SESSION DESCRIPTION

ID: S5b

Title of session: Investment in Agro-Ecosystem Services: the business perspective

Hosts:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Organisation</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host</td>
<td>Dr Lucy Garrett</td>
<td>FAO</td>
<td><a href="mailto:Lucy.Garrett@fao.org">Lucy.Garrett@fao.org</a></td>
</tr>
<tr>
<td>Co-host</td>
<td>Mr Fred Kihara</td>
<td>TNC</td>
<td><a href="mailto:f.kihara@tnc.org">f.kihara@tnc.org</a></td>
</tr>
<tr>
<td></td>
<td>Ms Florence Bernard</td>
<td>ICRAF</td>
<td><a href="mailto:f.bernard@cgiar.org">f.bernard@cgiar.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Private sector contributions being confirmed.</td>
</tr>
</tbody>
</table>

Abstract:
Sustainable practices are good for business. As users of ecosystem services, the private sector has specific interests in securing long-term production along commodity supply chains, and reducing their environmental and social impacts and risks. Equally responsible for sustainable agriculture as public investment and regulation, the private sector can play different roles: from policy-driven to voluntary investment. These can include compliance to mandatory regulations, flexible methods to offset and compensate ecological and social impacts of production, and improved social and environmental standards to fulfil corporate responsibility and reputational goals.

Private sector involvement, however, goes beyond large-scale impact investments. Recent findings from Credit Suisse¹ highlighted that for business investment in conservation finance, the private sector should prioritize projects that optimize ecosystem services through improved natural resource use and restoration of degraded areas. To maintain a sustainable value chain for production, companies therefore require improved practices and ensured agro-ecosystem services provision down to the farm level. Farmers, however, face barriers in adopting these practices. The private sector can, therefore, play an important role to support them.

Current management of ecosystem services is often driven by public programmes and lacks coordination across sectors. Co-investment from both public and private investment are, however, needed to operationalize sustainable landscape management for ecosystem services. Innovative financial mechanisms that pool public investments to facilitate a coordinated approach that provides a packages of incentive measures² to support the adoption of environmental practices and improve productivity can provide an attractive basis to encourage responsible private sector investment.

To build the business case for private sector investment, ecosystem services management must be mainstreamed into development and investment strategies. Public-private dialogues are needed to increase multi-stakeholder partnership and engagement with local and sector policy makers. Such partnerships can support the design of more coherent, supportive policies and coordination frameworks that enable multi-

---

¹ [https://www.credit-suisse.com/media/assets/corporate/docs/about-us/responsibility/banking/levering-ecosystems.pdf](https://www.credit-suisse.com/media/assets/corporate/docs/about-us/responsibility/banking/levering-ecosystems.pdf)
objective and multi-stakeholder landscape initiatives for sustainable production, livelihood development, and ecosystem services protection.

This session will share examples of and lessons learned from private sector investment in agro-ecosystems to identify key entry points and motivations for their engagement in local and global landscapes to finance land conservation measures and sustainable agricultural practices. This includes linking to and maintaining a sustainable commodity supply chain, REDD+ development and implementation, and financing existing resource user associations to manage natural resources. Discussions will also try to understand what challenges and bottlenecks the private sector face and the enabling conditions they need to support responsible investment. Highlighting several integrated landscape initiatives already established in public-private partnerships, the session will also share this integrated approach and discuss the conditions for scaling up private sector investments in agro-ecosystem services.

**Goals and objectives of the session:**
- Identify key entry points (how and when) and motivations for private sector investment in agro-ecosystem services
- Share examples of and lessons learned from private sector investment experiences in local and global landscapes to support the adoption of more sustainable practices in agro-ecosystems; understand what challenges and bottlenecks they face; and, the enabling conditions they need to support responsible investment
- Share examples of well-established public-private co-financing mechanisms to support agro-ecosystem services
- Develop policy and capacity building recommendations on processes and frameworks to improve and promote the enabling conditions for responsible private sector investment for agro-ecosystem services

**Planned output / Deliverables:**
Inputs to the IES business case for private sector investment, including clarification on the motivations, entry points and mechanism for collaborating.

**Voluntary contributions accepted:** No

**Comments for internal use**

**Proposed Format (duration, methods):** 2h, presentation and panel discussion

**Technical requirements:** Projector, possibly speakers if video will be shown, tbc.