CLIMATE RESILIENT LANDSCAPE FINANCE (CRLF)

SECTORS: CLIMATE RESILIENCE, OTHER LAND USE, SUSTAINABLE AGRICULTURE
REGION: AFRICA
INVESTMENT TYPE: COMMERCIAL CAPITAL, CONCESSIONAL CAPITAL, GRANTS
ATTRIBUTE: NATURE-BASED SOLUTIONS
SDGs:

PROONENT: PLATCORP GROUP, CONSERVATION CAPITAL, DASCOT LIMITED
OTHER IMPLEMENTATION PARTNERS: CONSERVATION INTERNATIONAL

Africa’s protected areas are critical in safeguarding the continent’s biodiverse ecosystems. However, extractive commercial agriculture and urban and industrial development threaten important land for biodiversity conservation outside protected areas.

To meet the 30x30 goal of the Global Biodiversity Framework, an annual investment of USD 20-25 billion is needed to cover 30% of protected areas. However, traditional revenue streams – government, donor support, and tourism – only meet 10-20% of management needs. This means that current revenue sources are insufficient to manage the land, let alone provide landowners with economic incentives to forgo agricultural or other commercial development.

INNOVATION

CRLF is the first financial instrument to drive diversified expansion strategies with conservancy-led enterprises through structured microfinance and venture financing support, sharing the economic benefits with small landowners. This instrument taps growth in international markets for sustainable goods and services and nature-based attributes, increasing revenue flows to conservancy areas and enabling scaling.

Ringfenced investment opportunities in conservancy debt and microfinance portfolios target a diversity of local and international impact-seeking investor types. In this way, CRLF attracts private investors by addressing the traditionally unattractive risk/return profile and small scale of most existing opportunities in nature-based and conservation projects.

IMPACT

The pilot target market lies in the Maasai Mara in Kenya, home to approximately 25% of Kenya’s wildlife, with replication expected in other conservation areas in Kenya and neighboring countries.

CRLF has the potential to transform the economics of conservation-critical areas by monetizing the value of tourism, climate, biodiversity, and sustainable production while sharing these benefits with local communities.

During its first decade, it is expected to contribute to conserving and restoring over 90,000 hectares of land, sequestering over 1 million tCO2e. CRLF will directly benefit 3,000 MSMEs and unlock USD 70 million value for the region.

CRLF is an innovative concessional debt facility combining microfinance, private debt, and technical assistance to address the underlying challenges to long-term sustainable, climate-resilient land management in and around African conservancies.
THE INVESTMENT OPPORTUNITIES

<table>
<thead>
<tr>
<th>TYPE</th>
<th>ROLE OF CAPITAL</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>GRANTS</td>
<td>Risk capital to test the microfinance concept and fund first loss tranche</td>
<td>USD 1.5M</td>
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<tr>
<td>CONCESSIONAL DEBT</td>
<td>Fund conservancy facility</td>
<td>USD 6M</td>
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<tr>
<td>COMMERCIAL SUBORDINATED DEBT</td>
<td>Fund microfinance facility</td>
<td>USD 500,000</td>
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<tr>
<td>COMMERCIAL SENIOR DEBT</td>
<td>Fund microfinance facility</td>
<td>USD 2M</td>
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<tr>
<td>GRANTS</td>
<td>Fund technical assistance facility</td>
<td>USD 2M</td>
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</tbody>
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The Global Innovation Lab for Climate Finance identifies, develops, and launches innovative finance instruments that can drive billions in private investment to action on climate change and sustainable development. Bloomberg Philanthropies and the governments of Canada, Germany, the United Kingdom, and the United States have funded the Lab’s 2023 programs. Climate Policy Initiative serves as the Secretariat and analytical provider.