

# Althelia Ecosphere

## IUCN Landscape Finance Knowledge Session

4<sup>th</sup> July 2017

Edit Kiss  
Director of Business Development  
and Operations



**althelia**  
ecosphere



# Althelia Ecosphere

## Investors include...



The Church of Sweden

# FMO

Entrepreneurial  
Development  
Bank



FINNFUND



European  
Investment  
Bank



## Key points

- For profit, impact investment fund manager with the mission to
  1. provide finance to conservation activities at scale and
  2. design innovative products to allow capital to flow to conservation
- EUR 101m under management, 8 year close ended fund
- Strong ESG policy that underpins investments
- Fully committed as of June 2017, LATAM heavy portfolio

## Guarantor

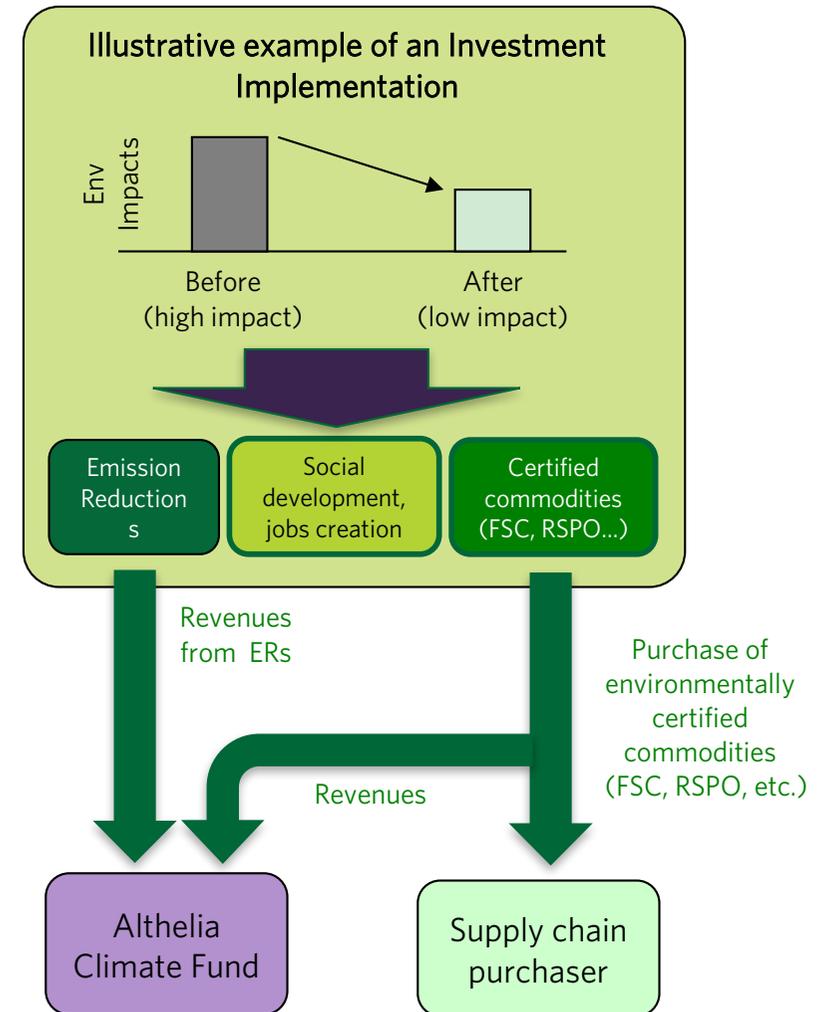


## The future

Further geographic and sectoral funds on our platform

# Efficient capital deployment unlocking multiple value streams

- Investments take the form of commodity finance agreements and profit participating loans
- Structured with upfront disbursement (capex) and opex/running costs (payment for performance)
- Revenues generated from environmental assets (e.g. emission reductions) and real assets (e.g. certified commodities)
- Inclusion of strong environmental and social governance (ESG) covenants



# Delivering impact and financial return for investors

## ESG Policy



## Standards



Althelia  
screening  
process,  
independent  
audits and  
monitoring

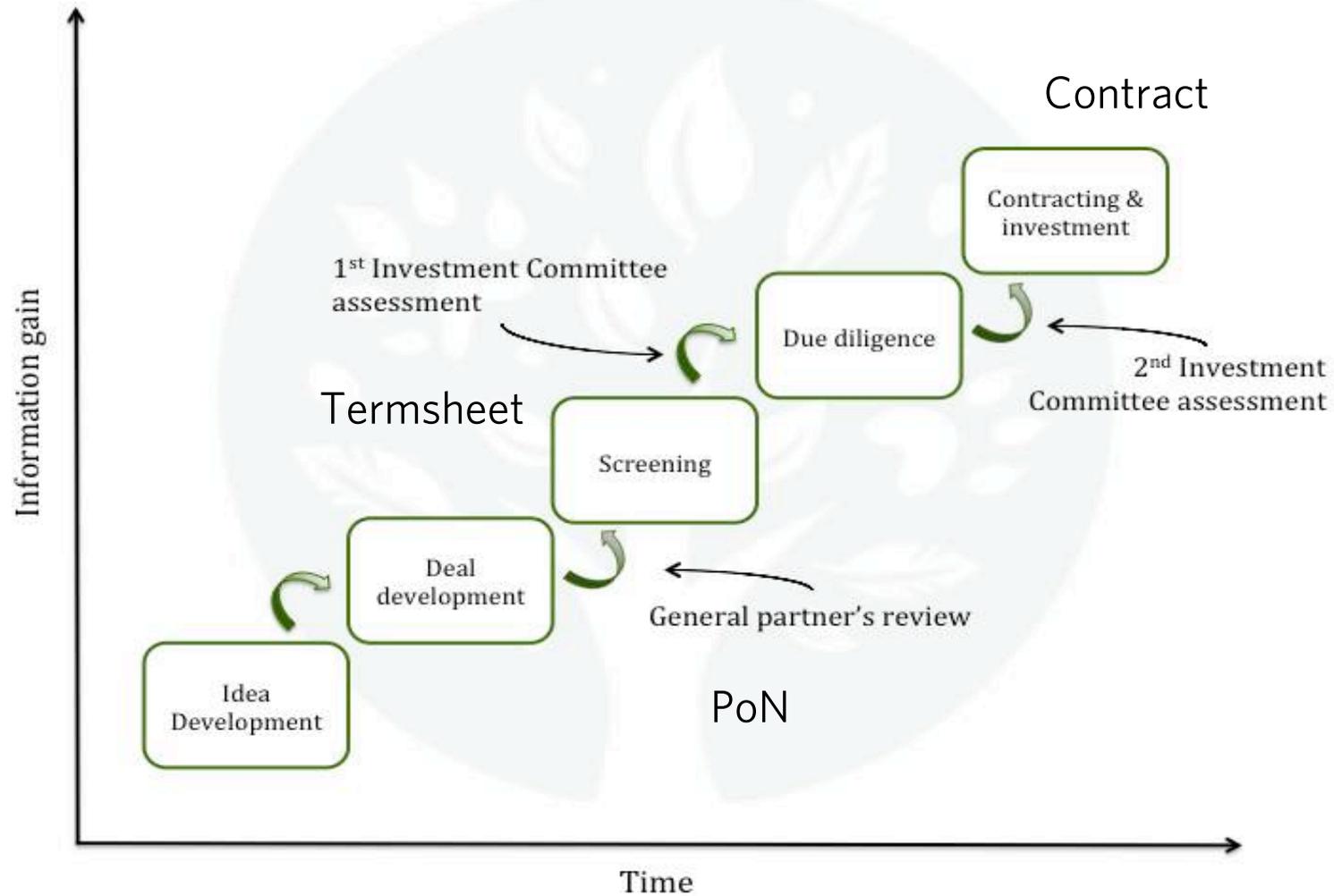
Real, additional,  
permanent  
Emissions  
Reductions

Community  
involvement and  
benefit sharing

Biodiversity protection  
and enhancement

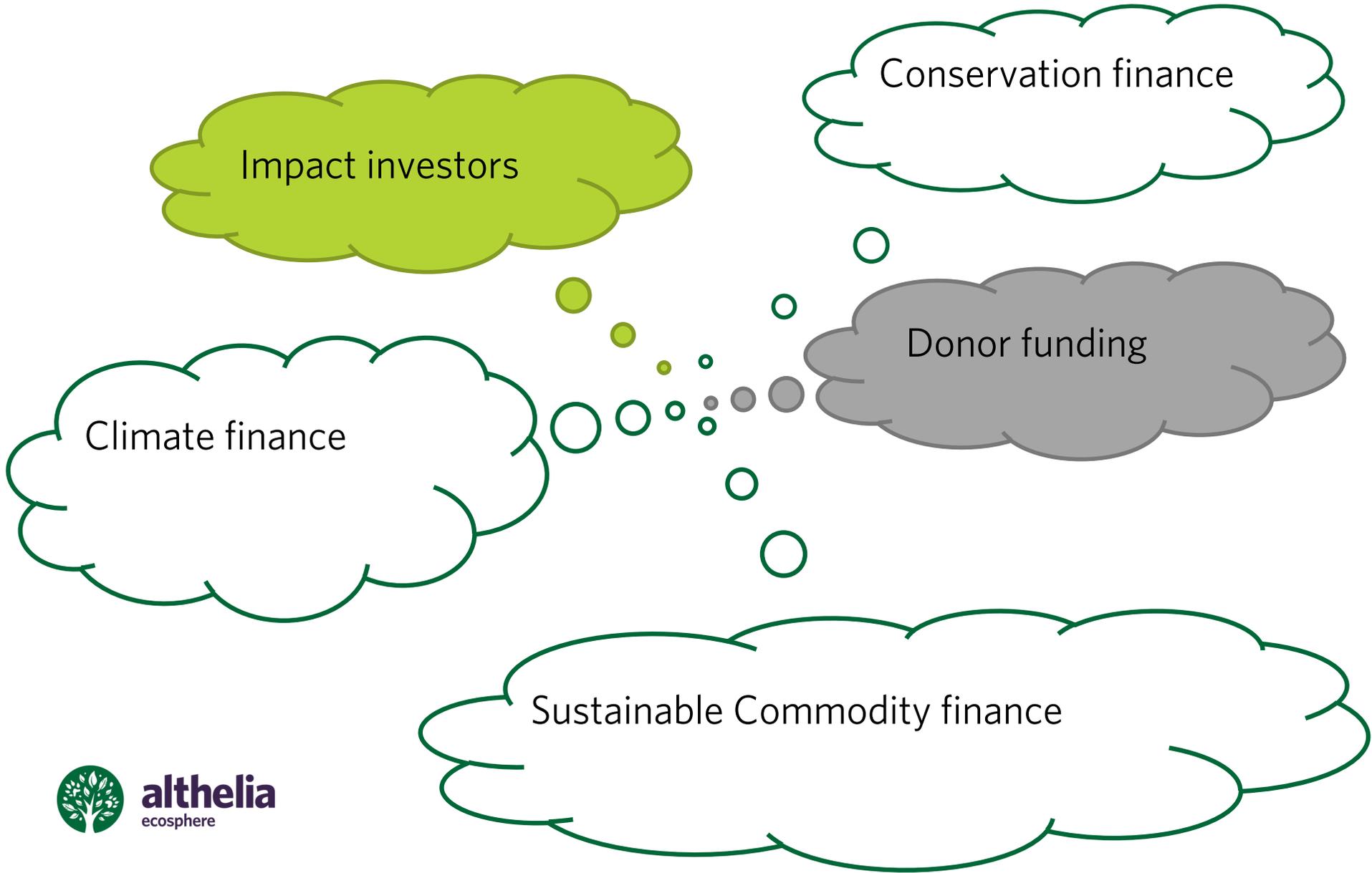


# Althelia's investment process



# Financing options and success factors

# Financing options

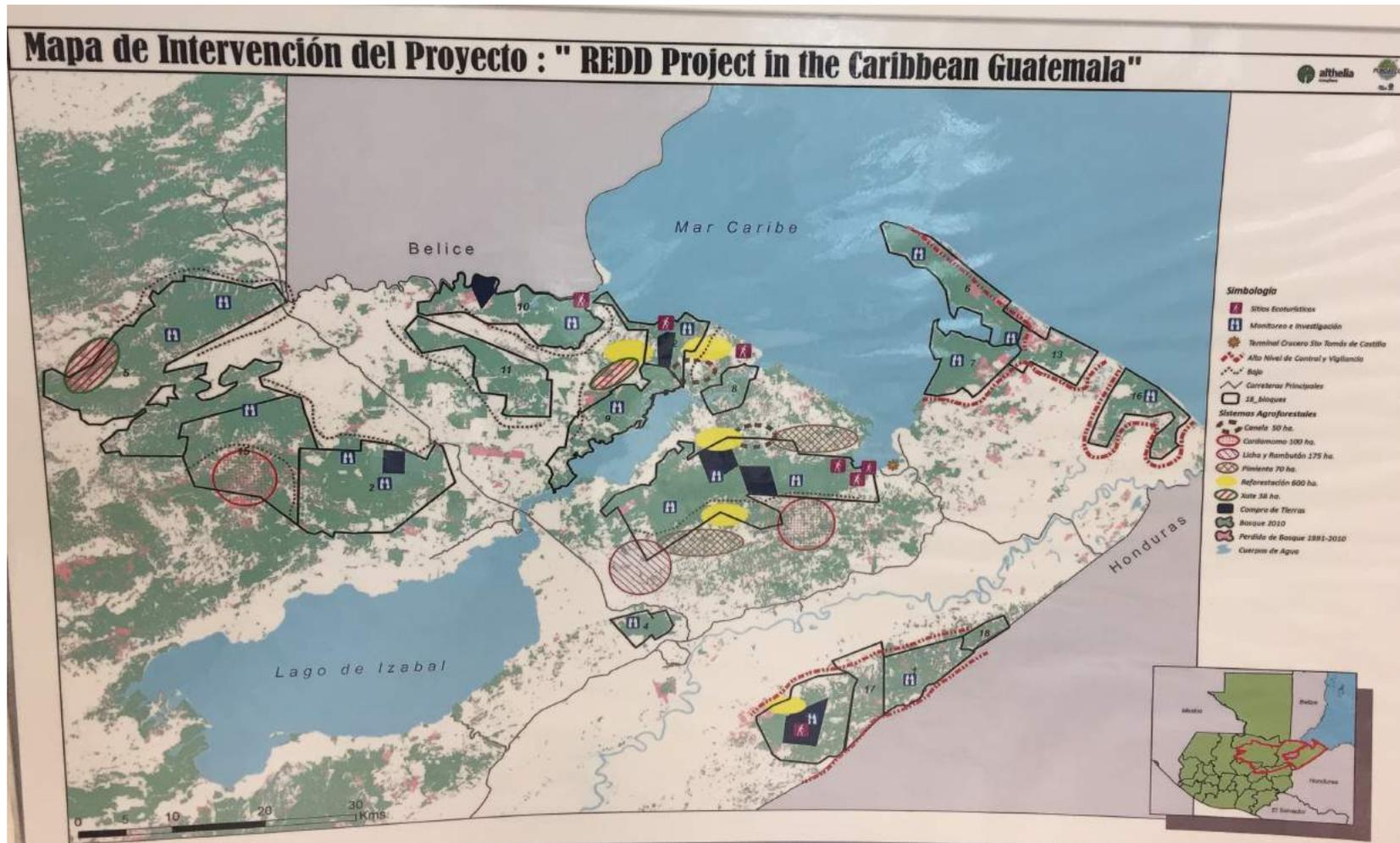


# Sources of climate finance

Type	Scale	Challenge
Multi/Bi-lateral payment for performance Funds (FCPF, GCF)	\$10's-100's m per country	Difficult to access for private sector
Concessional finance DFIs	\$100's m	Rates still high, favours mature enterprises
Compliance based carbon markets	Australia \$588m in 2015 California \$73m in 2015 South Africa coming Airlines	Mainly country specific
International voluntary carbon market	\$88m for forest carbon in 2014	Volumes low, Transaction costs high
Commodity supply chain finance	Premiums and market access to traceable sustainable suppliers	Premiums slow to materialise

Forest Trends tracked Total \$6bn committed to forests and forest restoration to date

# How does a landscape programme look like?



# Seven pillars of the landscape project:

- Purchasing strategic land patches of remaining natural forests to put under Fundaeco's direct protection
- Working towards creating protected areas to enlarge the conservation impacts based on the core strategic lands
- Further enhancing the impact through environmental education, community association strengthening and participatory governance
- Outside natural forest, recovering forests through agroforestry systems (363 hectares planted already) and the establishment of bio-centers
- Operating women health clinics: 14 clinics across the region, that women can reach with 1 hour of walking, together with youth scholarship for girls (there are a lot of teenage pregnancy cases in the region)
- Creating ecotourism opportunities for the region bringing additional value from ecotourism revenues and job creation to the region

# Agroforestry and ecotourism activities of the Caribbean Guatemala landscape programme



# SCALING UP PHASES

- NGO operated
- Grant funded

- Commercially operated (NGO spin off)
- Privately funded (Althelia Climate Fund)

- Commercially operated
- Market funded (Institutional investors)

• 400 ha

• 10,000 ha  
• 35,000 heads

• 100,000 ha  
• 270,000 heads

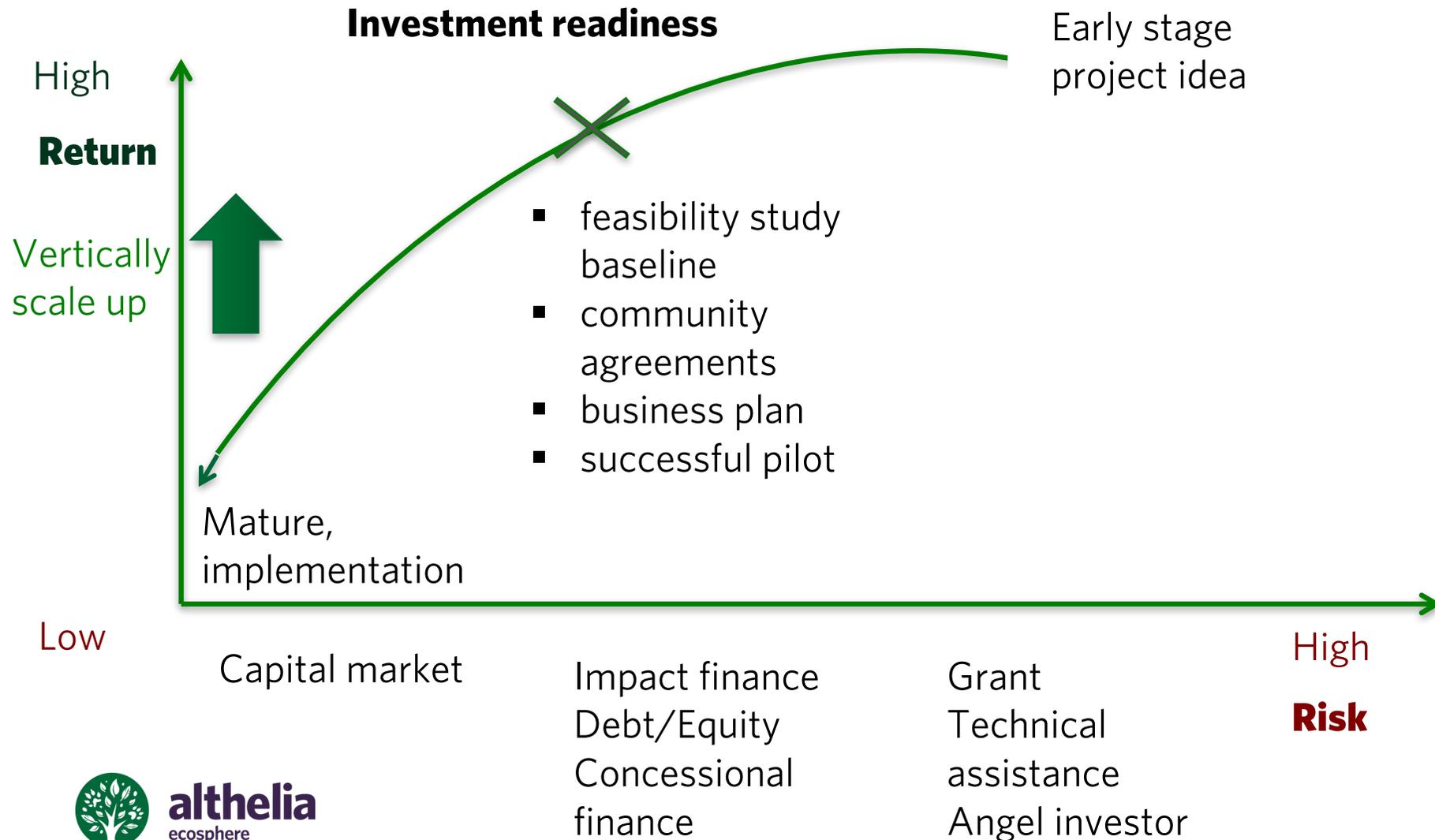
Phase 1 2010-15

Phase 2  
2015-16

Phase 3  
2017-20



# Risk-return profile of financiers



# Success factors for landscape approach

- 1 – See and articulate opportunities in challenges
- 2 – Build coalitions where needed
- 3 – Blend finance by mapping financial needs / outcomes and impacts
- 4 – Diversified revenue model is key
- 5 – Creativity around collateral facilitates securing financing
- 6 – From grant/donation mindset towards social entrepreneurship

Thank you!

Edit Kiss

Director of Business Development and Operations

[edit.kiss@althelia.com](mailto:edit.kiss@althelia.com)

[www.althelia.com](http://www.althelia.com)

