



Regenerative Agroecological Landscape Acceleration Facility

GCF African Regional Dialogue- Windhoek, Namibia

NOVEMBER 2023

COMMERCIAL IN CONFIDENCE

The team today is made up of



Climate Asset Management

A partnership of  HSBC 

- Pollination is a global investment and advisory firm focused on climate and nature. It designs, builds and invests in climate and nature solutions to accelerate the transition to a net-zero, nature-positive future.

GCF is the world's largest climate fund and accelerates transformative climate action in developing countries through a country-owned partnership approach and use of flexible financing solutions and climate investment expertise.

Climate Asset Management is a joint venture between HSBC Asset Management and Pollination, with the ambition to grow the world's leading asset management company dedicated to natural capital.

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A large-scale blended finance facility to accelerate landscape level transition to regenerative agroecology across multiple African countries

HEADLINE MESSAGES:

- Regenerative agroecology key to climate change adaptation and mitigation
- Landscape approaches - primary focal point for transforming food systems
- Multiple actors coalescing around urgent need to accelerate investment and action
- Many projects primed for transformative investment and acceleration
- Funding gap is substantial... development finance critical to de-risking private sector
- Currently *no* large-scale blended finance facility focused on accelerating landscape transition
- We aim to bring acceleration finance to those projects at scale

→ OUR VISION

To accelerate a portfolio of landscape level transition projects that prove at-scale, across multiple African countries, the power of regenerative agroecological approaches to build resilient local food economies, and strengthen rural prosperity, whilst delivering a broad range of climate change adaptation and mitigation co-benefits.

Regenerative agroecology offers numerous and significant benefits to African states, promoting regional resilience and prosperity

Scientific understanding of the benefits of regenerative agroecology are becoming well understood.

Indicator	Impact	Evidence
Soil health / soil organic matter ¹	●	Strong
Soil carbon sequestration ^{1, 2, 3}	●	Mixed
Water retention in soil ^{4, 5}	●	Strong
Above ground carbon emissions ³	●	Limited Data
On farm biodiversity ^{3, 4, 6}	●	Strong
Nutrient cycling / density ^{2, 6}	●	Strengthening
Reverse land degradation ³	●	Strong
Low reliance on synthetic inputs ³	●	Strong
Crop yield – short term ^{8, 3}	●	Mixed
Crop yield – medium term ^{8, 3}	●	Strengthening
Farm economics ⁹	●	Strengthening

In 2022, the IUCN found that regenerative agricultural practices in sub-Saharan Africa have the potential to generate a wide range of benefits.¹⁰

\$70 billion Gross Value Added annually by 2030

\$17 billion Annual savings generated for farmers by 2040

5 million New jobs created by 2040

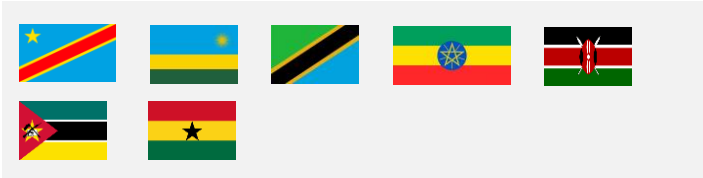
68% Minimum yield increase experienced

16% Increase in daily calorific intake per capita by 2040

6 GtCO₂e Sequestration potential by 2040

Across the region, political momentum is growing to accelerate the transition towards regenerative agroecology

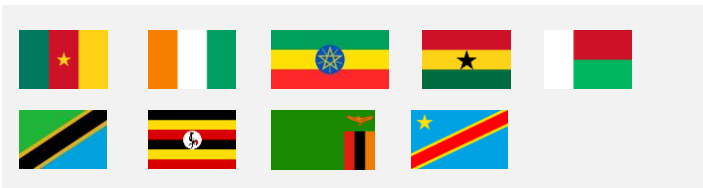
Nairobi Declaration on Climate Change¹¹



Africa Sustainable Commodities Initiative¹²



Agroecology Coalition¹³



Landscape approaches are gaining recognition for their transformative impact potential and are increasingly being deployed in Africa

Definition of a Landscape

A landscape is a socio-ecological system that consists of interconnected natural and/or human-modified land and water ecosystems, and which is influenced by distinct ecological, historical, economic and socio-cultural processes and activities.¹⁴

Greater than **500,000ha** Land area included in the landscape area

Greater than **100,000** People affected in the landscape area

'LANDSCAPE APPROACH' – DEFINING CHARACTERISTICS

Reconcile competing objectives and connect people, organisations and businesses to work towards long-term sustainable landscapes¹⁵.

Typically includes :

1. Place-based, context specific approach
2. Owned and driven by a 'landscape partnership'
3. Focus on how land is used regeneratively
4. Fully inclusive, participatory process
5. Shared vision / integrated landscape management plan
6. Social and natural capital / returns as well as economic
7. Collaborative implementation of the plan / shared returns
8. Adaptive learning / peer to peer knowledge exchanges



Return of Inspiration



Social Return



Natural Return



Financial Return

Multiple enabling organisations are working across Africa to develop landscape-level transition projects



COMMONLAND
4 Returns for Healthy Landscapes



Compelling evidence that the Landscape Approach should be the focal point for accelerating transition. We believe there are many projects across Africa that are primed for transformative investment, replicating inspiring results in India

Andhra Pradesh case study – Natural Farming Initiative

The Andhra Pradesh Community Managed Natural Farming (APCNF) initiative is the largest transition to Natural Farming in India.

The project spans the entire state of Andhra Pradesh and aims to transform the practices of 6 million farmers across 8 million hectares of land.

REALISED IMPACTS

11% crop yield increase¹⁶

1/3 fewer days lost to illness¹⁹

49% increase in net income¹⁷

7X increase in earthworm density²⁰

44% reduction in costs¹⁸

The APCNF is funded by a mix of public and private sources, and implemented by a government-established NGO.

\$200-350
cost of transition per farmer²¹



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When progressive government policy serves to empower landscape stewards, in a way that catalyses private sector investment, substantial and rapid climate, nature, health, economic and social benefits can be realised

Many international organisations are mobilising to scale regenerative approaches, but the funding gap remains stark, and development finance has a key role to play in de-risking and unlocking private sector capital

International corporations committing to regeneration at landscape scale



Brands which have already committed to transitioning over 12 million acres to regenerative agriculture

Philanthropies mobilising and consolidating their efforts to support acceleration



Philanthropies with demonstrated interest in regenerative agriculture

Despite this interest, the funding gap remains substantial...

\$250-430 billion

Cost for the initial levels of the transition over the next decade²²

\$ 44 billion

Current annual philanthropic and private sector investment in agroecology²³

10x

Increase in annual investments required to transition to regenerative agroecology²⁴

1.7 %

Percentage of global climate finance that reaches small-scale farmers²⁵

→ A large-scale blended finance vehicle is needed to create a step-change in the flows of finance required to drive food systems transition, enabling African governments’ to realise ambitious transformation goals

The Regenerative Agricultural Landscape Acceleration Facility (RALAF) aims to accelerate a portfolio of landscape level transition projects across Africa

The RALAF will provide catalytic investment that enables landscape actors to build resilient and regenerative local food economies at scale, across multiple countries, with a priority on enabling, and economically empowering farmers.

INDICATIVE FACILITY STATISTICS



Up to \$100 million

Financing and technical assistance per country

1-3

Landscapes per country for investment

Up to \$50 million

Financing and technical assistance per landscape

4-6

Countries in first round of investment

Facility Characteristics



Sufficient financing to **accelerate landscape level impact** across a portfolio of projects primed for transformative investment



Financing structure that **de-risks and crowds in private sector capital** and market access players



Flexible financing to **economically empower a range of local landscape actors** and enabling organisations



Sizeable Technical Assistance facility to support transition of large numbers of farmers in the landscape



Designed to enable replicability across multiple landscapes and countries over time

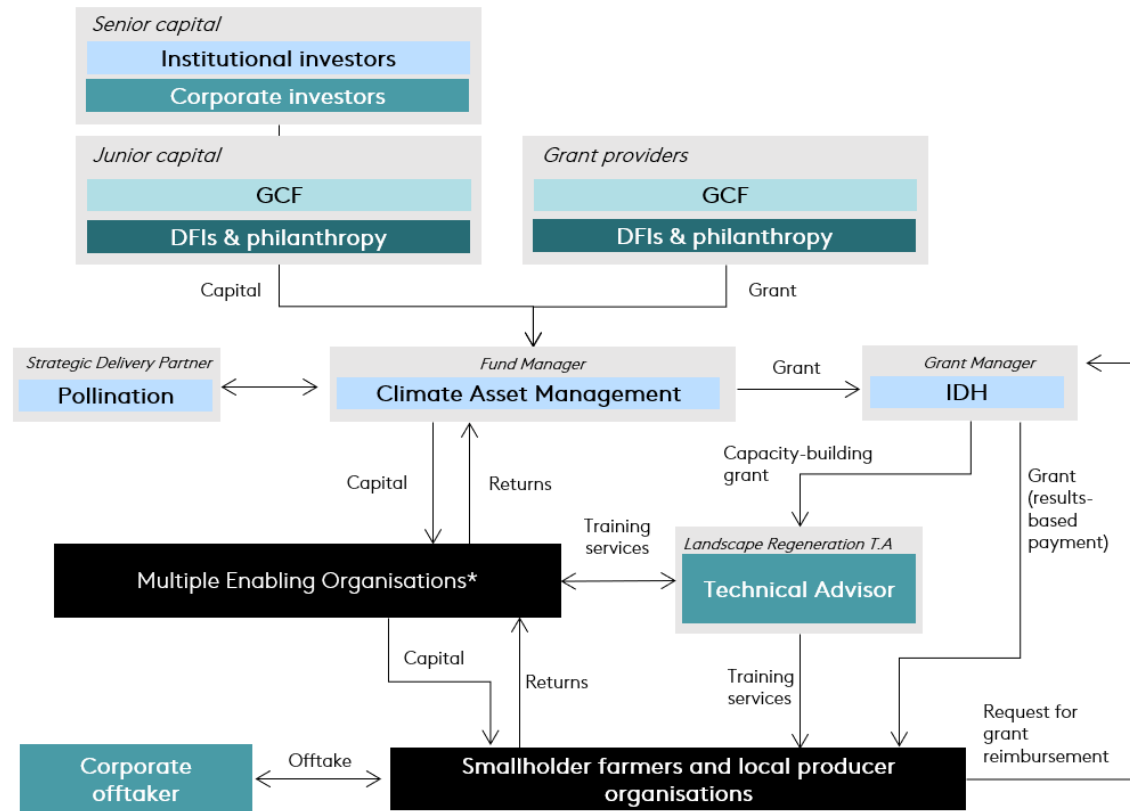


Delivery model designed to give **representation, voice and agency to local communities**



A transformative blended finance structure can play a key role in enabling African countries to deliver ambitious transformation plans, whilst increasing access to finance for farmers and local enabling organisations

Preliminary RALAF Model



*e.g., cooperative, local fi, aggregators, value chain/market access enabling organisations, fintech providers)

Indicative Target Impacts



Various landscape projects in sub-Saharan Africa show considerable promise and may be well primed for transformative investment through RALAF

Landscape projects primed for large-scale investment in regenerative agroecology are characterised by:



Landscape partnership /governance in place or emerging



Shared vision developed through participatory approach



Impact potential at landscape scale – early promise from pilots

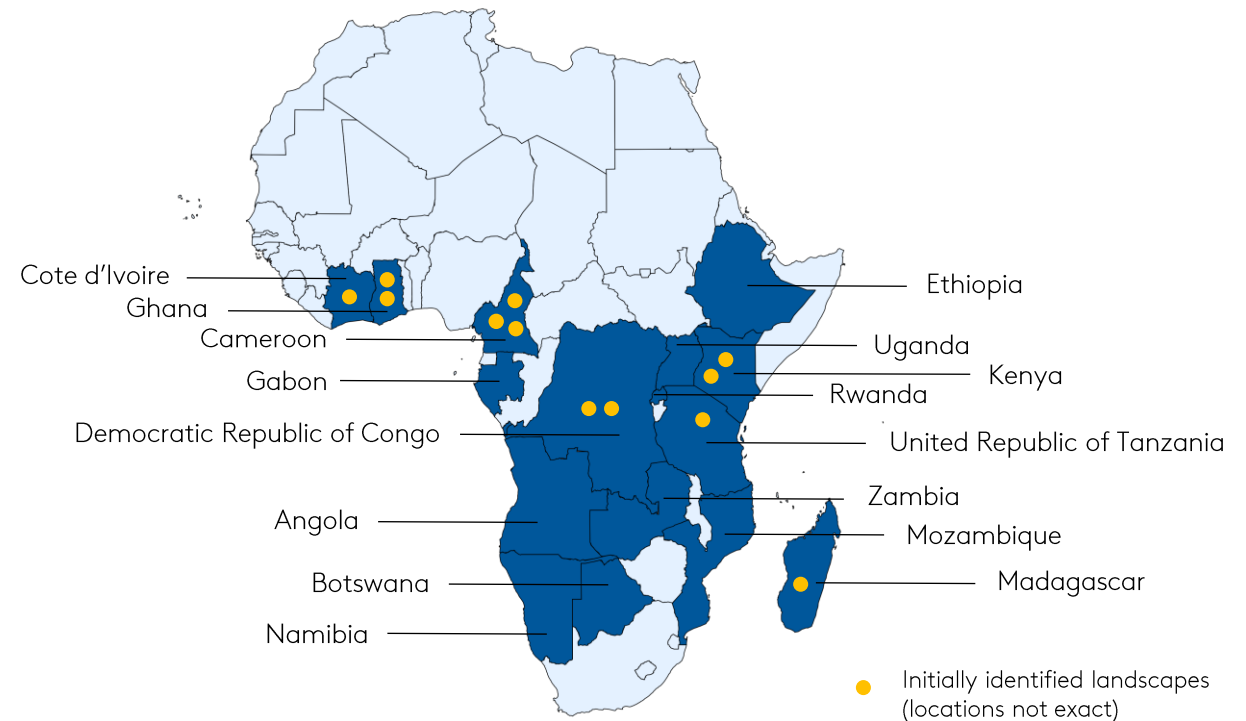


Strong Government support



Private sector investment opportunity

African countries that we believe may be well suited for a transformative GCF-enabled intervention



A broad range of projects that may be suitable for RALAF investment has been identified. We are sure there are many more that will be identified through deeper consultation with National Designated Authorities

We need your guidance in shaping the Facility and in recommending projects that should be part of the initial portfolio

Example Landscape: Asunafo-Asutifi Landscape, Ghana²⁶



OVERVIEW OF PROJECT

Key Commodity : Cocoa

3830km²

Total landscape area

380,000

Affected population

THE OPPORTUNITY

Enhancing local productivity, livelihoods and income security, while eliminating deforestation, by attracting private capital to secure supply chains and source certified cocoa.

INDICATIVE SUITABILITY FOR RALAF INVESTMENT



Landscape partnership

- Project implementation through a **participatory multi-stakeholder engagement** involving state actors, the landscape governance structure, the private sector, NGOs, traditional authorities, farmers' groups, and landowners.



Shared vision

- **Management & Investment Plan** established through an extensive consultation process and validated by all relevant stakeholders



Impact potential at landscape scale

- **Dominant Cocoa Farming:** 10% of Ghana's national output of cocoa
- Interventions proposed in the management plan were prioritised by a baselining of the socio-economic and ecological conditions and indicate a strong impact potential.



Strong Government support

- Identified as one of **six priority Hotspot Intervention Areas (HIA)** by the Ghana Forestry Commission, as part of the Ghana Cocoa Forest REDD+ Programme (GCFRP)



Private sector investment opportunity

- **Eight cocoa and chocolate companies** have provided grant funding through the World Cocoa Foundation
- **Opportunities for commercial returns** through the production of certified cocoa beans

We need your guidance in shaping the Facility and in recommending projects that should be part of the initial portfolio

Example Landscape: San Pedro Landscape, Côte d'Ivoire²⁷



OVERVIEW OF PROJECT

Key Commodity : Cocoa

6058km²

Total landscape area

1 million

Affected population

THE OPPORTUNITY

Adopting sustainable agriculture practices, increasing forest protection and restoration, improving community living conditions, and formalising inclusive land use governance.

INDICATIVE SUITABILITY FOR RALAF INVESTMENT



Landscape partnership

- **The governance structure combines regional and local approaches**, including provision for local community representation in the Technical committees.



Shared vision

- **San Pedro Landscape Sustainable Management and Investment Plan** established through an extensive consultation process and validated by all relevant stakeholders



Impact potential at landscape scale

- **Dominant Cocoa Farming**: 9.5% of Côte d'Ivoire's national production of cocoa
- **Five priority areas** identified based on a landscape baseline assessment with the highest potential to generate favorable socio-economic and environmental impacts



Strong Government support

- Aligned with five Côte d'Ivoire government policies and initiatives relating to the preservation of forests and sustainable agriculture, including the National Strategy for Climate-Smart Agriculture and National Agricultural Investment Programme

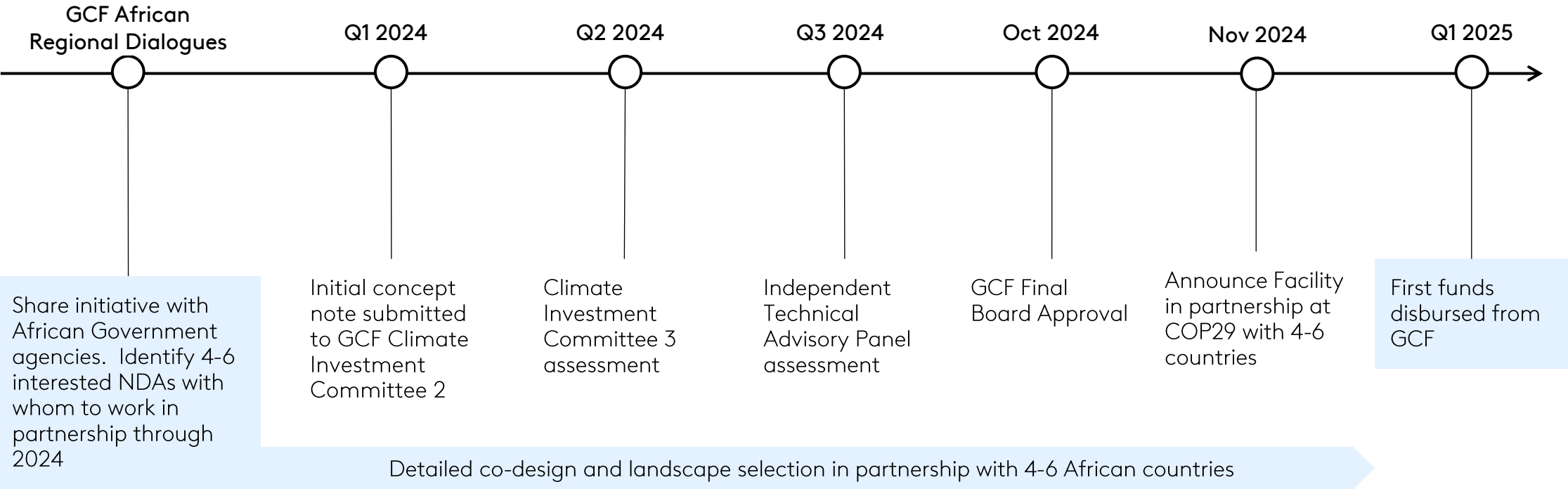


Private sector investment opportunity

- **Ten cocoa agro-industrial companies** operate in the landscape
- **Opportunities for commercial returns** through the production of certified cocoa beans

Indicative timeline for mobilising the Facility

The Namibia Dialogues represent the start of a year-long collaborative process to develop a high impact Acceleration Facility



Where we need your guidance

OUR ASK

1. Challenge and help develop our investment thesis
2. Recommend projects that may qualify for consideration
3. Involvement in detailed co-design of the Facility through 2024
4. Helping us ensure the transformative impact we believe is possible, is delivered

→ **A Facility of this kind will only work with strong Government support.**

We seek partnerships with 4-6 African Governments to prove what is possible with transformative investment into scaling Regenerative Agroecological landscapes.

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