a meaningful financial balance sheet alongside this.
- **Strong vested interests**: Because of this, Conservancy X has created strong buy-in and vested interests across its stakeholder and investor base, which is often lacking in conservation management contexts.
- **Resilience:** The combination of the two points above has created a very resilient financing dynamic at Conservancy X. This was tested during the Covid-19 pandemic: despite nearly all tourism-driven revenues temporarily ceasing, the conservancy easily weathered the crisis. In fact, Conservancy X could survive more than a decade without any further operational revenue.
- **Bankability:** Conservancy X is uniquely bankable – its guaranteed revenue streams can be and are used to underwrite development debt (for example the complete transition to solar power for the conservancy and its operations) and virtually every asset on the conservancy has increased in value and is fully tradeable – all protected by a set of powerful underlying conservation covenants.
- **Significant and expansive conservation progress:** Crucially, all these dynamics have led to very significant conservation progress within Conservancy X and its ability to act as a platform for extending its influence and impact across the wider landscape. Population counts of iconic wildlife including black and white rhino, elephant, and Burchell's and Grevy's zebra have grown by 10-75% for individual species in the conservancy and neighbouring land over the most recent five-year period.
- **Circularity – financial value directly aligned with natural value:** Perhaps the most significant upside of the Conservancy X LVC dynamic is that it successfully leverages the two most progressive and elusive components of modern of nature finance. Alongside the bankability of its asset base and revenue streams, its value and the increase in that value is entirely circular, i.e. it is all tied directly back to the quality of the underlying natural assets upon which the conservancy is based and enhancements made to it.

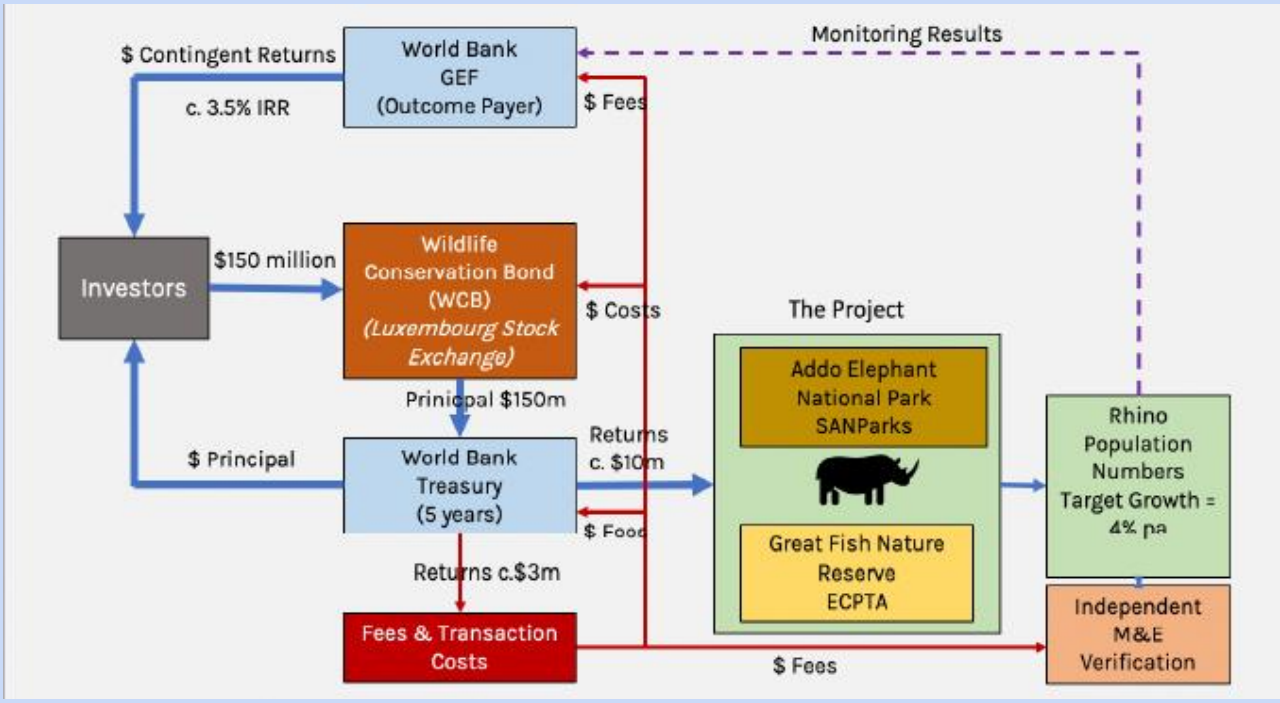
Recommendations

- **Strong and transferable property rights:** Clearly defined, legally enforceable, and transferable long-term property rights around which a conservation vision can be created are essential, giving investors the confidence to engage and ensuring the ability to efficiently transfer these rights via sub-lease agreements.
- **Compelling natural capital context:** All LVC-driven nature financing dynamics depend fundamentally on a compelling conservation context – particularly high inherent biodiversity value nested within important conservation landscapes and compelling physical attributes including expansive and charismatic views. It should be noted, these physical attributes alone don't equate to high-value or high-priority conservation contexts: it is

crucial to build an ambitious conservation development culture around these attributes (see conservation covenants below).

- **Conservation covenants:** Strict covenants embedded within leases and contractual agreements ensure long-term adherence to clearly defined conservation goals. The enforceability of these covenants, as with the property rights above, acts to de-risk investment.
- **Robust and highly vested governance, executive and legal foundations:** The natural capital and property rights context must be underpinned by transparent and inclusive governance combined with vested executive management teams with a long heritage in the landscape. Equally essential is very high-quality legal structuring and contracting. These governance and executive capacities represent the 'boring but important' attributes that optimise the ability to secure full financing value and subsequent growth in that value.
- **Significant potential in peri-urban contexts:** While Conservancy X itself does not fall into this category, there is particularly high potential to leverage LVC principles within peri-urban natural landscapes, where transactions that are arguably less elitist (high value) can be executed, as demonstrated for example by the Mount Kenya Wildlife Estate at Ol Pejeta Conservancy.

Wildlife conservation bond – “Rhino Bond”

Projects financed	Wildlife Conservation Bond (Rhino Bond)	**Geography**	South Africa
Instrument	Impact bond	**Sectors**	Conservation
Summary	Launched in March 2022, the Rhino Bond was the world’s first-ever bond created specifically to protect an endangered species, the African black rhino. The scope included two key landscapes in South Africa: Addo Elephant National Park, managed by SANParks, and Great Fish Nature Reserve, managed by ECPTA. The Rhino Bond was chosen because modern-day rhino conservation dynamics require constant, clear, measurable outcomes, and extensive monitoring systems tend to already be in place, making it a great fit for outcomes-based funding. Investors enthusiastically supported the bond, quickly committing US$150 million through a bond listing on the Luxembourg Stock Exchange. These funds were then invested in a low-risk World Bank fund over five years with returns generated being used to fund a five-year rhino growth project in the two sites (circa US$10 million) and associated professional fund management and monitoring fees. The returns investors earn will be funded by the World Bank Global Environment Facility (GEF) up to a maximum IRR of circa 3.5% and depend entirely on how successfully the rhino populations grow (targeting around 4% annual growth), which is closely tracked and verified by independent experts. Once the bond reaches its term, the underlying US$150 million principal will be liquidated and returned to the investors. **Partners involved:** United for Wildlife and Zoological Society of London (ZSL) (initial concept development), Conservation Capital (project design, management and activation – contracted by ZSL), World Bank through the International Bank for Reconstruction and Development (IBRD) (issuer), GEF (outcome payer), Conservation Alpha (verification agent), Credit Suisse (structuring and market launch), Citibank (bookrunner).		
Financial structure			
		
Total raised	U$150,000,000		

Proceeds directly supporting conservation	US$10,000,000

Lessons learned

- **Latent market demand for nature financing opportunities:** The explosive global media interest following the *Financial Times* article commissioned by Conservation Capital and the quick subscription of the Rhino Bond in public markets indicates strong, largely untapped appetite for nature financing products.
- **Catalysing wider private sector engagement:** The bond played an important role in stimulating private sector and capital markets interest in nature financing.
- **Driving a performance-based culture:** Traditional nature financing typically focuses on outputs (capacity building, asset procurement, operating costs) rather than outcomes. The Rhino Bond breaks this pattern with its outcome-based approach that is more akin to economic drivers in private markets.
- **Enhanced due diligence rigour:** By engaging private sector bridge financing at risk and focusing on outcomes, the Rhino Bond introduced uncommon levels of due diligence, risk assessment and outcome measurement not typically associated with the conservation development sector.
- **Highlighting the importance of counterparty capacity:** The wildlife conservation bond emphasises the crucial role of effective implementation partners for innovative conservation finance. The lack of capable counterparties remains the most significant challenge to deploying financial resources for nature.
- **Enhanced efficiency of grant capital**: Most grant-funded nature projects lack outcome-based metrics and rigorous due diligence, resulting in higher implicit risk and true capital costs. With the wildlife conservation bond, outcome payer grant capital is only released upon project success, essentially eliminating risk. This approach also reduces opportunity costs by freeing grant funds during the bond term for deployment elsewhere.

Recommendations

- **Complexity, time, and related transaction costs:** Impact bonds are complex, and the Rhino Bond was no exception, taking nearly three years to market with US$3 million execution costs over its five-year term, excluding development costs. Such instruments may be better suited to nature-based enterprise contexts where ongoing value extends beyond the term.
- **One-off capital:** The Rhino Bond provides only upfront financing without sustainable funding beyond its term. Impact bonds hold better potential when financing nature-based businesses generating sustainable revenue past maturity – embedding resilience and reducing external funding dependency.
- **Limited term and scale:** Impact bonds require outcome payers to sustain significant long-term contingent liabilities, typically limiting duration to five years. Few organizations can sustain such contingencies long-term, restricting scale despite no structural limits on investor funding. These bonds are perhaps better suited for sovereign or quasi-sovereign outcome payers where ecosystem benefits deliver clear public value. Impact bonds can help governments finance nature protection as national infrastructure.
- **Technology and MRV:** Impact bonds require measurable outcomes within limited timeframes. Advances in remote sensing and AI will significantly support future applications.

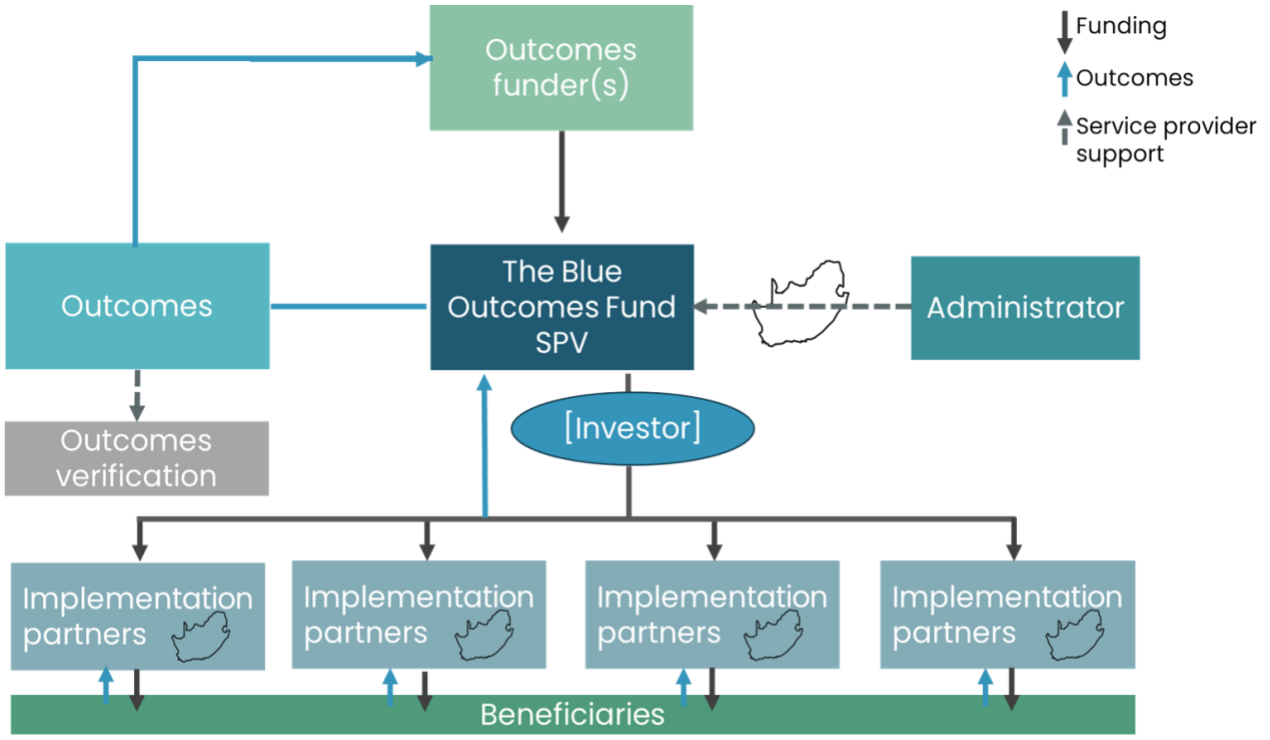
Protected area tax incentive – South Africa

Projects financed	Protected area tax incentive	**Geography**	South Africa
Instrument	Tax incentive	**Sectors**	Multiple
Summary	The protected area tax incentive, associated to Section 37D of South Africa's Income Tax Act, provides all qualifying landowners with a tax deduction based on the 'value' of land declared as a nature reserve or national park under the National Environmental Management: Protected Areas Act No. 57 of 2003 (NEMPAA). It provides incentives to commit land to protected area status which contributes to national commitments to meet Target 3 (30% of land protected by 2030) of the Global Biodiversity Framework. The protected area tax incentive attaches to land declared as a nature reserve or national park in terms of section 20 or 23 of NEMPAA and is available to the taxpayer who owns the land declared. The land must have a title deed endorsement committing it to remain a protected area for at least 99 years. The tax incentive allows for a 4% straight line deduction on the 'value' of the land declared. This is deducted from the taxpayer's taxable income each tax year for 25 years. The value of the land is determined based on actual cost and improvements or using a prescribed formula taking actual costs and improvements and the lower of municipal or market value into account. The calculation requires knowledge of the section and its application. Finance flows extend from the National Treasury to the qualifying landowners as registered taxpayers. **Partners involved:** Sustainable Finance Coalition, Department of Environment, Forestry and Fisheries (DFFE), National Treasury, South African Revenue Service (SARS)		
Financial structure			
Total value	U$75,000,000		
Unlocked to date	U$30,000,000		
Lessons learned			

- Buy-in of government and consistent follow-up and momentum need to be maintained throughout the period of establishing the finance solution.
- The community of practice, notably for biodiversity stewardship in South Africa, has been a critical component to scaling the finance solution and ensuring that landowners understand the incentives for declaration.

Environmental funds – Blue Outcomes Fund

Projects financed	Blue Outcomes Fund	**Geography**	Southern Africa
Instrument	Environmental fund	**Sectors**	Multiple
Summary	The Blue Outcomes Fund (BOF) is an innovative finance solution being designed to drive sustainable finance to protect and restore Southern Africa's marine ecosystems, delivering measurable impact for nature and communities. The BOF was identified by the Sustainable Finance Coalition as a finance solution idea in 2024 (through part 1 of the Coalition's finance model, FIND) and subsequently incubated over a six-month period from July 2024 to determine viability. Incubation of BOF, step 1 of the Coalition's DESIGN phase, closed in March 2025 with consensus on viability potential and building blocks for successful implementation determined. The BOF is now in the second stage of DESIGN, where further research, design refinement and stakeholder engagement is required to unlock finance and support livelihoods in coastal communities. **Partners involved:** The Coalition and Krutham (Pty) Ltd are leading on the next stage of implementing the BOF. Others involved include WWF and IUCN.		
Financial Structure			



Illustrative schematic of Blue Outcomes Fund

Lessons learned
● BOF's incubator identified key building blocks necessary for successful Implementation. These include **clear, measurable and verifiable outcomes**; an **outcomes funder seeking additionality** to existing markets; a **facilitatory legal framework**; operational and partnership management capabilities; **marine technical knowledge** from implementing partners. ● BOF's incubator found a blue outcomes fund in the marine sector to be a viable mechanism to drive innovation and expand interventions if all building blocks are in place. The potential for complexity to override benefits is acknowledged, and a recurring theme in incubator discussions was the need to keep design as simple as possible to start, building a foundation to expand scope over time. ● Although the potential for all building blocks for a blue outcomes fund is in place, some challenges and concerns have been raised. The blue economy faces **challenges due to unclear definitions, complex governance across marine borders, informal and widely dispersed stakeholders and complexity in monitoring impact.** Ensuring adequate incentives, stakeholder education, equitable funding access and alignment with government structures will be crucial for effective implementation and sustainable outcomes. ● The Coalition is partnering with Krutham (Pty) Ltd to refine BOF's design, enabling deeper and more intentional stakeholder engagement and expediting implementation. More detail can be found in the BOF Viability Report.

Project finance for permanence – Herencia Colombia

Projects financed	Herencia Colombia (HECO)	**Geography**	Colombia
Instrument	Project finance for permanence	**Sectors**	Multiple
Summary	Herencia Colombia (Heritage Colombia – HECO) is a long-term national PFP initiative that ensures the conservation, effective management and ecological connectivity of 14% of Colombia's territory, supporting the goals of the country's 2020–2030 biodiversity and climate vision. It advances the consolidation of the national system of protected areas (SINAP) by expanding the coverage and representativeness of SINAP; improving management of existing protected areas and establishing 2 million hectares of new territorial protected areas and 15 million hectares of new marine protected areas; strengthening governance and community livelihoods in ecological corridors; enhancing ecological connectivity across landscapes. To ensure financial sustainability, HECO deploys a performance-based, milestone-driven finance model through the creation of a transition fund. This fund serves as a temporary financing mechanism over 10 years, managing US$245 million in blended public and private capital from entities such as the Colombian government, international donors and philanthropic partners. It disburses funds as Colombia gradually increases its national budget allocation for protected areas, aiming for full domestic financing of the system by the end of the transition period. The fund is independently managed and aligns disbursements with donor commitments and government budget cycles, ensuring transparency, accountability and durable conservation outcomes.		
Financial structure			
Total value	U$245,000,000		
Lessons learned			

- **Stakeholder alignment:** Aligning national and regional priorities was critical. HECO worked with the Colombian Ministry of Environment, Indigenous groups and campesino communities to co-design territorial strategies. Trust-building in conflict-sensitive areas took many years.
- **Clear conservation goals:** Territorially tailored conservation goals enabled buy-in. Each region under HECO developed specific goals, creating new protected areas in the Orinoquía and expanding management plans in the Amazon. These goals are linked to Colombia's nationally determined contribution (NDC) and national biodiversity strategy and action plan (NBSAP).
- **Durable finance:** Blended finance helped crowd in public co-financing. HECO combined more than US$200 million in committed capital from donors (e.g., GEF, Bezos Earth Fund, KfW, WWF) with government co-financing over 20 years through performance milestones.
- **Legal and institutional readiness:** Clarifying governance roles for subnational actors was essential. Many of HECO's implementation partners are regional authorities or Indigenous councils. Their roles had to be legally recognised and integrated into implementation plans.
- **Performance-based structure:** Milestone-based disbursement built confidence among funders. For example, funding tranches were tied to declarations of new OECMs, co-management agreements, and formal protected area expansions under SINAP.
- **Local ownership and capacity:** Regional implementation teams were created to manage delivery. These teams included regional civil society organizations and Indigenous organizations. Significant investment went into technical assistance for territorial planning, participatory zoning and MRV systems.

- **Time and flexibility:** The design took over six years and adapted to evolving contexts. The process shifted based on political transitions, peace process outcomes and institutional feedback. The result was a more resilient and widely supported structure.
- **Transparent governance:** HECO created a multitiered governance structure. This included a steering committee with government, civil society and donor representation; regional advisory bodies; and technical working groups for monitoring and finance.
- **Leverage existing initiatives:** HECO integrated with national and international frameworks. It aligned with Colombia's National Development Plan, 30x30 targets, NDC, adaptation goals, and the Amazon Vision initiative, making it more appealing to bilateral and multilateral funders.
- **Communications strategy**: "Herencia" as a brand helped unite diverse stakeholders. The name and identity emphasised cultural, ecological and intergenerational values. This helped attract support from private donors, government champions and the Colombian public.

Blended finance – ALSEC

Projects financed	Dairy Waste Initiative - ALSEC	**Geography**	Colombia
Instrument	Blended finance (grants, catalytic finance)	**Sectors**	Food
Summary	The Dutch Fund for Climate and Development (DFCD) Origination Facility is a blended finance instrument designed to unlock catalytic capital for projects with strong environmental and social impact. In Colombia, DFCD is supporting ALSEC Alimentos Secos S.A.S. – a company specialising in powdered ingredients for the food, pharmaceutical and cosmetics sectors – to scale MILSEC, a business line that transforms discarded whey from cheese production into whey protein concentrate (WPC) and whey protein isolate (WPI). By reducing pollution from improper whey disposal and improving the livelihoods of 75 small and medium-sized dairy producers in northern Antioquia, the initiative contributes to climate resilience, sustainable agriculture and gender equity. It reflects a triple-impact model that delivers environmental protection, rural economic development and inclusive value chain integration. To enable MILSEC's expansion, ALSEC leveraged a blended finance model. DFCD provided initial catalytic grant funding, which helped attract additional investment from AgriFi and BIO. This financing allowed the company to scale its processing capacity from 80,000 to 200,000 litres/day, reducing environmental harm and creating new market opportunities for sustainable dairy by-products. The project also strengthened the dairy supply chain by integrating small producers and embedding traceability and sustainability standards across the value chain. Key partners include Lácteos El Llano S.A.S. BI (a whey supplier working with local producers), DFCD, and long-term finance providers AgriFi and BIO.		
Financial structure			
Grant financing from DCFD (catalytic and de-risking)	€512,400		
Financing from Agri and BIO	€3,600,000		
ALSEC equity financing	€1,400,000		
Lessons learned			

- **Importance of catalytic financing:** Utilising initial funds from DFCD has been crucial in attracting additional investments from AgriFi and BIO, demonstrating how catalytic financing can facilitate the expansion of sustainable projects.
- **First experience with impact investors:** This was ALSEC's first experience working with impact investors, which provided valuable insights into aligning business objectives with social and environmental impact.
- **Rigorous DFCD process:** ALSEC gained a deeper understanding of the rigorous due diligence and requirements involved in engaging with DFCD, including compliance with environmental and social safeguards.
- **Involvement of environmental and social team earlier in the process:** A key lesson for the local WWF office was the importance of involving the environmental and social team earlier in the project development phase, particularly because the project is being developed in a key biodiversity area. Earlier involvement could have facilitated a more comprehensive risk assessment and safeguard design.

Blended finance – Shrimp/rice farming in Viet Nam

Projects financed	Minh Phu Shrimp Rice Model	**Geography**	Viet Nam
Instrument	Blended finance (grants and debt)	**Sectors**	Food
Summary	As part of a climate-resilient investment strategy in Viet Nam's Mekong Delta, DFCD approved a €350,000 grant to support a pilot project led by Minh Phu Seafood Corporation, the country's largest shrimp producer. The pilot will convert 110 hectares from conventional monoculture to a mixed rice-shrimp farming system designed to restore natural sedimentation, reduce chemical input, and improve resilience to saltwater intrusion and land subsidence. Following the pilot's success, Minh Phu plans to scale the model across 30,000 hectares by 2028, backed by a proposed €35 million 10-year loan. The total initial project budget stands at €800,000, with co-funding from partners such as TV Food Company, Deltares and local governments. This blended finance model integrates grant funding, concessional capital and farmer co-investment to de-risk innovation and attract further investment in sustainable food systems. The project offers strong economic incentives for farmers by boosting shrimp yields from 214 to 800 kg/ha/year and increasing farmer incomes by 3.5 times. Minh Phu supports farmers through input pre-financing without requiring collateral or charging interest, making the model inclusive and accessible. Additionally, the project is structured to generate long-term returns by tapping into rising international demand for sustainable seafood, while cutting costs through disintermediation. Beyond financing, the initiative includes robust technical assistance, biodiversity monitoring and resilience metrics to strengthen its investment case and demonstrate replicability across Asia's delta regions.		

Financial structure	
DFCD grant	€350,000
In-kind support (pre-financing of inputs – e.g. seedlings, materials)	Not specified
Co-financing and in-kind support from: TV Food Company Ltd. (rice exporter), local governments of three provinces in Viet Nam, Deltares (Dutch applied research institute)	€450,000
Farmer co-financing through in-kind contribution	€1,115 per farmer (operating costs)
10-year concessional loan to scale the project	€35,000,000

Lessons learned

- **Blended finance is critical to de-risk innovation in frontier markets:** The DFCD grant funding played a catalytic role by covering early-stage costs, allowing the project to demonstrate proof of concept without requiring immediate commercial returns.
- **Concessional lending can unlock large-scale implementation:** Minh Phu's plan to seek a €35 million, 10-year loan illustrates how concessional finance is necessary to scale integrated land-use models that take years to mature financially, especially in climate-vulnerable regions.

- **Farmer co-investment fosters ownership but requires accessible terms:** The model relies on smallholder farmers contributing land, labour and around €1,115 in operational costs. Minh Phu's approach of offering zero-interest, no-collateral pre-financing increases participation while preserving long-term viability.
- **Cross-sector partnerships improve capital efficiency:** Co-financing from rice exporters, local governments and technical partners (like Deltares) reduces the financial burden on any single party and allows capital to be deployed more strategically across infrastructure, research and capacity-building.
- **Non-financial support is just as critical as capital:** Alongside funding, technical assistance, training and environmental monitoring have been essential to ensure the credibility and long-term success of the integrated farming model — underscoring the value of pairing finance with expertise.
- **Revenue-linked incentives are stronger when markets exist:** The model's success depends partly on growing international demand for sustainable shrimp. Access to premium markets improves the business case and ensures farmers see meaningful returns, suggesting that replicability hinges on strong offtake potential.

Carbon credits – Koala carbon credits

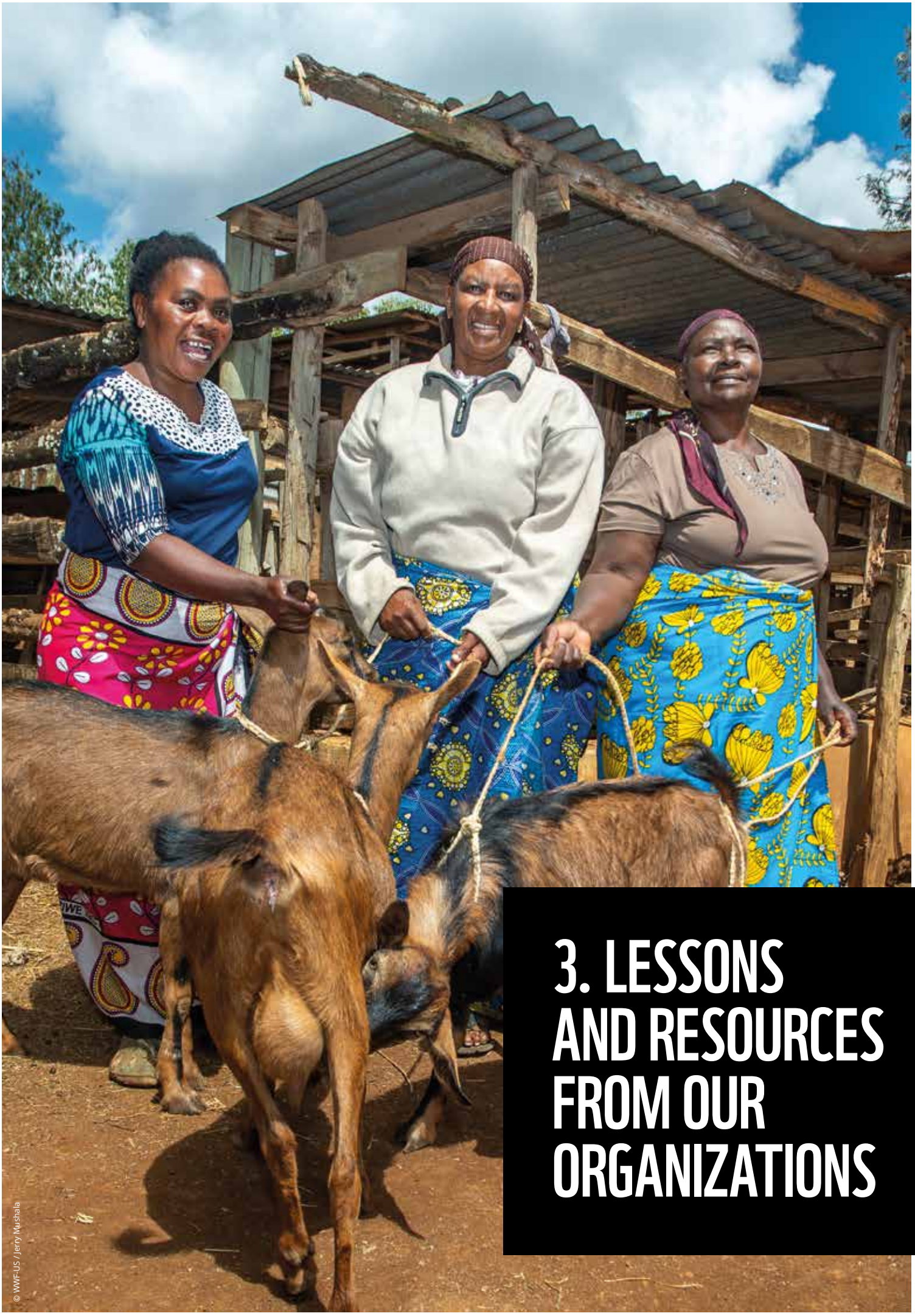
Projects financed	Koala Friendly Carbon Initiative	**Geography**	Australia
Instrument	Carbon credits	**Sectors**	Conservation
Summary	The Koala Friendly Carbon Initiative is leading the way in transforming the carbon market to actively regenerate nature and restore biodiversity. This groundbreaking initiative includes the creation of an Australia-first high-integrity carbon credit, using the Accounting for Nature framework to certify measured impacts and assured by WWF-Australia. WWF-Australia's koala habitat restoration programme aims to double the koala population in eastern Australia by 2050 through stopping deforestation, protecting existing forests and restoring critical habitat. Working with private landholders, the programme uses innovative finance to shift land-use economics toward habitat restoration, which also benefits other threatened Australian species. A central component of the programme is the Koala Friendly Carbon Initiative, developed with carbon project developer Climate Friendly. This initiative leverages carbon markets to fund high-quality reforestation that replicates native ecosystems. WWF-Australia and Climate Friendly provide the capital and expertise required for landholders to establish koala-friendly carbon plantings. Landholders earn carbon credits certified by Australia's Clean Energy Regulator, which are sold to high-integrity buyers committed to science-based net-zero goals. The programme is being delivered in phased pilots, beginning with 250 hectares in New South Wales and expanding toward a 10,000-hectare goal — equivalent to nearly 10 million trees and 8 million tonnes of CO_2 sequestered over time. A portion of each landholder's carbon revenue is reinvested into a self-sustaining planting fund to scale future projects. WWF-Australia and Climate Friendly provide upfront capital, technical expertise and long-term monitoring, ensuring environmental, economic and First Nations co-benefits. Governance is reinforced by third-party verification through Accounting for Nature, which tracks biodiversity outcomes such as koala activity and habitat quality. The approach promotes a replicable model that combines nature conservation, rural development and high-integrity climate action. By generating revenue from sequestering carbon and improving natural capital at no cost to the landholder, Koala Friendly Carbon changes the business case for tree plantings and enables carbon farming to compete with more traditional farm activities, such as cattle grazing.		
Financial structure			
WWF-Australia initial investment	AU$1,500,000		
Lessons learned			

- **High-integrity carbon credits linked to koala habitat attract premium buyers:** Koala carbon credits that deliver verified biodiversity benefits appeal to buyers with strong climate commitments, such as those aligned with the Science-Based Targets initiative, increasing demand and price certainty.
- **Koala habitat restoration requires high upfront investment:** Establishing ecologically functional koala habitat involves planting up to 100 native species and maintaining sites for at least three years, requiring capital beyond what carbon credit revenue can initially cover.
- **Blended finance was essential to launch koala carbon projects:** Seed funding from donors and government enabled WWF-Australia and Climate Friendly to de-risk pilot projects and prove the viability of koala-linked carbon credits before scaling.

- **Partnerships with landholders and First Nations improve habitat quality and legitimacy:** Co-designing planting approaches with local landholders and engaging First Nations partners ensures projects meet ecological goals while respecting cultural and land-use priorities.
- **Third-party verification increases trust in koala credit outcomes:** Using the Accounting for Nature koala standard allows projects to report measurable biodiversity improvements, helping buyers validate the ecological impact of their carbon credit purchases.
- **Piloting koala credits before scaling helped refine the business model:** The initial 150-hectare pilot demonstrated that carbon credits could be registered under the environmental plantings method and provided proof of concept to expand to 10,000 hectares over a decade.
- **Restricting koala carbon credit sales to credible buyers protects project integrity:** Requiring credits to be sold only to pre-approved, high-integrity buyers who retire them immediately prevents misuse and reinforces the credibility of both the carbon and conservation outcomes.

Recommendations and call to action:

- **Provide price floors and/or long-term purchase agreements for carbon credits from high-integrity carbon projects.** This would provide more certainty for landholders to commit land to reforestation activities. Meeting the cost of price floors could come from a reduction in subsidies currently provided for many "traditional" agriculture activities.
- **Provide seed capital (pun intended) or "first-loss" capital to establish habitat restoration projects.** This would allow proof of concept to be shown and de-risk investment for commercial investors.
- **Create financial incentives (or markets) for activities that have measurable benefits for biodiversity**. In Australia, while revenue can be generated from carbon credits, there is currently no clear financial incentive or a formal means to capture the value from the co-benefits, such as biodiversity improvement. Where co-benefits from project activities can be demonstrated as additional and permanent, additional financial incentives should be offered.
- **Develop markets for biodiversity credits.** Koala Friendly Carbon currently earns income through the sale of carbon credits**.** At current market prices, these carbon credits do not adequately reflect the full value of benefits being created.
- **Implement methods for enforcing measurement of natural capital.** These measures should take account of time value for natural capital, with older trees and forests often being more important for biodiversity.
- **Encourage the financial sector to provide financial incentives that support activities to protect and restore natural capital,** e.g. banks and insurance companies should provide interest rate and premium discounts for land managers implementing activities that regenerate and restore forests. Banks should also allow carbon credits or biodiversity credits (current and potential) to be used as security for lending. Over the long term, better care of nature will reduce the risk of financial organizations being left with stranded assets.
- **Explore and encourage reforestation that considers the increased likelihood of wildfires.** Green firebreaks, wetland restoration and cool season burning will become increasingly important and should be considered for development and land management activities.



3. LESSONS AND RESOURCES FROM OUR ORGANIZATIONS

Through our 20+ years of experience, WWF, Conservation Capital and Sustainable Finance Coalition have developed approaches and tools to facilitate the implementation of the landscape finance approach.

Key lessons:

- **Move from transactions to portfolio-level investment:** Shifting from single projects to portfolios across a landscape enables risk diversification, ticket-size aggregation and system-level change. This allows financial institutions to align nature finance with mainstream fund structures and fiduciary requirements.
- **Bridge conservation goals with bankable solutions:** Inclusive conservation plans reveal a pipeline of investable opportunities, from sustainable commodity production to biodiversity credits, carbon markets and conservation-linked infrastructure, that address both ecological priorities and commercial return potential.
- **Deploy fit-for-purpose capital structure:** Landscape-level investments require a mix of financial instruments — grants, debt, equity and guarantees. Blended finance models, such as those used in the Rhino Bond and Conservation Bonds, enable firms to participate in frontier markets while managing downside risks.
- **Catalyse investment through first-loss and transition financing:** Early-stage landscape investments often depend on catalytic capital. Mechanisms like transition funds and first-loss guarantees de-risk entry points for private capital and can be supported by CSR, ESG or sustainability-aligned investment mandates.
- **Support local delivery capacity to secure execution:** Investments in landscapes succeed when there is strong governance, trusted local partners and technical expertise on the ground. Corporates and financial institutions can play a catalytic role by co-financing technical assistance, enabling facilities and co-developing project pipelines.
- **Leverage outcome-based incentives to drive impact:** Innovative financing models such as performance-linked bonds and revenue-based loans align investor returns with measurable biodiversity or climate outcomes, improving transparency, accountability and long-term value creation.
- **Engage policymakers to improve the enabling environment:** Successful landscape finance requires enabling regulations, land tenure rights and fiscal policy reforms. Governments play a key role in unlocking finance, and the private sector can advocate for green taxonomies, eco-compensation schemes and disclosure mandates that unlock scalable nature finance markets.

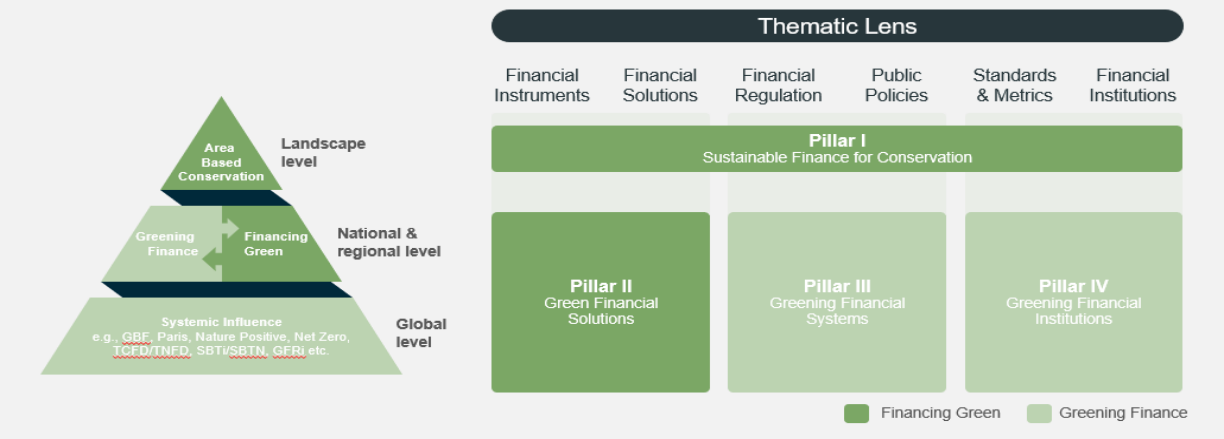
WWF's Sustainable Finance for Conservation

Sustainable Finance for Conservation is a central component of the WWF Finance Practice strategy (depicted in Exhibit 1), which aims to accelerate finance mobilisation 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, and landscapes/naturescapes are one of the levers.

Sustainable Finance for Conservation is applied to an existing inclusive conservation plan for a defined area to inform the necessary finance interventions. WWF has direct access, as a large-scale project developer, to a global reach of landscapes and often supports and drives the development of a conservation plan. By leveraging its broad global network, active in nearly 100 countries, and deep understanding of conservation needs, WWF is able to provide the entry point to landscape finance solutions. The WWF approach is unique in combining Financing Green and Greening Finance interventions at a landscape level for enhanced impact.

Financing Green is the complementary set of finance interventions used to mobilise finance for activities with a positive conservation and human well-being impact – for example, microfinance, grants and carbon finance. WWF supports landscape finance by working with landscape managers to identify financing interventions at a landscape level. WWF partners and advises financial institutions and corporations looking to scale their Financing Green.

Greening Finance is the set of interventions to influence and mobilise financial institutions, stakeholders and systems to align financial flows with conservation and human well-being. By engaging at the landscape level and with public institutions, including through the work with central banks, WWF is able to support systemic change.



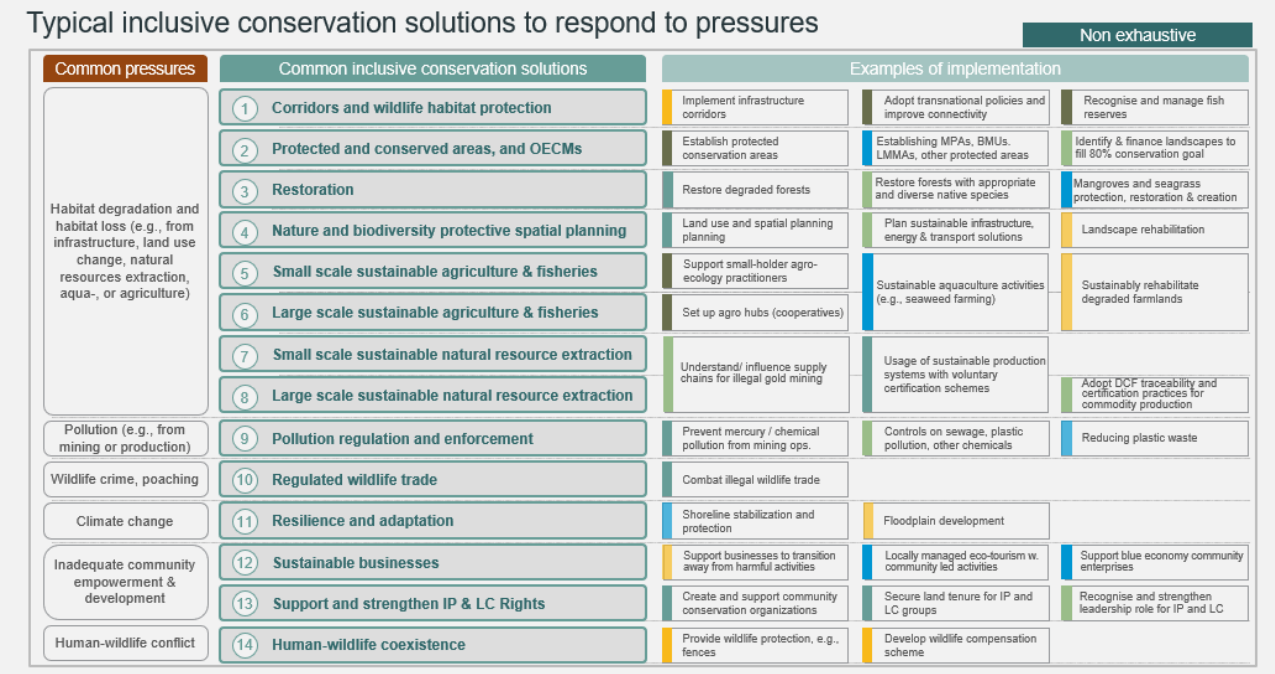
WWF's approach takes place over two phases.

Phase 1. An inclusive conservation programme is developed and finance interventions are mapped

A landscape must have an inclusive conservation programme in place to inform finance interventions. This conservation programme is developed in partnership with WWF teams. This strategy needs to 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 Peoples. Finally, it should be accompanied with a first view on the funding needs for each solution.

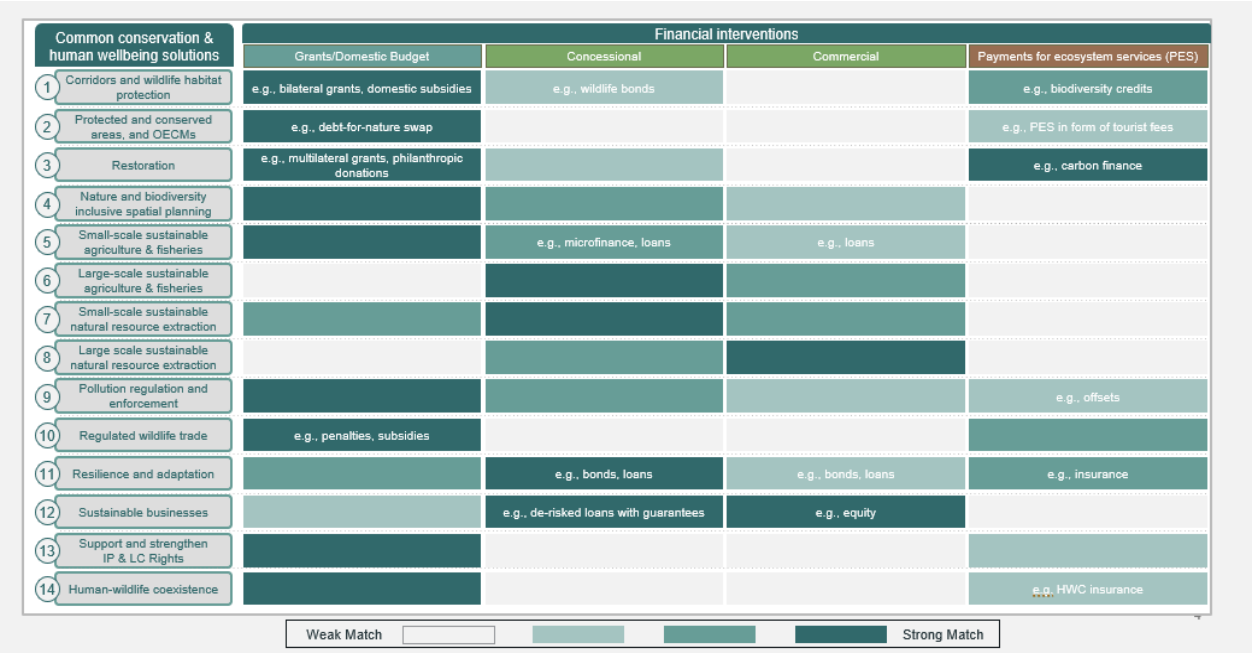
Resources and tools: WWF's area-based conservation team and People and Places department develop inclusive conservation plans globally with outcomes. *Reach out to WWF for the inclusive conservation plan guide.*

Example of common inclusive conservation solutions to respond to pressures

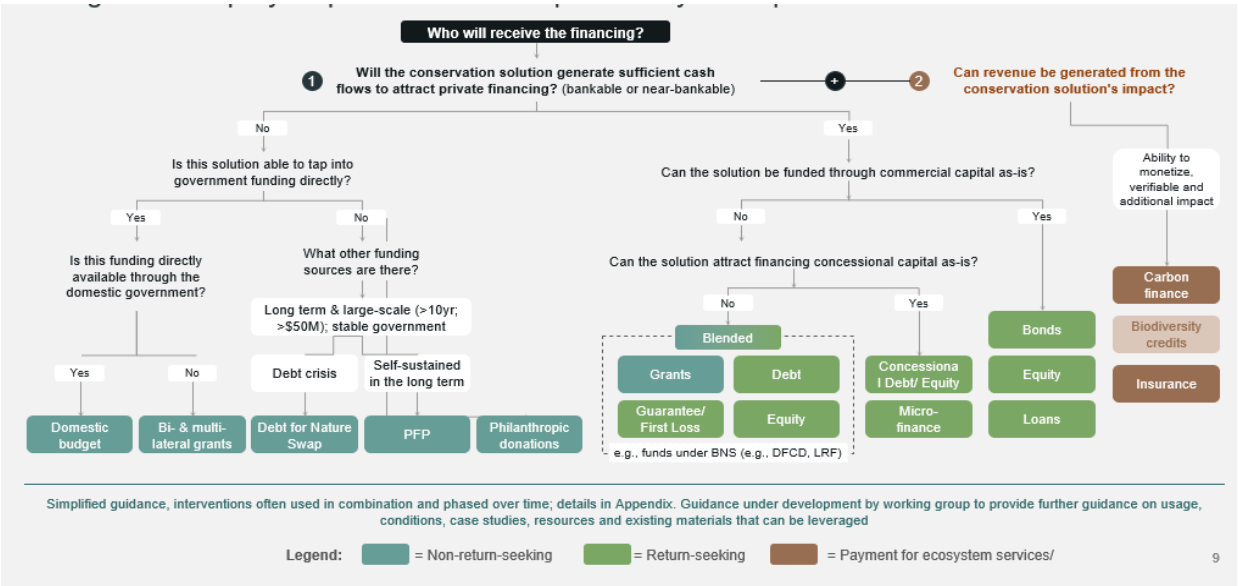


Intervention categories link to the solutions' ability to generate financial returns
Different financing interventions will be appropriate to different conservation solutions, based on the solutions' ability to generate financial returns. WWF's Finance for Conservation Playbook includes approaches for matching finance interventions to conservation needs. For example:

Heatmap aligning common conservation solutions with financial intervention categories, illustrating their compatibility



High-level guidance to select portfolio of Financing Green interventions



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 exceed those benefiting it, it is crucial to both adjust harmful financial flows and boost financial flows with a positive impact.

WWF's overlaying finance interventions approach focuses on identifying the complementary set of Financing Green and Greening Finance interventions to be applied simultaneously. Both types of interventions need to be applied 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 are three examples illustrating the mutual benefits of applying Financing Green and Greening Finance in tandem.

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	Incentivise 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 incentivises 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. WWF then engages key partners to activate and invest in the pipeline developed through WWF's work.

Key resources for Greening Finance: WWF's Greening Finance Regulation Initiative including SUREG tool and ASFI Academy support central banks, financial regulators and supervisors and financial institutions to incorporate nature. WWF's Global Roadmap for a Nature Positive Economy is a way for national governments to address systemic challenges and incorporate nature in national decision-making.

Conservation Capital's approach

Over 20 years, Conservation Capital (CC) has developed and refined a systematic approach to nature financing through its Nature Financing Activation (NFA) approach, designed specifically to bridge the global nature finance gap, and provide investable financial solutions that are grounded in landscape conservation objectives.

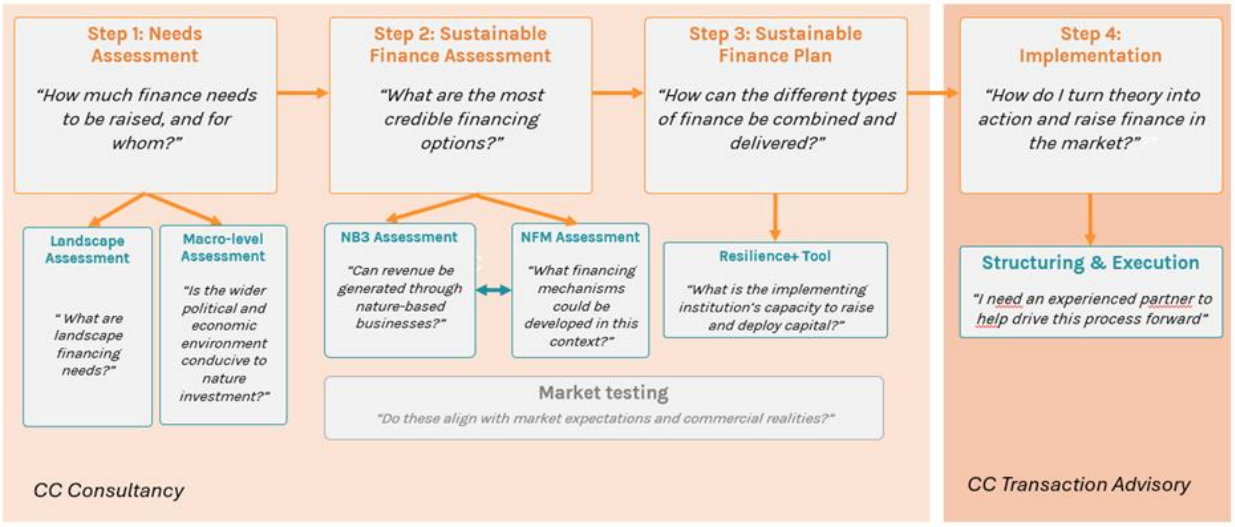
To date CC has worked on over 250 projects in 50 countries and raised hundreds of millions of dollars for nature conservation. CC's approach is typically applied through four sequential steps (see figure below), resulting in the development of nature financing plans that are capitalised through its transaction advisory service.

Integrated tools guiding action
At the core of Conservation Capital's NFA approach are a set of five tools that work together to ensure financing solutions are realistic, investable and impactful:

- **Landscape Assessment:** Assesses the nature financing need and articulates the value proposition around which financing mechanisms will be designed.
- **Macro-level Assessment:** Assesses the wider economic, political and regulatory environment in which nature finance needs to be raised, to help rule in and out early-on different financing mechanisms and identify key enablers or barriers to implementation.
- **Nature-Based Business (NB3) Assessment:** Identifies market-driven, scalable businesses capable of generating sustainable revenues while supporting long-term nature conservation and restoration goals.
- **Nature Financing Mechanism (NFM) Assessment:** Screens, prioritises and develops an outline design of selected financing mechanisms appropriate to the landscape context and implementing partner needs, leveraging both philanthropic and commercial capital models.
- **Counterparty Capacity (R+) Assessment**: Evaluates the implementing partner's ability to raise, absorb and deploy investment effectively, providing the basis for selecting particular mechanisms and building capacity before taking mechanisms to market.

Our structured four-step approach to landscape finance
The following framework outlines the approach to designing and delivering financeable landscape solutions. It provides a logical sequence from understanding needs and opportunities to build investment-ready strategies and supporting real-world execution. Each step is supported by our key tools (NB3, NFM, and R+) and draws on deep experience aligning conservation goals with credible financial pathways.

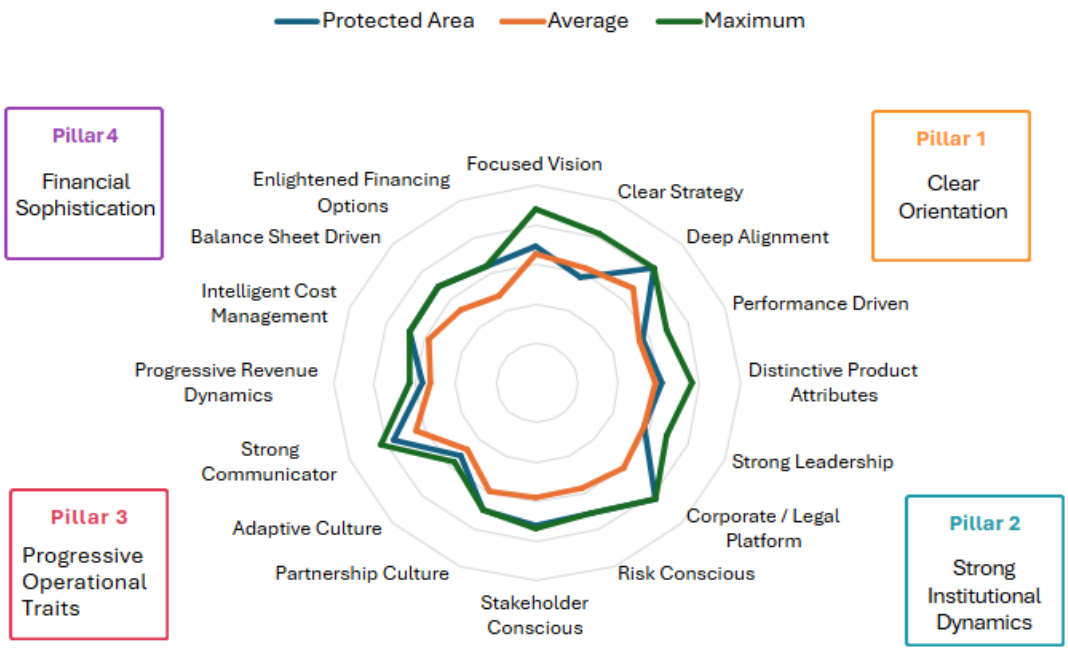
Step 1: Needs assessment: Establishes a clear understanding of the conservation finance requirements within a landscape, and environment in which finance will be raised and deployed. This includes defining conservation priorities, and pipeline of activities to restore/protected natural capital; quantifying the total funding requirement; identifying and assessing the capacity and track record of partners who deliver the pipeline (through R+ - below), defining proposed outcome metrics, their forecast change and levels of confidence if the proposed conservation activities are completed successfully.



Conservation Capital's approach: creating a pathway to sustainable finance.

The Resilience+ Assessment assesses and benchmarks the capacity of implementing partners across four key dimensions: clear orientation, institutional dynamics, operational traits and financial sophistication.

Radar chart example

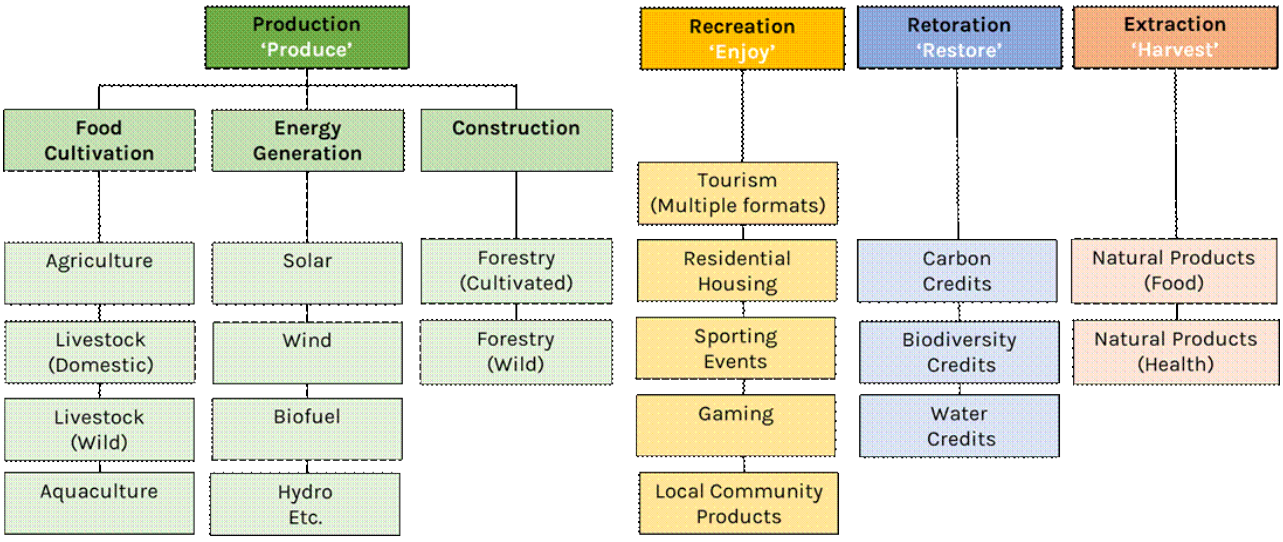


Step 2: Sustainable finance assessment: The assessment of how a landscape can be sustainably financed builds on the assessments in Step 1 and considers two aspects:

- The potential for nature-based businesses (NBBs) to generate sustainable revenue (and support other conservation outcomes)
- The types of nature financing mechanisms (NFMs) that can support these businesses or operate independently to support conservation outcomes.

2.1 Nature-Based Business (NB3) assessment: CC puts particular emphasis on nature-based businesses and development of bioeconomy as key to the long-term financial sustainability of most landscapes. In addition to their commercial viability, nature-based businesses are assessed against their ability to support one or more of the following priority conservation or sustainability outcomes: 1) finance (can it generate revenue for conservation?), 2) incentives (can it create economic benefits for communities?), 3) buffering (can it increase the productivity of buffer areas and protect core conservation areas?), 4) sustainability (can it transform activities away from damaging alternatives?), 5) engagement (can it connect people with nature conservation?). NB3 assessment also assesses nature-based businesses for their scalability, investment readiness and conservation alignment.

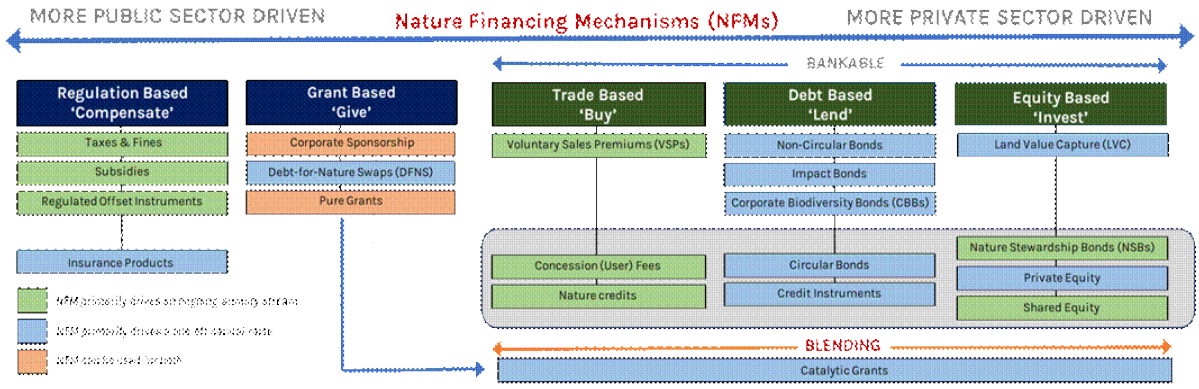
NBB Taxonomy



2.2 Nature Financing Mechanism (NFM) assessment: Assesses around 20+ types of financing mechanisms based on whether critical dynamics are in place for the mechanism to succeed, institutional capacity and the macro-economic context assessed in Step 1. This includes concessionary and non-concessionary capital and well-established and emerging mechanisms, based on CC's proprietary NFM taxonomy where NFMs are grouped according to the basis on which capital is provided (i.e. Compensate, Give, Buy, Lend, and Invest) categories.

Additional considerations include capital structure (one-off capital injection vs. recurring revenue), scalability, strategic alignment with investor expectations, landscape fit and conservation relevance.

NFM taxonomy



Both NBBs and NFMs are prioritised and selected in conjunction with the client and may be validated through soft market testing.

Step 3: Sustainable finance plan: The prioritised NFMs and NB3 opportunities from Step 2 are analysed and market tested, and a Financing Plan is developed.

Financing Plans vary according to project needs but typically include at a minimum a rationale for the selected NFMs and NBBs that, through soft testing, indicate commercial viability and conservation impact; an estimate of the scale of finance that could be generated and potential for scaling and replicability; key stakeholders and beneficiaries and critical enablers; proposed blended financing structure and phasing of concessionary and non-concessionary capital, and capacity-development needs to take the selected mechanisms to market (see Step 4).

Step 4: Implementation: Even the best Nature Financing plans require expert guidance to succeed in the market. This is where CC's Transaction Advisory services play a central role.

Transaction Advisory Services: Bridging design and execution
Conservation Capital's Transaction Advisory services focus on bringing commercial sector rigor to the detailed design and structuring of nature financing mechanisms. We act as a trusted independent advisor and central coordinator - aligning conservation objectives with investor expectations, ensuring transparent communication, clarity and credibility across the transaction life cycle.

Key activities include detailed design, preparing investor materials, supporting due diligence, market engagement, negotiation and validation as well as designing financial and operational KPIs, creating robust governance frameworks, compliance and risk management systems.

Conservation Capital's approach is built on practical experience, analytical rigour and the belief that nature finance transactions must be implemented with the same discipline as any other investment. Through a structured four-step methodology and the integration of NB3, NFM and R+ tools, Conservation Capital translates conservation ambition into credible, scalable and investable financial solutions, grounded in local context and designed for long-term impact.

The Sustainable Finance Coalition's approach to financing nature at scale in Africa

The Sustainable Finance Coalition 'FINDs', 'DESIGNs' and 'MOBILISEs' tailor-made finance solutions for nature through collective action. We are a driving force for the incubation and implementation of finance solutions at their point of impact, ensuring effective and enduring naturescapes across Africa through collective action.

It takes money – a lot – to restore and protect nature. The Coalition is a collective of organizations and individuals supported by a dedicated core team whose superpower is ferreting out clever ways to use traditional financial instruments to unlock capital for naturescapes. The Coalition has developed an efficient, systematic way to help custodians of nature find the right solution from its Inventory, customise the solution to their context, and scale it up across a landscape or seascape.

The Coalition believes in two fundamental things in addressing the finance gap for nature: financing nature is not a hit-or-miss exercise, it requires a clear *model* to identify the most viable finance solutions and design them effectively for tailored impact; and financing nature cannot be undertaken by a select few, it requires many *doers* and an all-hands-on-deck approach.

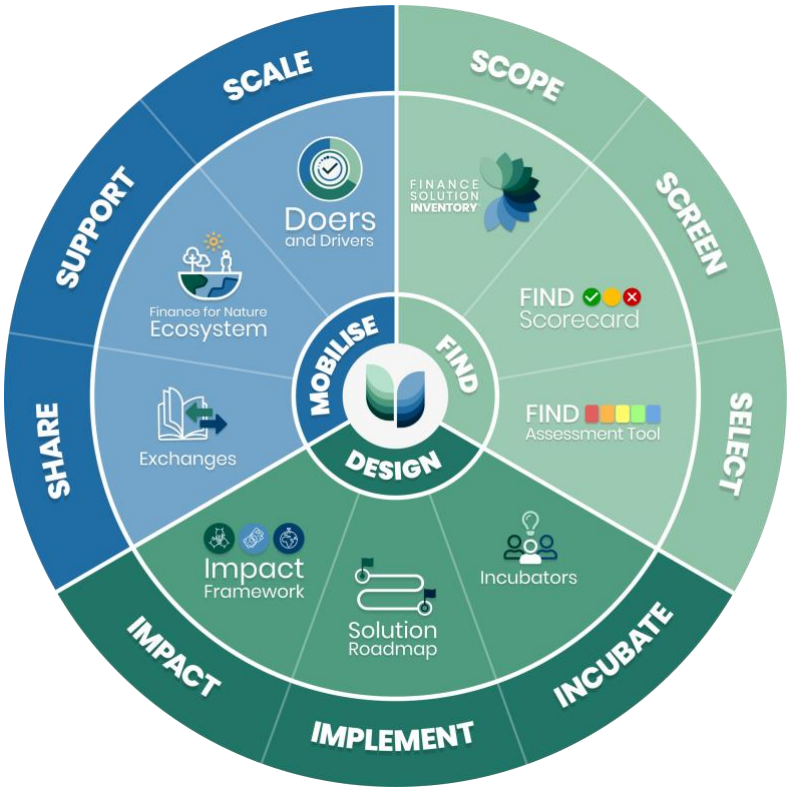
The Coalition currently mobilises 19 sectors within a finance for nature ecosystem that fosters committed specialists crucial for activating finance solutions and supporting conservation actors to leverage sustainable finance. It extends support to governments across 15 countries and engages with 5,000+ conservation and finance stakeholders.

The Coalition uses **two keys to unlock the power of nature finance at scale**:

1. 'The **Finance Model** – an efficient, systematic way to help organizations find the right finance solution, customise the solution to their context, and scale it up across a landscape or seascape. The Coalition believes this is a crucial tool for conservation and finance actors where efforts are streamlined to avoid wasting time and money on non-viable options or solutions that simply do not go the distance.
2. **Finance Doers and Drivers at Scale** – the Coalition provides long-term, dedicated support to conservation organizations and teams in financial institutions willing to step up to replicate finance solutions through the Finance Model. They do this by ensuring that their Doers and Drivers can understand, adopt and utilise the Finance Model to create customised finance solutions tailored to their unique contexts. Limited capacity and a handful of service providers cannot be depended on to bridge the finance gap for nature.

The Coalition's Finance Model

The Finance Model is a systematic approach to financing nature that effectively identifies the most viable finance solutions, ensures they are designed and implemented effectively, and ultimately results in the flow of finance to the people and places that need it the most. This model operates through a tried and tested three-part process that can be used anywhere by anyone seeking to finance nature. Each part of the Finance Model has three components and a set of user-friendly tools.



Part 1: FIND

By using a targeted approach, objective criteria and inclusive engagement, the FIND part of the Finance Model identifies the right finance solutions, for the right places, with the right people. It provides Doers and Drivers with the ability to maximise results by starting the sustainable finance journey on the right track.

- **Component 1 - *Scope* all possible finance solutions to identify the most viable.**
  Tool: The **Finance Solution Inventory** is a comprehensive suite of finance solutions designed for replication and impact. The inventory is augmented by desktop research and local knowledge to collaboratively cast the net wide, ensuring all possible finance solutions and ideas are considered.

- **Component 2 - *Screen* all finance solution options to arrive at a shortlist.**
  Tool: The **FIND Scorecard** is a rapid screening tool allowing for fast yet accurate prioritisation of finance solutions to be shortlisted for selection. The Scorecard focuses on enabling conditions and building blocks per finance solution and their application to individual landscapes and seascapes and the realities on the ground.

- **Component 3 - *Select* 2-3 finance solutions with the highest probability for success for DESIGN.**
  Tool: The **FIND Assessment Tool** is a detailed assessment mechanism using carefully designed criteria and weighted scoring. It is facilitated by independent experts with guidance from the Coalition to objectively interrogate an individual finance solution for selection.

Both the FIND Scorecard and Assessment Tool use a set of 12 criteria, aligned to three pillars: case for impact, management and execution, and enabling environment.

The Coalition facilitates a dedicated **FIND workshop** with Doers and Drivers**.** Results of the FIND workshop are reviewed by independent experts and reported on before transitioning to DESIGN. The Workshop can be tailored to the public sector, private sector, communities and conservation NGOs.

Part 2: DESIGN

With rigorous coordination and dedicated support from the Coalition core team, the DESIGN part of the Finance Model strategically transforms finance solution ideas into implementation within clear impact parameters, ensuring timely results and returns. It provides Doers and Drivers with the tools, templates and timeframes to effectively build a finance solution and achieve success by seeing finance begin to flow. Importantly, the DESIGN process ensures that each finance solution is designed for impact and built for scale.

- **Component 1 – *Incubate* finance solution ideas to determine if they are viable.**
  Tool: **Incubators** are structured six-month platforms that harness the power of cross-cutting experts who work together to determine the building blocks and viability of new and innovative finance solution ideas. *If we are going to put money, time and effort into a new finance solution we want to know if it has what it takes!*

- **Component 2 – *Implement* viable finance solutions through rigorous and coordinated activities to activate them.**
  Tool: **Solution Roadmaps** include high-level implementation pathways per finance solution and detailed implementation plans per naturescape, providing the practical action steps to implement finance solutions to achieve impact within a 1-3 year period. *The sustainable finance journey is fraught with many uncertainties and we want to ensure we have charted the best route to a successful destination!*

- **Component 3 – Drive finance solutions over the line to unlock *Impact.***
  Tool: The **Impact Framework** provides a comprehensive system to capture, verify and report on environmental, social and financial impact unlocked. *It is never just about how much additional finance is created but what that finance is used for and by whom!*

Part 3: MOBILISE

The MOBILISE part of the Finance Model harnesses the power of collective action to mobilise money and expertise to take finance solutions to scale. The Coalition fosters a finance for nature ecosystem that drives financing for nature through cross-sectoral and multidisciplinary collaboration, and this network of social capital is made available to the Coalition's Doers and Drivers.

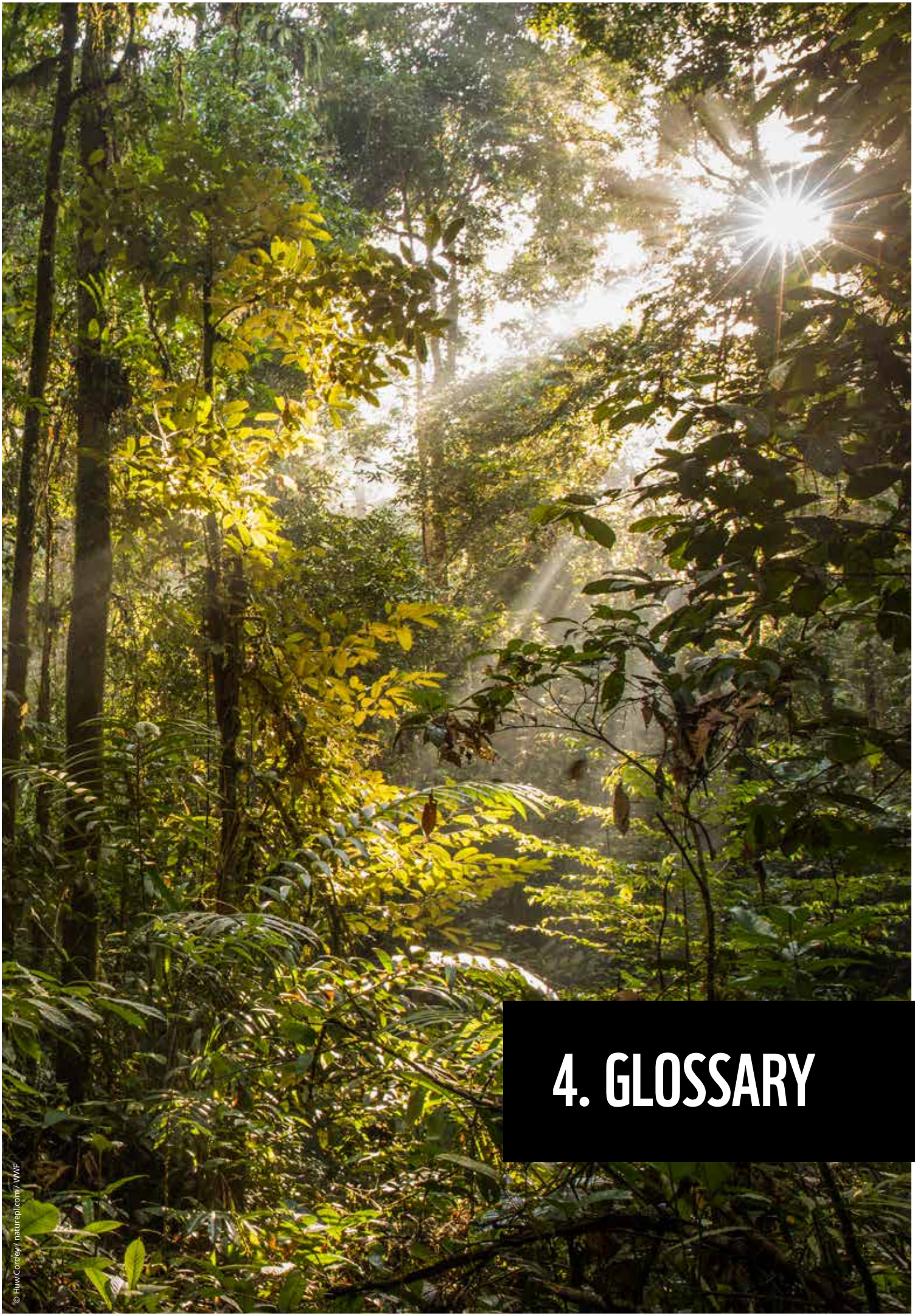
- **Component 1 - *Share* by exchanging knowledge and building capacity about nature finance.**
  Tool: **Exchanges** are crafted events and communications that transfer knowledge and build capacity to boost innovation and scale up nature finance across countries and sectors. They include bootcamps\ and roundtables, amongst others.

- **Component 2 – *Support* by catalysing key partnerships and access to capital.**
  Tool: The **Finance for Nature Ecosystem** is a dynamic community of knowledge holders and practitioners that work together and interact as a functional unit, achieving an intersection between finance and nature.

- **Component 3 – *Scale* by walking a sustainable finance journey with Doers and Drivers.**
  Tool: **Doers** and **Drivers** are organizations or teams in NGOs and financial institutions that walk shoulder to shoulder with the Coalition to understand, adopt and utilise the Finance Model. They are provided with dedicated capacity in the form of sustainable finance coordinators and finance solution leads, respectively.

Impact

The Coalition's Finance Model has been honed over the last few years through iteration, testing and collaborative engagement, leading to the activation of 17 new types of finance solutions in Africa, with a total of 62 replications in the pipeline to date. The Coalition's Finance Model can be quickly and easily used by diverse groups of actors across sectors in any given conservation area. This is vital to scale impactful finance for both landscapes and seascapes, aligning with global goals such as the 30x30 ambition. In this time, the Coalition has been active in scaling three finance solutions, unlocking US$87 million, with a return on impact of >8700% (i.e., the financial benefits unlocked to date as a percentage of the costs of the Coalition and partners to unlock these.).



4. GLOSSARY

This glossary defines key technical terms, financial mechanisms, and frameworks that underpin the Landscape Finance Approach. It is structured to support cross-sectoral stakeholders engaging in nature finance.

A. Core Concepts

Landscape Finance Approach: A geographically grounded method of deploying finance across a landscape (or seascape) to generate ecological, social, and financial outcomes. It integrates multiple instruments and actors in coordinated investments.

Naturescape: A defined area shaped by ecosystems and human activity, encompassing land/seascapes, biodiversity, resource use, and socio-economic systems.

Financing Green: Mobilising capital into nature-positive activities that generate measurable environmental and/or social outcomes (e.g., restoration, sustainable agriculture, carbon projects).

Greening Finance: Transforming the financial system to identify, manage, and disclose nature-related risks and shift capital flows from nature-negative to nature-positive outcomes.

Inclusive Conservation Plan: A plan that maps nature-related risks, conservation opportunities, and stakeholder dynamics to identify investable interventions tailored to a landscape's needs.

Bankable Solution: A conservation or nature-positive intervention capable of generating revenue or returns to attract private or commercial capital.

Non-bankable Solution: A conservation intervention that provides public goods or ecosystem services but lacks financial return, relying on public or philanthropic finance.

Transboundary: Denotes landscapes that cover one or more countries.

B. Financial Mechanisms & Instruments

Blended Finance: The strategic use of concessional public or philanthropic capital to mobilise private investment for high-impact, often higher-risk projects.

Carbon Credits (with Biodiversity Premium): Verified emissions reductions/removals from projects that also deliver biodiversity outcomes, priced above standard credits.

Conservation Bonds: Structured debt instruments (e.g., zero-coupon, revenue-linked) that finance conservation and restoration with impact-linked repayments.

Debt-for-Nature Swap: Sovereign debt restructuring where debt is forgiven in exchange for domestic conservation investments (e.g., Bhutan, Seychelles).

Environmental Funds: Dedicated finance vehicles pooling capital from grants, debt, or revenue to fund long-term conservation (e.g., trust funds, revolving funds).

Financing Facility: A structured fund or platform designed to channel and deploy capital across multiple projects or geographies, often with different financing windows (e.g., technical assistance + commercial fund).

First-Loss Capital: Concessional capital that absorbs early or priority losses to reduce risk and attract commercial investors into blended structures.

Human-Wildlife Conflict Insurance: Insurance policies that compensate communities for wildlife-related losses, incentivising conservation-compatible land uses.

Impact Bonds: Outcomes-based financing where repayment and returns are contingent on achieving measurable environmental/social targets (e.g., Rhino Bond).

Land Value Capture (LVC): A mechanism that captures land value increases from conservation actions through leasing, development, or revenue-sharing, often used to capitalise long-term conservation funds.

Microfinance: Small, often low-interest loans for local or early-stage nature-based enterprises, typically used by cooperatives or community groups.

Nature Credits: Emerging market instruments that monetise non-carbon ecological benefits such as biodiversity uplift or habitat conservation.

Payments for Ecosystem Services (PES): Financial compensation for land stewards who maintain or enhance ecosystem services (e.g., water purification, forest cover).

Project Finance for Permanence (PFP): A long-term blended finance approach ensuring the permanent conservation of landscapes/seascapes, with funds released upon meeting milestones (e.g., Herencia Colombia, Bhutan for Life).

Protected Area Tax Incentive: Fiscal tools that reduce tax liability for private landowners who designate and manage land for conservation (e.g., South Africa).

Special Purpose Vehicle (SPV): A legal entity created to isolate financial risk, commonly used to structure conservation investment deals (e.g., for land holdings, project portfolios, bond issuance).

Tourism User Fees: Revenue raised through entry fees or concessions in protected or ecotourism areas, used to fund landscape protection and community benefits.

Venture Debt: Non-dilutive loan capital for early-stage conservation enterprises, typically with flexible repayment linked to revenue or impact milestones.

C. Tools, Frameworks & Methodologies

CDP (Carbon Disclosure Project): An environmental disclosure platform helping companies, cities, and investors manage climate and nature-related impacts. CDP aligns with TNFD and SBTN metrics.

Finance Model: The Sustainable Finance Coalition's 3-part Model operating as an efficient, systematic way to help organizations find the right finance solution, customise the solution to their context, and scale it up across a landscape or seascape.

The FIND Process: The Sustainable Finance Coalition's framework for scoping, screening and selecting landscapes/seascapes and finance solutions, ensuring the greatest chance of success for implementation.

Finance Solution Inventory: An African-led knowledge hub of finance solutions targeted toward conservation, curated by the Coalition and designed to bridge the knowledge and understanding gap of finance for nature.

Impact Frameworks: Methodologies to measure environmental, social, and financial impacts of interventions, often used in incubators and monitoring systems.

Nature-Based Business Building (NB3): A tool from Conservation Capital for designing investable nature-positive businesses that align with conservation and financial goals.

Nature Financing Activation (NFA): Conservation Capital's methodology for assessing finance instrument readiness based on macroeconomic conditions, impact alignment, and feasibility.

Science-Based Targets for Nature (SBTN): Guidelines for companies and institutions to set targets to reduce negative impacts on nature across biodiversity, land, water, and oceans.

Taskforce on Nature-related Financial Disclosures (TNFD): A global framework enabling organizations to disclose nature-related risks and dependencies using the LEAP process: Locate, Evaluate, Assess, Prepare.

SUBSA / SUSREG: WWF tools for evaluating banks (SUBSA) and regulators (SUSREG) on their nature alignment, climate risk governance, and financial flows.

D. Institutions, Coalitions & Platforms

BIOFIN (Biodiversity Finance Initiative): A UNDP-led global partnership that helps countries identify and develop financing strategies to close biodiversity finance gaps at the national level.

Conservation Capital: A transaction advisory firm focused on designing bankable conservation finance structures and enterprises.

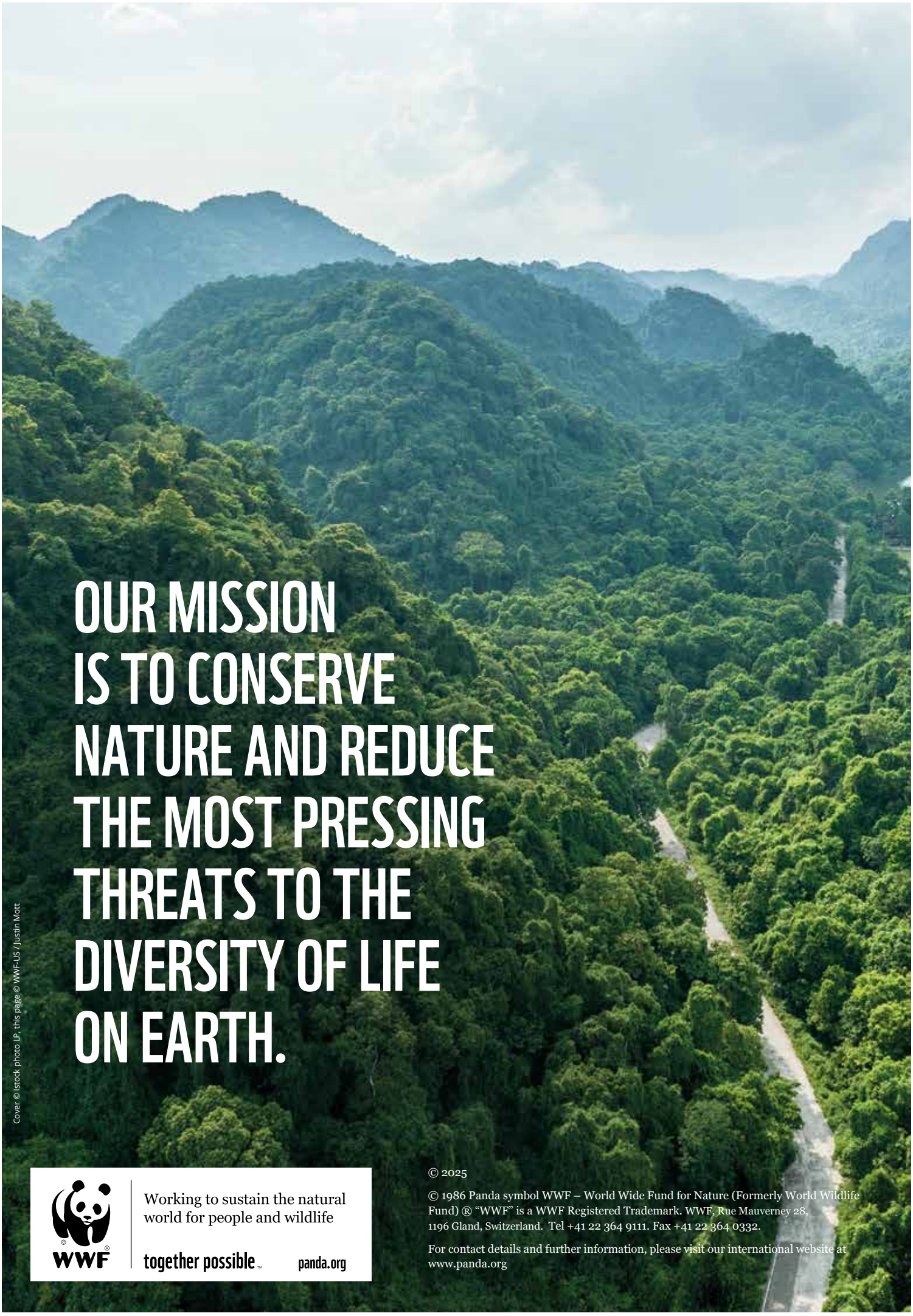
Conserve Global: A conservation implementation partner operating in Africa to support community-led conservancies and incubate finance solutions.

Dutch Fund for Climate and Development (DFCD): A blended facility that supports nature-based projects through technical assistance and investment capital (e.g., Origination Facility).

Network for Greening the Financial System (NGFS): A group of central banks and financial supervisors working to integrate climate and nature risks into financial system oversight.

Sustainable Finance Coalition (SFC): An NPC, functioning as a collective of organizations across Africa to unlock sustainable finance for conservation and communities using a 3-part Finance Model.

WWF Naturescape Finance Program: WWF's global strategy for landscape-scale finance combining Financing Green and Greening Finance to unlock conservation capital and transform enabling conditions.



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