TOWARD SYSTEMIC CHANGE IN LANDSCAPE FINANCE

11 Areas for Collaborative Action
About 1000 Landscapes for 1 Billion People
1000 Landscapes for 1 Billion People (1000L) is a coalition of organizations united in a shared mission to advance local landscape efforts to sustain and restore ecosystems, build rural prosperity, confront climate change and contribute to the Sustainable Development Goals. Our goal is that by 2030, landscape partnerships will deliver sustainable solutions across 1000 landscapes for 1 billion people—aligning actions to meet global targets for addressing food and water insecurity, biodiversity loss, land degradation and climate change. 1000L is building the infrastructure to help landscape partnerships connect and ally with one another, strengthen their capacities and leadership, access digital data and tools for greater impact, and mobilize financing to scale landscape investment. See www.landscapes.global.

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This report was founded upon insights from a series of virtual dialogues on accelerating integrated landscape finance organized by the Finance Solutions Team of the 1000 Landscapes for 1 Billion People initiative. The Finance Solutions Team seeks to establish analytical foundations and tools for landscape finance innovations and to support the development of innovative integrated landscape investment mechanisms to be implemented in landscapes worldwide.

Team members who contributed to the organization of the dialogues and framing of this report include Alejandro Diaz Loyola (Commonland), Lily Hamilton (EcoAgriculture Partners), Juan Carlos Ramos (EcoAgriculture Partners), Sara Scherr (EcoAgriculture Partners), Seth Shames (EcoAgriculture Partners), Daniel Zimmer (EIT-Climate-KIC), Eelco Keij (Rainforest Alliance), Sarah Lupberger (Rainforest Alliance), Jean-Louis Robadey (Regenerative Development Group), and Tammy Tullis (Regenerative Development Group). Litul Baruah (Laudes Foundation) and Annelies Withofs (IKEA Foundation) also contributed to designing the dialogue series.

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INTRODUCTION

The world must rapidly shift toward inclusive, sustainable, and resilient economies that balance the needs of people and the planet. This requires transformations not only at the individual farm, enterprise, supply chain, and urban center levels, but also holistically at the landscape scale to address critical ecological, economic, and social processes. Integrated landscape finance (ILF) offers a solution.¹

ILF is a developing approach and set of tools that generate finance from diverse sources to achieve local objectives for landscape transformation. The approach assumes that ecological, social, and economic interactions among different projects and enterprises in a landscape can have powerful negative or positive interactions on profitability, risk, and impacts. It offers a model for financing multiproject, multisector investment portfolios that encourage synergies between investments and positively impact multiple objectives (e.g., biodiversity, climate, and food production). As such, it addresses the limitations of conventional project-based, sector-focused, short-term finance and generates holistic transformation. Landscape partnerships of key stakeholders develop the vision for transformation and help guide this coordinated investment agenda.

However, despite its promise, systemic barriers slow the uptake of integrated landscape finance. Landscape partnerships often lack the capacity to build pipelines of projects, assess current and potential finance flows, and develop strategies and fit-for-purpose mechanisms to mobilize them. Short-term, uncoordinated commercial, philanthropic, public, and civic sector projects are poorly aligned at best, and at worst, undermine integrated strategies for landscape transformation. Financiers lack the experience, capacity, and mandate to invest across sectors and at necessary scales to make a systemic impact.

This report aims to address current barriers to the effective implementation and scaled-up use of ILF by offering collaborative paths forward. It is based on 1000L's Finance Solutions Team's framework for mobilizing key actors to transform the finance system to support integrated landscape investments. From 2020 to 2021, 1000L's Finance Solutions Team interviewed more than 80 financial leaders from across the finance continuum with experience in landscape finance that included the private sector. The team engaged finance leaders in an online workshop to analyze the interviews and define strategic actions to scale landscape finance. The refined analysis demonstrated the different ways landscape finance has been deployed, opportunities for expansion, and key challenges. The dialogue results were supplemented by insights from other 1000L consultations with philanthropists and governments active in landscape development, and from the experiences reported by landscape partnerships in mobilizing finance for their priority projects and businesses.

Building upon their learnings, the Finance Solutions Design Team partnered with the IKEA and Laudes Foundations in 2023 to unite 175 financiers, local landscape leaders, and technical service providers in a series of three interactive dialogues together called "Accelerating Finance for Thriving Landscapes." The discussions revealed three dimensions of cross-sectoral collaboration needed to transform the finance system and generate more funding for integrated landscape initiatives: aligning and mobilizing financial actors, enhancing knowledge about landscape finance, and developing the financial infrastructure for landscape investing. These included 11 specific areas for collaborative action, summarized in Box 1.
BOX 1: 11 AREAS FOR COLLABORATIVE ACTION

ALIGN AND MOBILIZE KEY FINANCIAL ACTORS

1. Develop collaboration among key actors and initiatives with similar or converging objectives by developing a common framework and understanding of landscape-related approaches and their financing needs.

2. Collaborate for international advocacy and awareness of landscape-related finance.

DEEPEN, SYNTHESIZE, AND SHARE KNOWLEDGE ABOUT LANDSCAPE FINANCE

3. Build peer-to-peer learning and innovation platforms to support the design and development of strategies and mechanisms for financing bottom-up, territorial, and integrated landscape finance portfolios.

4. Develop a landscape finance risk framework, associated de-risking tools, and a strategy for disseminating them.

5. Prepare and disseminate guidelines and lessons learned about aligning market, value chain, and enterprise development with sustainable landscape objectives.

6. Translate and incorporate knowledge about landscape finance into capacity-strengthening programs.

DEVELOP THE INFRASTRUCTURE FOR LANDSCAPE FINANCE

7. Improve collaboration among funders working in a single landscape or across multiple landscapes to better align and coordinate their investments in landscape portfolios.

8. Design and develop mechanisms for flexible, long-term catalytic grant funding for landscape partnership processes.

9. Establish networks of landscape finance service providers with effective tools to support landscape partnerships to devise integrated portfolios of actions, financing strategies, and instruments/mechanisms.

10. Design and establish “marketplaces” to link investors and landscape partnerships.

11. Embed finance for landscapes into the institutional architecture of national governments and international organizations and programs so that they explicitly address landscape investment issues and dedicate funding to address them.
ALIGN AND MOBILIZE KEY FINANCIAL ACTORS

1. Develop collaboration among key actors and initiatives with similar or converging objectives by developing a common framework and understanding of landscape-related approaches and their financing needs.
   Organize a dialogue process to map the different interrelated concepts and actors currently emerging or already developed concerning land use transformation or restoration. Landscapes, bioregions, integrated catchment management, territorial development, regenerative approaches, jurisdictional approaches, and many other terms have important differences but also many common objectives and features. The initiative would map and create a taxonomy that defines the terms and examines the differences and similarities among the approaches. Such a taxonomy would then be shared with funders to foster synergies that would achieve greater scale and quality of impact. This work could also further clarify the definition of “integrated landscape finance” and how it differs (or not) from other types of finance.

2. Collaborate for international advocacy and awareness of landscape-related finance. Interested investors, donors, technical supporters, and landscape partnerships should join together to advocate for integrated landscape finance to meet global goals. This could involve developing common messages on integrated landscape and finance approaches and the role of landscapes in systemic transformation. Awareness and advocacy can be coordinated around these messages at UN high-level summits, conferences, and other national and international events. 1000L is already mobilizing a call to action on landscape finance for supporters to sign and disseminate to policymakers and the broader finance community during UNFCCC COP28 in 2023, then the UNCCD, UNCBD, and UNFSS in 2024. The call to action draws heavily from the recommendations articulated in this report.
DEEPEN, SYNTHESIZE, AND SHARE KNOWLEDGE ABOUT LANDSCAPE FINANCE

3. Build peer-to-peer learning and innovation platforms to support the design and development of strategies and mechanisms for financing bottom-up, territorial, and integrated landscape finance portfolios.

We must provide greater opportunities to learn from and build upon others’ experiences in landscape finance. Key topics are designing specific innovative financial mechanisms, blended finance transactions, and facilities and finance structures that work in unique geographies or achieve specific societal goals. Interested individuals or organizations can organize working groups, communities of practice, or dialogues to innovate on topics of interest and disseminate examples to promote replication. These efforts can unite actors working in landscapes with similar characteristics, geographies, or spoken languages, as well as cultivate spaces for peers at different design stages to interact, learn from, and collaborate with one another. An evolving international landscape finance community can also identify and mobilize specialized expertise needed for a wide range of innovations.

4. Develop a landscape finance risk framework, associated de-risking tools, and a strategy for disseminating them.

The existing financial risk and return paradigm for investment decision-making fails to consider environmental, social, and climate risks and rewards. It also fails to address the ways that long-term institutions such as landscape partnerships can reduce and mitigate risks. We recommend developing a holistic risk framework and value structure adapted to systemic and landscape-level challenges that clarifies the risk profiles of the value creation of different actors and actions. The process could include evaluating and articulating to what extent landscape partnerships can reduce financial, environmental, social, and operational risks. The framework could include holistic de-risking approaches, tools, and validation schemes to advance transformative activities in landscapes. Both funders and landscape partnerships could use the framework to help evaluate and mitigate their risks, including through collaborative action.
5. Prepare and disseminate guidelines and lessons learned about aligning market, value chain, and enterprise development with sustainable landscape objectives.

Landscape finance strategies should integrate territorial land management with value chain and market solutions that reinforce landscape resilience and regeneration. Much has already been learned about analyzing investment opportunities for each value chain segment, identifying opportunities for integration within the value chain, developing intermediary business models to disaggregate finance, and engaging the private sector and governments in developing solutions that align with landscape partnerships’ objectives. Action is needed to compile and analyze lessons learned, focusing specifically on how certain interventions can strategically align investments to impact whole landscapes. These can then be used to develop guidelines for landscape partnerships, investors, and market actors.

6. Translate and incorporate knowledge about landscape finance into capacity-strengthening programs.

Both landscape partnerships and financiers need to strengthen capacities to implement integrated landscape finance. Landscape partnerships must develop core competencies required to develop, mobilize, and manage finance within integrated portfolios. Financiers need to build understanding of the landscape finance sector and how to analyze and fund at landscape scale. Learnings from the experiences of landscape partnerships and diverse financiers should be incorporated into capacity-strengthening tools, methodologies, and support services. Resources should be made accessible for organizations with unique needs and diverse experiences with landscape finance.
DEVELOP THE INFRASTRUCTURE FOR LANDSCAPE FINANCE

7. Improve collaboration among funders working in a single landscape or across multiple landscapes to better align and coordinate their investments in landscape portfolios.

Long-term funding of landscape transformation must involve all actors across the finance continuum. But currently finance is highly fragmented across public, private, philanthropic, and community funders. There is a need for spaces where funders working toward the same objectives or in the same landscapes can align and coordinate their work, informed and guided by landscape partnerships’ strategies and action plans. For example, the UN Decade on Ecosystem Restoration, Giving to Amplify Earth Action (GAEA), national Biodiversity and Climate Finance Plans, or donor collaboratives could develop regional platforms for place-based investing. These can also provide spaces for strategic experimentation to maximize the benefits and catalytic potential of risk-tolerant, values-driven finance. Collaborations among different types of funders can lead to capital mobilization at scales that would otherwise be unattainable.

8. Design and develop mechanisms for flexible, long-term catalytic grant funding for landscape partnership processes.

A key challenge for landscape finance is the need for more grant financing to support processes of landscape investment planning and finance mobilization. Governments and philanthropy have a unique role to play in providing patient, early-stage design funding that can catalyze much greater finance later on. Such catalytic grant funding would focus on developing coordinated landscape strategies and action plans, landscape partnership building, the set-up of new funding mechanisms, enterprise readiness, and baseline and impact assessments. Having more cases that demonstrate how to move from grant to mixed financing within landscapes would help funders better understand how they can effectively support landscape initiatives and set realistic expectations of how the process may progress.

9. Establish networks of landscape finance service providers with effective tools to support landscape partnerships to devise integrated portfolios of actions, financing strategies, and instruments/mechanisms.

Landscape partnerships and their members require support to develop and fund integrated portfolios of actions. Finance service providers can help to refine their strategies for landscape transformation; translate the component private, public, or civic projects into a landscape investment portfolio; identify potential sources of finance; and develop a landscape finance strategy that aligns with the transformation strategy. These services could be provided by any organization with joint expertise in integrated landscape approaches, business/project
development, and finance—an NGO, a government agency, a commercial business, a farmers’ association, a community organization, or a landscape network. 1000L has prototyped a finance accelerator model that serves as a targeted, short-term expert coaching service to support landscape partnerships in strategic moments of the portfolio development process. Business incubators using a landscape lens can advance projects in the portfolio. A coalition of prospective donors, investors, and implementation partners can help to scale landscape finance service models to meet the need for targeted support.

**10. Design and establish “marketplaces” to link investors and landscape partnerships.**

Landscape partnerships struggle to find and mobilize funding, while investors lack investable projects. Various models of online, networked, or facilitated landscape marketplaces could provide a space to connect portfolios of integrated landscape projects with investors and funding flows for climate, biodiversity, and development. Clear case studies and guidance on best practices for engaging with different types of investors can be developed to support interactions. Curated learning sessions for investors can also be offered to facilitate sharing of more detailed information on fundraising transactions and stimulate their interest in landscape portfolios. Marketplaces should link to and use metrics from existing marketplaces for ecosystem services and carbon. An immediate step toward a marketplace could be to establish a clearinghouse to display information about landscape projects that anyone could search. Landscape partnerships could eventually market various projects in their portfolios through the clearinghouse.

**11. Embed finance for landscapes into the institutional architecture of national governments and international organizations and programs so that they explicitly address landscape investment issues and dedicate funding to address them.**

National and international institutions are not designed to invest systematically at the landscape scale. There is a need to build the capacity of finance institutions and governments to analyze and prioritize holistic landscape-scale investment in their current and future actions toward biodiversity, regenerative agriculture, climate, and land targets. Conventions, standards, and incentive structures should include language prioritizing integrated landscape approaches. For example, national biodiversity strategy and action plans, land degradation neutrality targets, and nationally determined contributions should incorporate integrated landscape approaches and guidance more explicitly. The Science-Based Targets Network, the Taskforce for Nature-Related Financial Disclosures, and other land use–related reporting standards for biodiversity/nature and overall financial risk management should also integrate landscape-scale indicators.
NEXT STEPS

1000L is committed to championing and advancing landscape finance system transformation. We are now in the process of identifying organizations and individuals interested in taking leadership to implement these 11 areas of action.

To learn more, visit [www.landscapes.global/strategy](http://www.landscapes.global/strategy).

Contact Seth Shames of EcoAgriculture Partners, sshames@ecoagriculture.org, or Daniel Zimmer of EIT Climate-KIC, daniel.zimmer@climate-kic.org, to join our efforts.