BOOK OF ABSTRACTS

1. 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>
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<tbody>
<tr>
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Private sector contributions being confirmed.

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-objective and multi-stakeholder landscape initiatives for sustainable production, livelihood development, and ecosystem services protection.

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1 https://www.credit-suisse.com/media/assets/corporate/docs/about-us/responsibility/banking/levering-ecosystems.pdf
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
2. SESSION PROGRAM

Date of session: Tuesday, November 22, 2016

Time of session: 10:00–12:30

Timetable speakers

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<th>Name</th>
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<tr>
<td><strong>Host:</strong></td>
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<td>Dr</td>
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<tr>
<td>Ms</td>
<td>Andrea Erickson, Global Managing Director for Water Funds</td>
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<td>Florence Bernard, Associate Scientist – Environmental Services and Landscape Approaches</td>
<td>World Agroforestry Centre – ICRAF</td>
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<td>Mr</td>
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</table>
3. ABSTRACTS

10:00–10:10 Keynote speaker: Ms Andrea Erickson, Global Managing Director for Water Funds at TNC


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-objective and multi-stakeholder landscape initiatives for sustainable production, livelihood development, and ecosystem services protection. These partnerships can spread the burden of investment risk and provide a package of measures to support farmers transition to more sustainable practices.

Contribution: Setting the scene to promote a more integrated approach to encourage private sector investment by reducing their risk and increasing the incentives to farmers through co-financing.

10:20–11:30 Session 1: Private sector motivation: from local to global

Local perspectives:

10:20–10:30: Mr. Karim Dostmohamed, CEO of Frigoken Ltd, will come to the conference accompanied by Ms Nushin Ghassmi, head of communications at Industrial Promotion Services – IPS Ltd.

Contribution: To illustrate how a locally situated company can provide incentives to farmers in order to have sustainable production of vegetables for export, which includes reducing the threats to ecosystem services from unsustainable practices. To also share experiences of their motivation for using the Tana Water Fund as a mechanism to invest in and how this enables a wider spectrum of incentives to support farmers at local level and their own return of investment.

10:30–10:40: Ed Morrison, Group Sustainability Manager, Vegpro (Kenya) Ltd.

Contribution: To share experience of the motivation for agribusinesses work together to balance commercial and environmental sustainability of Lake Naivasha. To present how their contribution to providing incentives for farmers to improve practices such as reforestation finance, terrace development and planting of vegetative strips along contours. This will also highlight why their investment alone is not enough to provide a full package of measures to address all the challenges farmers face and reduce the threats facing Lake Naivasha.

Global perspective:

10:40–10:50: Sustainable commodities along the value chain – Chris Wunderlich, coordinator, Sustainable Commodities Assistance Network –SCAN.

Private sector investment in agro-ecosystems is often motivated by ensuring the maintenance and sustainability of production and/or suppliers. To understand how to engage with the private sector along their commodity value chain, it is important to understand how threats to ecosystem services impact production, as well as risks associated with investment and the challenges that this presents. This presentation will highlight the opportunities, challenges and bottlenecks of private sector investment along the value chain using case studies from sustainable coffee production in Tanzania and cacao production in Ghana.

Contribution: To illustrate the motivation for private sector investment in securing sustainable commodities along their value chain, using examples from Tanzania and Ghana to promote sustainable coffee productivity. This will highlight how SCAN partners (the private sector) are seeking ways to invest in the supply chain to secure sustainable commodities but how this support is often insufficient to enable farmers reach certification/standards to enter the value chain – i.e. their need multiple incentives to overcome their adoption barriers.
10:50–11:00: Leveraging private sector finance in REDD+: lessons learnt from REDD+ projects review in Africa – Florence Bernard, Associate Scientist – Environmental Services and Landscape Approaches–World Agroforestry Centre (ICRAF).

REDD+ investment is critically needed for the creation of an enabling environment as well as the development and implementation of forest-based climate change mitigation projects. Much attention has been given to the need for private sector involvement to scale up investment in REDD+ however to date only 10% of the USD 9 billion pledged for REDD+ has come from the private sector. In order to contribute to the leverage of private sector finance, this presentation first explores who the key private sector players are beyond the generic designation of private sector, the range of roles they currently play in the REDD+ supply chain at multiple scales and their perceptions and motivations for investing in REDD+. The presentation then focuses on the private-sector-driven Kasigau Corridor (KC) REDD+ project and highlights best practices in delivering climate, community and biodiversity benefits such as bundling REDD+ implementation with community level employment opportunities as well as securing up-front external private-sector investment. Eventually, the main challenges that have been identified through ongoing experiences and interviews with private sector actors as well as key opportunities and enabling conditions for the private sector engagement to increase in scope and scale moving forward are discussed.

Contribution: To illustrate how REDD+ mechanisms can enable private sector engagement at global level to support local level incentives for smallholder farmers to protect agro-ecosystem services. To also highlight that this mechanism is not a silver bullet for private sector investment and environment/social outcomes – that other mechanisms and financial support is required to provide a package of incentives to support farmers address the multiple challenges they face at local level.

11:10–11:30 Q&A session 1

11:30–12:00 Session 2: Mechanisms to enable responsible private sector investment

The Tana Water Fund is the first of its kind in Africa to address challenges in managing the Tana river basin to support its agro-ecosystem and maintain water quality and quantity in the watershed. Co-financing from public programmes, private sector investments and civil society support farmers upstream to reduce threats to ecosystem services.

Contribution: To illustrate how a central fund can act as an entry point for private sector investment in agro-ecosystems; how this coordinated co-financing can reduce their investment risk and support their productivity through the provision of multiple incentives to farmers across the watershed.

The LANAWRUA is a unique public–private sector community–driven initiative within the Lake Naivasha catchment. The initiative aims to improve the management of water resources by restoring the catchment through water and soil conservation, rehabilitate forest areas, protection of riparian habitats, improve the capacity of Water Resource Users Associations (WRUAs) to manage water resources while supporting farmers’ transition to more sustainable production.

Contribution: To illustrate how collaboration within a public–private partnership has encouraged private sector investment, how using an integrated approach has enabled the co-financing of multiple incentives to support farmers in the transition to more sustainable practices.

2x5min video

12:00–12:20 Q&A session 2 and Discussion: What is needed to enable private sector engagement and responsible investment in agro-ecosystem services?

12:20–12:30 Wrap up and conclusions