

# How to finance landscape programs?

*A business case toolkit for environmental sustainable interventions*

## How to finance landscape programs, including WASH?

Sustainability of water, sanitation & hygiene (WASH) services means that these must provide access to water, sanitation and hygiene for the long term. Finance and business case development for WASH programs become increasingly relevant, as well as looking at WASH from a landscape level. Placing WASH interventions in the landscape level means looking at WASH from a more holistic perspective, that includes Integrated Water Resource Management (IWRM) and environmental sustainability elements. By doing so, it enables us to link WASH better to the needs from the donors and financiers that often require the integration of business cases in proposals. The WASH Alliance International therefore took the initiative to answer an important question: *how to finance landscape projects (such as WASH) in order to provide solutions and mechanisms to scale up landscape conservation and restoration efforts?*

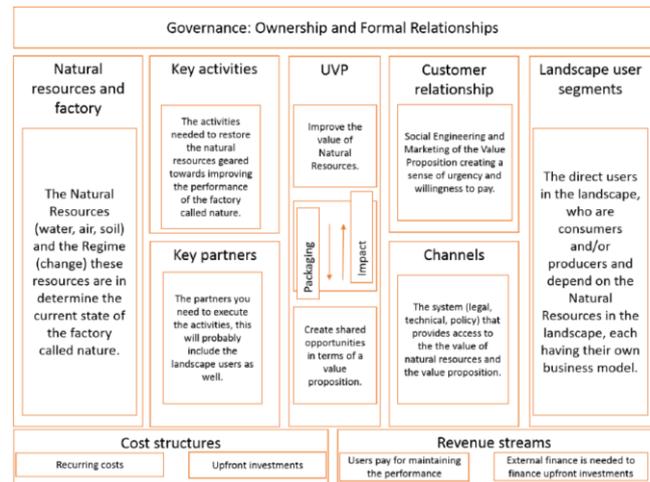
## Toolkit for business case development in landscape programs addresses challenges

Organisations involved in land and water management worldwide can develop the value proposition of their landscape restoration and conservation programs by using the toolkit “Business case development in landscape projects”. The toolkit provides a step by step approach on principal elements to include when designing business cases for land- and water management projects. Using the toolkit catalyses the development of business cases as part of landscape projects. Application of toolkit results in more promising concept notes, increased financial sustainability and accelerating funding procedures.

**The Landscape Canvas and the toolkit provide a holistic view to projects, aiming for environmental sustainable interventions, instead of depletion of natural resources, like water and soil.**

## Three steps to develop your concept project ideas

The Landscape Canvas, a variant on the Business Model Canvas (released under Creative Commons license)



challenges users to think of value propositions and client groups, that secure restoration or conservation of the landscape as well as economic development of the people living in the landscape.

Often, three critical steps of the Landscape Canvas are found to be challenging, especially for users with a non-financial background: 1) landscape selection, 2) client(s) selection and 3) value proposition development. To address the challenge a toolkit was setup, existing of three tools (one for each step). The toolkit should be applied in the process of business development putting concept project ideas into successful project proposals.

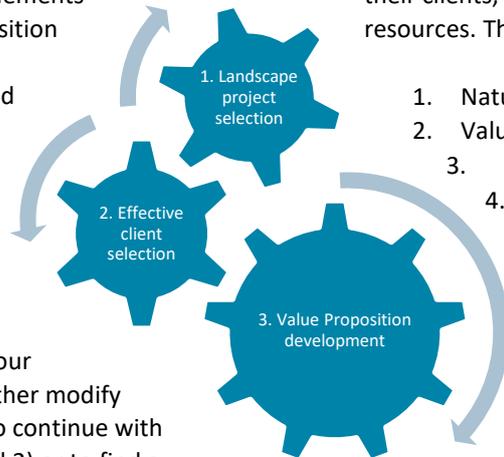


## 1. Landscape project selection

The first important step in developing a business case within landscape is the landscape project selection. The goal of this tool is to get a quick understanding of the feasibility of the business case as part of a landscape project, or in other words: to start with a landscape that has enough business potential. The tool starts with having one (or more) concept notes available describing initial plans involving use of landscape resources (water, soil, waste, forest). A concept note typically includes an answer to the why, how, where, what, when and who questions of

the project. This tool evaluates your initial concept notes based on six important criteria.

1. Landscape Canvas elements
2. Unique Value Proposition (UVP)
3. Revenue streams and cost structures
4. Ownership and governance
5. Willingness to pay
6. Stakeholder engagement



Based on the total score of your project the tool advises to either modify your original concept note, to continue with effective client selection (tool 2) or to find a different landscape or project, as the feasibility of the business case is considered too weak to proceed.

## 2. Effective client selection

Clients are defined as the people that buy the landscape products (for example water, stones, wood) from the landscape users (informal market, or formal businesses). But how to select these clients effectively? Client selection is about the question: to whom do you want to deliver your services? The risk in the process of setting up business cases is ending up with a client that is not willing to pay for the products being offered. The client selection tool consists of five main steps.

1. Identifying landscape users and their jobs
2. Selection of relevant landscape users
3. Identifying client groups within selected landscape
4. Scoring of client groups using evaluation criteria
5. Selection of client groups

The result of this tool is the selection of your most promising client group. This is based on scoring of different client groups that are presented in your landscape. For a project enhancing water resources for example, the preferred client group can be farmers, amongst other potential client groups, such as water operating companies and households.

## 3. Value proposition development

Value proposition within landscape projects is one of the most difficult parts of the landscape canvas. Value proposition development within the landscape is about the questions: which actors play a role in the environment? And which shared value propositions are

possible? Framing landscape projects as a business model will engage the private sector in finding shared (business) opportunities that meet the needs of landscape users, and their clients, while increasing the value of natural resources. This tool contains six steps.

1. Natural resources & factory called nature
2. Value & dependencies
3. Value proposition
4. Landscape user segments
5. Identifying opportunities within the landscape
6. Scoring and opportunity selection

By following the six steps of this tool, the Unique Value Proposition (UVP), landscape users offer to their clients, becomes clear.

Next to this, the user of the tool gains insight in how this UVP relies on the value of the natural resources. Also, opportunities are evaluated that both contribute to the state of the natural resources and the UVP.

## Toolkit application to sustain interventions

The toolkit has been applied to different concept notes, more precisely WASH proposals from Nakuru town (Kenya) and Central Rift Valley (Ethiopia). Results of tool application indicate that

- more attention to protecting natural resources (the “factory”) and out-of-the-box solutions, such as reuse of waste, should be given.
- projects focus on low income communities, consequently landscape restoration is less feasible to be financed
- values of natural resources are not considered explicitly.

Application of the tool to real projects shows that business case opportunities can help in restoring or conserving landscapes and should be utilized much more to sustain interventions within landscapes.

### Interested in reading more?

Download the toolkit “Business case development in landscape projects” and the full reports “The Business Case for Land and Water” and “Finance of Land and Water” on [www.wash-alliance.org](http://www.wash-alliance.org). Contact Arnoud Keizer or Robert Meerman to find out what we can do for you.