

# Scaling investment in regenerative forests and sustainable land-use

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BLENDED  
**FINANCE**  
TASKFORCE



DECEMBER 2021

# Dear Friends of Partnerships for Forests and the Blended Finance Taskforce,

2021 has finally seen nature and biodiversity more central to discussions about climate action, the economy and COVID-recovery.

But we are nowhere near understanding how to scale and deploy the billions of dollars needed every year into nature-based solutions to meet climate targets, support resilient livelihoods and ensure global economic prosperity and resilience. We have not yet mainstreamed the deforestation-free finance agenda and investment solutions often remain sub-scale.

That is why Partnerships for Forests (P4F) and the Blended Finance Taskforce (BFT) have teamed up over the past few years: we are focused on mobilizing the capital needed to protect forests and the communities that rely on them. Since 2015, P4F has done so by developing a pipeline of investable companies which create value from standing forests, while the BFT works to provide the necessary bridge into the investor community.

Despite its limitations, COP26 was also a critical building block to start raising awareness and talking about investable nature-based solutions. COP26 put finance and nature at the heart of climate action. Nature, in particular, enjoyed increased attention – acknowledging that nature accounts for 30% of the solution to keep climate targets within reach and is a crucial part of meeting net-zero targets for countries, corporates and communities.

The Food & Land Use Coalition's latest paper "[Why Nature? Why Now? How Nature is Key to Achieving a 1.5C World](#)" provided the supporting data, visualizing why natural climate solutions are urgently needed to achieve a 1.5°C world.

Yet nature remains dramatically underfunded, for example, [only 0.6-1.4% of climate finance flows are channelled to nature-based solutions for adaptation](#). High ambition from corporates and financial institutions coupled with political commitments and funding pledges need to be followed by action. That includes better regulation to tackle deforestation within supply chains, more catalytic capital to mobilise private investors and developing high-quality pipeline in tropical forest countries while providing targeted support for vulnerable people and places.

We believe the increasing link between forests, finance and food systems can help mainstream this agenda. The new [Food Finance Architecture](#) launched at the UN Food Systems Summit, BFT's work on deforestation-free pension funds with Make My Money Matter and Global Canopy, the launch of new funds like ResponsAbility's "first science-based impact fund targeting food systems transformation" and the deployment of others like Clarmondial's Food Securities Fund are starting to build the proof points needed for investors.

## Our Highlight of the Year: Shark Pitch

The "[Shark Pitch](#)" was another 2021 highlight for us and for the nature-finance agenda. This event saw food system entrepreneurs pitch their companies to investor judges to raise the profile of climate-smart solutions which protect people and planet.

Held alongside UN Climate Week & the Food Systems Summit, the Shark Pitch was jointly organised by P4F, BFT,

the World Business Council for Sustainable Development (WBCSD), the Food and Land Use Coalition, and SYSTEMIQ.

The Shark Pitch provided tailored pre-pitch training and direct investor feedback – helping entrepreneurs with their fundraising efforts, showing investors a growing pipeline of regenerative business models while securing improved rural and coastal livelihoods.

Over 120 entrepreneurs applied to be part of the Shark Pitch. 14 entrepreneurs were chosen as finalists, seeking over USD 40m worth of investment for ideas spanning regenerative agroforestry coffee to natural sustainable blue food colourant ([download the profiles of the 14 finalists here](#)). Collectively, these entrepreneurs are protecting thousands of hectares of Amazon rainforest, preventing millions of tonnes of CO2 from being released

into the atmosphere, and generating income for local communities worldwide. Empowering women is often at the core of these businesses.

If you have input or are interested in participating in the Shark Pitch event in 2022 as an entrepreneur or an investor judge, please reach out to us at: [contact@blendedfinance.earth](mailto:contact@blendedfinance.earth).

## What's next: scaling our work through the Pipeline Accelerator

We are scaling our efforts to connect regenerative and sustainable businesses in the forest and land use sector with mission-aligned investors through the Pipeline Accelerator. The Pipeline Accelerator consists of three pillars:

1.

**Mapping the landscape & deepening networks through investor engagement** to understand the needs and criteria of investors (including corporates) targeting investment into nature-positive businesses

2.

**Reducing transaction costs & accelerating capital deployment through quarterly pipeline newsletters**, to showcase a broad range of investable companies working on high-impact solutions around the world

3.

**Building capacity & matchmaking through the Shark Pitch event**, to showcase a curated pipeline of investable companies and support entrepreneurs as they pitch to investors

As always, collaboration is key to driving impacts for the Pipeline Accelerator. We do not want to reinvent the wheel and always aim to foster cooperation and alignment with existing initiatives.

We invite you to reach us to explore potential collaboration at: [contact@blendedfinance.earth](mailto:contact@blendedfinance.earth)

## A sneak peek: the pipeline newsletter

We are excited to share our very first pipeline newsletter at the beginning of 2022. Thanks to collaborations from various pipeline builders (e.g. incubators, accelerators, technical assistance programmes, providers of catalytic capital, etc), we have exciting companies to feature.

Here is a sneak peek of what's to come<sup>1,2</sup>:

<sup>1</sup>Please note that the showcased companies have not undergone a financial screening, with only high-level initial impact screening conducted based on the initial information provided by the companies. We will not be liable for any of the presented information and strongly encourage prospective investors to perform a financial and impact due diligence before investing. <sup>2</sup>We are featuring companies from various sources. As such, not all companies featured in the newsletter are part of Partnerships For Forests' programme or associated in any way to the programme. P4F's portfolio companies are highlighted with a symbol.

# Innovative business that creates economic value from biodiversity protection

## Terrasos



Latin America and Caribbean

**Sector:** Restoration, Biodiversity (credits)

Founded in 2013, Terrasos aims to be the market leader in obligatory offsets through consulting services, as well as operation and management of Habitat Banks (biodiversity compensation projects). Habitat Banks propose a solution to current gaps in offset market offerings by creating 30-year projects with autonomous and guaranteed operation that channels multiple offsets in sales-ready biodiversity credits. Terrasos has piloted the first Habitat Bank in Latin America and has already sold USD 1.8 million in biodiversity credits in Colombia. Building on this success, Terrasos is now raising funds to scale their work in structuring and managing additional Habitat Banks. By growing the

Habitat Banks market, Terrasos looks to protect endangered ecosystems. Over the next 2 years Terrasos aims to place 5,000 hectares under sustainable management, generating complementary income streams to landowners through Habitat Banks.

### IMPACT

Through the structuring of Habitat Banks, Terrasos plans to protect 4,000 hectares and restore an additional 1,000 hectares of highly endangered ecosystems over 30 years, while generating complementary income streams for landowners. Terrasos will mobilize USD 45 million from pending environmental obligatory offsets held by different impact generators through the sales of biodiversity. Through its work, Terrasos aims to generate 180 sustainable jobs in different regions of Colombia.

**TERRASOS**



### COMPANY OVERVIEW

**Revenue last year:**

201k - 500k

**#employees:** 11 – 50

**#of years in operation:**

Between 2 and 5 years

### FUNDING ASK

**Amount:** 1.1m - 5m

**Instrument:** Equity

**Use of funds:** Project operating expenses (e.g. propagation of plant material from native seedlings in the nursery, monitoring and surveillance tours by rangers) and early implementation of environmental strategies on every project site.

**Pitch deck available:** Available upon request

### CONTACT INFORMATION

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# Incentivising restoration and generating rural livelihoods through highly nutritious Moringa trees

Botanic Treasures

Sub-Saharan Africa

**Sector:** Agroforestry, Restoration

Botanic Treasures is a vertically-integrated Moringa Oleifera processing and trading company. Moringa is a highly sought-after “superfood” in the global market, with current global demand being 4x more than the supply. Located in Kenya, the company works with thousands of farmers to build their capacity for commercial cultivation of Moringa trees. Botanic Treasure guarantees the offtake of the tree’s leaves and seeds to the farmers it works with, thus securing its high quality supply and providing financial security for farmers. The company then leverages local knowledge and science to build its own competitively priced, natural, high quality, nutritious and healthy Moringa-based products. Botanic Treasure also offers full traceability of its products. The company has two main sales channels: two enterprise-owned retail stores in Nairobi; and wholesale B2B sales. As of now, you can find Botanic Treasure products in 110 supermarket outlets throughout Kenya.

## IMPACT

Moringa is drought tolerant and grows in poor soils, enabling farmers to farm degraded lands. So far, Botanic Treasures has planted 2 million trees in Kenya and is in the process of restoring 100 hectares of degraded land. These restored areas absorb carbon dioxide 20 times more than the general vegetation. Additionally, it has trained over 2,000 farmers and is actively working with 500, 60% of which are women. Through its operations, Botanic Treasures has enabled over 20 “Moringa ventures”, and over 100 green village businesses. Within Botanic Treasures’ value chain, it estimates to have created 36,300 jobs.

## CONTACT INFORMATION

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## COMPANY OVERVIEW

### Commodity:

Moringa leaf and seed, Boabab Tamarind and Amla

### Revenue last year:

101k - 200k

### #employees: 11 – 50

### #of years in operation:

Between 2 and 5 years

## FUNDING ASK

**Amount:** 201k - 500k

**Instrument:** Debt, Equity

### Use of funds:

Capital expenditures including the upscaling of the nursery, pack-house, community solar dryers and beehives. Operational expenditures including clinical research, HR training, branding, working capital, farmer recruitment, seeds and certifications (Organic, Fair-Trade, HACCP). Additionally funds will be used for non-commercial projects like the development of a Resource Centre, Schools Greening Project and admin.

**Pitch deck available:** Available upon request



# Baobab fruit processor working with smallholder harvesters to create value from one of Africa's most iconic tree

B'Ayoba Pvt. Ltd.



Sub-Saharan Africa

**Sector:** Wild forest production

B'Ayoba is a leading producer of baobab products, ethically and sustainably harvested in partnership with rural producer communities around Southern Africa. Baobab trees thrive in harsh environments, and their fruits are known across the continent for their extraordinary nutritional value. Headquartered in Harare, Zimbabwe, the company sources over 1,000 tons of Baobab fruit from over 6,000 organic certified harvesters collecting on over 164,000 hectares – the biggest organically certified region in Southern Africa. After purchasing the fruit from the harvesters, the company processes the nutrient-rich fruit into Baobab powder and Baobab red fibres which are used in beverages, foods, cereals, and cosmetics. Founded in 2012, B'Ayoba now operates 2 rural processing centres, employing 20 permanent workers and over 100 seasonal staff. Additionally, the company has received the following certifications: EU Organic Certification, Certified FairWild, USDA Organic and Kosher, as well as being a member of the Union for Ethical BioTrade.



## IMPACT

We are focused to solve the following problems: poverty, hunger and climate change, by focusing on societal resilience using indigenous species that are drought resilient, since Sub-Saharan Africa is the worst hit by drought recurrent due to climate change. We want to focus on rural development by establishing a sustainable production plant which is off-grid, which will empower the rural community to survive on their forestry resources, thereby fighting poverty, climate change and food security.



## COMPANY OVERVIEW

**Commodity:**

Baobab powder

**Revenue last year:**

501k - 1m

**#employees:** 11 – 50

**#of years in operation:**

Between 5 and 10 years

## FUNDING ASK

**Amount:** 501k - 1m

**Instrument:** Debt

**Use of funds:**

Capital expenditures including the construction of a production plant, purchase of equipment and vehicles. Additionally, funds will be used as working capital to enable market development and to improve operations.

**Pitch deck available:** Available upon request

## CONTACT INFORMATION

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We are continuously sourcing companies to be featured in the pipeline newsletter and hopefully participate in the next Shark Pitch in 2022. If you would like to be part of our database, please fill out [this online form](#).

We would welcome any feedback on this newsletter. If you no longer want to receive the newsletter, please email [contact@blendedfinance.earth](mailto:contact@blendedfinance.earth).

We are deeply grateful to all our friends and partners who continue to work tirelessly to mobilize capital for forests and nature-positive supply chains. We are excited to continue this work together in 2022 and will follow up in the new year.

Warm wishes,

Partnerships for Forests and the Blended Finance Taskforce





### **About Partnerships For Forests**

Partnerships for Forests catalyses investments in which the private sector, public sector and communities can achieve shared value from sustainable forests and sustainable land use. We do this by creating market-ready "Forest Partnerships" that offer an attractive balance of risks and benefits. The programme also supports demand-side measures that strengthen demand for environmentally friendly commodities, and activities to create the right enabling conditions for sustainable investment. The eight-year scheme is funded by the Foreign, Commonwealth & Development Office and the Department for Business, Energy & Industrial Strategy. It currently operates in Central, East and West Africa, South East Asia and Latin America. P4F is managed by Palladium in partnership with SYSTEMIQ.



### **About The Blended Finance Taskforce**

The Blended Finance Taskforce was established to help mobilise largescale capital for the UN Sustainable Development Goals. Launched by the Business & Sustainable Development Commission in 2017, the Taskforce identified key barriers to the effective use of blended finance and called for action from leaders in the investment and development finance community in its flagship report "Better Finance, Better World". The Taskforce is now implementing an ambitious Action Programme to increase mainstream private investment for high-impact sectors, with a focus on emerging markets. It is supported by a steering committee of more than 35 experienced practitioners and experts that brings together leaders from finance, business, development and policy. We work with private-sector champions across the investment community, including pension funds, sovereign wealth funds, insurers, asset managers, project developers, foundations and think tanks. The Taskforce gains deep expertise from the public-sector institutions that have shaped the blended finance market, including development banks and aid agencies. All this is done in close collaboration with existing initiatives, notably those led by the Organisation for Economic Co-operation and Development, the Multilateral Development Banks/ Development Finance Institutions' working groups, the World Economic Forum, the New Climate Economy, the GIIN, the THK Forum on Sustainable Development and many others, to make sure efforts are complementary and coordinated.