Landscape Finance Opportunity Assessment Tool
An Overview from IUCN Netherlands and EcoAgriculture Partners

The challenge
Integrated landscape management (ILM), in its many forms, involves many different stakeholders who jointly negotiate and develop a collaborative action plan to meet goals for sustainable resource management that cannot be addressed by working alone in their own organizations or supply chains. ILM is imperative to help local communities and the global economy address the causes of and adapt to the unavoidable impacts of climate change, and achieve food, water and energy security. It usually requires diverse actions, from enabling investments (e.g., running the platform, developing a payment for ecosystem services scheme, commissioning research), to asset investments (e.g. in sustainable agriculture, riparian restoration, protected area management).

These investments may require geographic or temporal coordination to be effective at landscape scale. They may draw on financing (sometimes blended) from public, private and civic sources and from a mix of local, national and international sources. In many cases, the specific investments do not fit neatly into the traditional categories of debt, equity or grant investments. In other words, finance remains unnecessarily sectorialized while ILM often requires cross-sector investment design. Yet, there is tremendous opportunity to reshape the financial sector to better support ILM because a variety of financial instruments have recently been created to enable the development, testing and scaling of solutions to global sustainability challenges (e.g. the Green Climate Fund).

Objectives and uses of the tool
To meet this challenge, IUCN and EcoAgriculture Partners are collaborating to develop a Landscape Finance Opportunity Assessment Tool. This tool will help landscape leaders, who are usually not financial experts, to analyze more systematically their financing needs, the sources of finance potentially available to them, and to define strategies to secure the needed funding. The tool will be designed for a variety of applications in ILM program development and landscape dialogue processes, as well as in training on ILM leadership, green finance and finance readiness. The tool will include online components and modules that can be implemented in the landscape.
Most landscape initiatives using this tool will have already assessed key challenges and opportunities in the landscape, and developed a Landscape Action Plan with a broad strategy and initial interventions. The Landscape Finance Tool will be designed for teams of landscape partners including CSOs, governments, NGOs or businesses to implement, with support from financial experts. The process of implementing the tool will deepen understanding of finance among the partners.

**Components of the Tool**

The Landscape Finance Opportunity Assessment Tool will include three components to:

- Clarify investment priorities in the landscape and key financing requirements. This step will help landscape initiatives identify the 5-8 most important priorities in their action plans and help them translate these into investable project ideas.

- Scope potential financial resources to support identified landscape priorities. This step will map the existing investment streams and possibilities in the landscape and evaluates their potential fit with the financing needs of priority landscape investments.

- Score potential sources to set financing strategy priorities. This step will help landscape actors to develop a financing strategy for each priority investments. They will evaluate which financial actors to approach and how, and what financial partnerships might address investment constraints. The exercise will also help identify policy/advocacy steps that landscape actors could take in order to improve the financial prospects of their priority investments.

IUCN NL and EcoAgriculture Partners will work with several landscape partnerships to test the tool during the third quarter of 2017. Based on that experience, the tool will be revised and disseminated in landscapes where IUCN NL and its partners work and in the Landscapes for People, Food and Nature networks. We are seeking additional partners to advise on tool design and test the tool in the field.

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