

## Paying for Nature and Society Annex

List of initiatives found that support the adoption of sustainable agricultural practices through innovative financial incentives (by initiative alphabetical order). (\*Typology of incentive is provided based on information available – M= Market based, C=Cross compliance, R=Regulatory)

#	Initiative (Organization)	Geography	Focus of Initiative / Financial Incentive / Claims	Typology of incentive*	Source
1	Althelia Climate Fund (Mirova)	Various	This impact fund has developed successful growth models with small conservation enterprises and has provided proof of concepts for these types of investments, bundled with PES, as a promising example of impact that can be scaled up and replicated. Althelia Climate Fund used ecosystem services and voluntary carbon markets as additional revenue sources in more complex projects as well as a mechanism for reducing risks in long-term investment promoting forest protection, agroforestry and restoration projects. A further approach that Althelia has taken is to combine PES and impact investment through the promotion of sustainability certifications (i.e. Fair trade, Rain Forest Alliance, etc) adding recognition and additional premiums to the prices of commodities and products farmed or harvested from wild or semi-wild landscape.	M: Voluntary Markets  R: Certification Programs  C: Direct private payments	<a href="https://www.mirova.com/en">Mirova: Where investing meets sustainability. (2021). Mirova. https://www.mirova.com/en</a>
2	Amazonia Sustainable Supply Chains (Maua Capital & Natura Cosmetics)	Brazil	A mechanism to provide upfront finance for input providers in the Brazilian Amazon based on offtake agreements, conditioned on fostering sustainable supply chains that contribute to forestry preservation.	C: Direct Private Payments (input suppliers)	<a href="https://www.climatefinancelab.org/project/amazonia-sustainable-supply-chains/">Amazonia Sustainable Supply Chains. (2021). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/amazonia-sustainable-supply-chains/</a>
3	Bayer Carbon Initiative (Bayer)	USA and Brazil	The initiative attempts to incentivize farmers to embrace no-till, precision nitrogen use or cover crops with the overall aim of enhancing carbon sequestration in soils. Those participating in the Bayer Carbon Initiative will have the opportunity to be rewarded for their best farm management practices and other sustainability efforts as well. Farmers will receive assistance in implementing climate-smart agricultural practices and Bayer will acquire the carbon removals created by those practices at transparent prices.	M: Voluntary Markets  R: Certification Programs	<a href="http://media.bayer.com/baynews/baynews.nsf/id/Bayer-takes-steps-to-make-carbon-sequestration-a-farmers-newest-crop-opportunity">Lord, C. (2020, July 21). Bayer takes steps to make carbon sequestration a farmer's newest crop opportunity. Bayer Takes Steps to Make Carbon Sequestration a Farmer's Newest Crop Opportunity. http://media.bayer.com/baynews/baynews.nsf/id/Bayer-takes-steps-to-make-carbon-sequestration-a-farmers-newest-crop-opportunity</a>

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4	Biodiversity Investments and Ecosystem Services (South Pole)	Various	A Biodiversity Credit is an innovative approach to quantify in a transparent way the net positive impacts of the investment on 1 ha preserved, restored, or managed through sustainable land practices. It allows to invest in projects that add value to your company and creates tangible benefits for a region of land and its communities.	C: Direct Private Payments	<a href="https://www.southpole.com/sustainability-solutions/investments-in-biodiversity">Giraldo, V., &amp; Cabezas, P. (2021). Investments in Biodiversity—Sustainability Solutions. South Pole. https://www.southpole.com/sustainability-solutions/investments-in-biodiversity</a>
5	Caaporã: The Socio-Climate Benefits Fund (Kaeté Investimentos)	Brazil	A fund to increase forest restoration in the Amazon by investing and providing technical assistance to restore degraded lands in smallholders' farms with agroforestry systems and, at the same time, developing and facilitating sales of their products.	C: Direct Private Payments	<a href="https://www.climatefinancelab.org/project/socio-climate-benefits/">Caaporã   The Socio-Climate Benefits Fund. (2018). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/socio-climate-benefits/</a>
6	Clarmondial's Food Securities Fund (Clarmondial)	Various	The fund provides loans to value chain actors (local cooperatives, processors, traders) that engage with smallholders who implement best in class environmental and social practices, but struggle to get access to working capital because they are too small or lack collateral.	C: Direct Private Payments	<a href="https://www.clarmondial.com/fsf_launch_first_investment/">Food Securities Fund starts operations, makes first investment. (2021, March 9). Clarmondial. https://www.clarmondial.com/fsf_launch_first_investment/</a>
7	Climate, community and biodiversity (CCB) standards (Verra)	Various	The CCB Standards identify projects that simultaneously address climate change, support local communities and smallholders, and conserve biodiversity. The CCB Program promotes excellence and innovation from the earliest stages of project design and development through implementation.	R: Certification Programs	<a href="https://verra.org/project/ccb-program/">Climate, Community &amp; Biodiversity Standards. (n.d.). Verra. Retrieved April 12, 2021, from https://verra.org/project/ccb-program/</a>
8	CO2OL Tropical Mix (FORLIANCE)	Panama	CO2OL Panama is another successful example of investments that combined high quality carbon credits generated from the reforestation of mixed forests. The project provides for sustainable timber production and cocoa cultivation; it protects biodiversity and restores a healthy forest ecosystem.	M: Voluntary Markets R: Certification Programs	<a href="https://www.co2ol.de/en/co2ol-tropical-mix/">CO2OL Tropical Mix. (n.d.). FORLIANCE. https://www.co2ol.de/en/co2ol-tropical-mix/</a>
9	Conexión Jaguar (ISA)	Colombia	ISA is supporting its local partner UMAU Cacao to access the carbon credit market and restore 3,081 hectares with local farmers. UMAU is growing trees on farms to bring endangered native species back to the area and produce sustainable cocoa and timber for the market.	M: Voluntary Market	<a href="https://initiative20x20.org/restoration-projects/building-sustainable-cocoa-agroforestry-systems-colombia">Andrade Reginato, G. (2020). Building sustainable cocoa agroforestry systems in Colombia. INITIATIVE 20X20. https://initiative20x20.org/restoration-projects/building-sustainable-cocoa-agroforestry-systems-colombia</a>

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10	Greenfi   Climate-Smart Lending Platform (F3 Life)	Africa	A platform to bring together the tools, actors, and finance necessary to help lenders incorporate climate risk in their loan portfolios while incentivizing the adoption of climate-smart farming methods by smallholders. The platform works with traditional and non-traditional lenders to develop climate-smart loan products for fixed assets, working capital, and social needs of aggregated groups of smallholders (cooperatives and farmer producer groups). Loan terms and conditions are set to incentivize farmers' uptake of climate-smart agricultural and land-management practices, and may include preferential loan terms for women. To prove the power of environmental management terms in loan agreements, F3 Life incorporated a small agri-lender and issued loans to smallholder farmers in Nyandarua County in Kenya	C: Direct Private Payments	<a href="https://www.climatefinancelab.org/project/climate-smart-finance-smallholders/">Greenfi   Climate-Smart Lending Platform. (2015, 2016). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/climate-smart-finance-smallholders/</a>
11	Monetizing Water Savings (World Resources Institute, FEMSA Foundation)	Central / South America	The idea leverages a "pay-for-success" model to monetize water conservation, efficiency, and nature-based solutions, creating incentives and revenue streams in areas where users often lack the necessary financial resources.	C: Direct Private Payments	<a href="https://www.climatefinancelab.org/project/monetizing-water-savings/">Monetizing Water Savings. (2020). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/monetizing-water-savings/</a>
12	Gold Standard	Various	Gold Standard is working with partners to develop an integrated MRV framework based in the principles and infrastructure of Gold Standard for the Global Goals, customized for an individual country's needs. Ex-post MRV verifies (or certifies as desired) credible environmental and sustainable development project impacts. The result is a roadmap for bankable projects and for streamlined, credible impact reporting aligned with national NDC and SDG priorities and compliant with international investor and carbon market requirements. Through new standards, integration and agglomeration of smallholder farmers could be streamlined.	R: Certification Programs  M: Voluntary Markets	<a href="https://www.goldstandard.org/our-story/mrv-climate-development-finance">CLIMATE + DEVELOPMENT FINANCE Increasing investment to bankable projects. (n.d.). The Gold Standard. Retrieved April 12, 2021, from https://www.goldstandard.org/our-story/mrv-climate-development-finance</a>

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13	KOIS Invest	Various	The focus of this initiative is to impact investors that have an environmental and social equity focus as part of its business model by unlocking private finance for the forests and land-use sector. They have ongoing projects in Global South countries, with a strong focus on health and delivery of health services.	R: Certification  M: Voluntary markets  C: Direct Public Payments	<a href="https://koinvest.com/wp-content/uploads/2020/05/KOIS-impact-report-2019.pdf">Impact Report 2019. (2019). Kois Invest. https://koinvest.com/wp-content/uploads/2020/05/KOIS-impact-report-2019.pdf</a>
14	Solidaridad Network, Colombian Government and Corporación Masbosques	Colombia	PES compensating coffee growers for their climate smart agriculture and landscape approach, and the climate change and biodiversity benefits that were produced thanks to their efforts. Through an innovative local partnership, thousands of coffee farmers now have access to the domestic market of voluntary compensation of environmental offsets. The payment seems to be more linked to sustainable agricultural practices (CSA and regenerative) than to just conservation practices.	M: Voluntary Markets  R: Certification Programs	<a href="https://www.solidaridadnetwork.org/news/solidaridad-ensures-the-first-transaction-to-pay-producers-for-their-environmental-services-within-sustainable-landscapes-in-colombia/">Solidaridad ensures the first transaction to pay producers for their environmental services within sustainable landscapes in Colombia. (2021, March 4). Solidaridad Network. https://www.solidaridadnetwork.org/news/solidaridad-ensures-the-first-transaction-to-pay-producers-for-their-environmental-services-within-sustainable-landscapes-in-colombia/</a>
15	Steward	USA Various	This a US-based organization that focuses on supporting the adoption of regenerative agricultural approaches. Steward is a private lending partner, financing the growth of regenerative farms and sustainable producers through simple, flexible business loans. They also bring a community of values-driven lenders who participate in loans that fuel the growth of regenerative agriculture. Steward works with sustainably-run farms, ranches, fisheries, and producers to get them access to the capital they need in order to grow their businesses. Values-driven lenders are able to participate in secured, interest-bearing loans offered by Steward that support the growth of regenerative and sustainable agriculture businesses.	C: Direct Private Payments	<a href="https://gosteward.com/">Stewarding the Future of Farming—Equipping regenerative farms with the capital they need to grow. (n.d.). Steward. Retrieved April 12, 2021, from https://gosteward.com/</a>

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16	Task Force on Incentives (Initiative 20x20)	Various	The task force on incentives seeks to analyze public incentives that help or hurt sustainable land-use practices. Focus is on Latin America and the Caribbean. The task force assesses countries' existing incentives and advises government officials on how to improve them to achieve optimal results. Members of this task force included environmental NGOs, Consultancy firms and Think Tanks, and organizations from the UN.	C: Direct Public Payments	<a href="https://initiative20x20.org/task-force-incentives">Task Force on Incentives. (n.d.). INITIATIVE 20X20. Retrieved April 7, 2021, from https://initiative20x20.org/task-force-incentives</a>
17	Taskforce on Scaling Voluntary Carbon Markets (TSVCM) (Initiative 20x20)	Various	This is a “private sector-led initiative working to scale an effective and efficient voluntary carbon market to help meet the goals of the Paris Agreement”, created by the Institute of International Finance. It is supported by more than 40 leaders from different countries. It works as a blueprint for scaling voluntary carbon markets to meet the climate challenge. In its report, the TSVCM identified six areas, spanning the carbon-credit value chain, where action can support the scaling up of the voluntary carbon market. Estimates that demand for carbon credits could increase by a factor of 15 or more by 2030 and by a factor of up to 100 by 2050. Overall, the market for carbon credits could be worth upward of \$50 billion in 2030.	M: Voluntary market	<a href="https://www.mckinsey.com/business-functions/sustainability/our-insights/a-blueprint-for-scaling-voluntary-carbon-markets-to-meet-the-climate-challenge">Blaufelder, C., Levy, C., Mannion, P., &amp; Pinner, D. (2021, January 29). A blueprint for scaling voluntary carbon markets. McKinsey. https://www.mckinsey.com/business-functions/sustainability/our-insights/a-blueprint-for-scaling-voluntary-carbon-markets-to-meet-the-climate-challenge</a>
18	Tropical Landscape Finance Facility (TLFF)	Indonesia	A further example of the combination of commercial production of a commodity and conservation efforts linked to incentives through financial vehicles is the Tropical Landscape Finance Facility (TLFF) in Indonesia. The TLFF’s issued a \$95 million bond that were channelled to the protection of 34,000 hectares used for the production of sustainable rubber in degraded areas of the country.	C: Direct Private Payments	<a href="http://www.tlffindonesia.org/">Tropical Landscape Finance Facility. (2021). Tropical Landscapes Finance Facility. http://www.tlffindonesia.org/</a>
19	Nature and Climate Sovereign Bond Facility (Finance for Biodiversity Initiative)	Various	A new report from F4B calls for the establishment of a ‘Nature and Climate Sovereign Bond Facility’ to address the intertwined nature and debt crises together. It would provide governments and investors with the tools to recognize nature’s contribution to long-term sustainability and economic performance, at the same time providing urgent solutions to the debt crisis.	C: Direct Public Payments	<a href="https://www.f4b-initiative.net/post/proposing-a-bond-facility-for-nature-and-climate">F4B Proposes a Bond Facility for Nature and Climate. (2021, February 26). Finance For Biodiversity. https://www.f4b-initiative.net/post/proposing-a-bond-facility-for-nature-and-climate</a>

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20	Nestlé Carbon Initiative (Nestlé)	France Various	Nestlé has recently announced that by 2030, at least 50% of its sourcing will come from regenerative agricultural practices. France will be the first country where the incentives and technical assistance to producers and cooperatives will be tested so adoption of regenerative practices increases while measuring the carbon emissions avoided / sequestered thanks to them.	M: Voluntary Markets	<a href="https://www.nestle.fr/nestle-fait-de-la-transition-agroecologique-une-de-ses-priorites-climat-et-annonce-50-dapprovisionnement-de-matieres-premieres-cles-issues-de-lagriculture-regeneratrice-dici-2030">Teulié, P.-A. (2021). Nestlé fait de la transition agroécologique l'une de ses priorités climat et annonce 50% d'approvisionnement de matières premières clés issues de l'agriculture régénératrice d'ici 2030. Nestlé. https://www.nestle.fr/nestle-fait-de-la-transition-agroecologique-une-de-ses-priorites-climat-et-annonce-50-dapprovisionnement-de-matieres-premieres-cles-issues-de-lagriculture-regeneratrice-dici-2030.</a>
21	Nutrien Ltd (Private Sector) End-to-End Carbon Program (UNFSS)	Various	An agriculture industry's comprehensive carbon program, offering end-to-end support for growers to not only drive sustainable agriculture but also increase grower profitability. Nutrien has direct relationship with over 500,000 growers globally to provide year-around agronomic solutions. It offers growers customized, full-acre solutions that drive nature-positive outcomes such as soil carbon sequestration while sustainably producing healthy crops. It will also work with growers to collect farm and field-level data to reliably measure carbon and other sustainability outcomes through our industry leading digital platform; thus, allowing for verifiable carbon credits.	M: Voluntary Markets	<a href="http://www.nutrien.com/investors/news-releases/2020-nutrien-launching-industrys-most-comprehensive-carbon-program-drive">Nutrien Launching Industry's Most Comprehensive Carbon Program to Drive Sustainability in Agriculture. (2021). Nutrien. http://www.nutrien.com/investors/news-releases/2020-nutrien-launching-industrys-most-comprehensive-carbon-program-drive</a>
22	Payment for agrobiodiversity conservation services (Biodiversity International)	Peru, Bolivia, Ecuador, India and Nepal	The concept of payment for agrobiodiversity conservation services (PACS) has recently been proposed whereby the application of PES is applied specifically for agricultural biodiversity conservation. Biodiversity International is currently promoting this concept in Peru, Bolivia, Ecuador, India and Nepal, to evaluate the potential of competitive tenders in creating cost-efficient strategies to conserve priority endangered species and also improve indigenous farmer livelihoods.	C: Direct Private Payments	<a href="https://www.climatefinancelab.org/project/responsible-commodities-facility/">Responsible Commodities Facility. (2018). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/responsible-commodities-facility/</a>
23	Responsible Commodities Facility (BVRio)	Brazil	A vehicle to promote the responsible production of commodities, particularly soy, in the Brazilian Cerrado biome, through incentives to plant in already cleared and degraded lands.	C: Direct Private Payments	<a href="https://www.climatefinancelab.org/project/rural-prosperity-bond/">Rural Prosperity Bond. (2020). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/rural-prosperity-bond/</a>

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24	Rural Prosperity Bond (World Resources Institute)	Africa	The bonds allow SMEs who sell products and services that support sustainable agriculture to offer their products to smallholders on financially reliable credit, helping tens of thousands of farmers to adopt regenerative practices currently beyond their reach.	C: Direct Private Payments	<a href="https://www.selvashrimp.com/home">Selvashrimp. (n.d.). Retrieved April 12, 2021, from https://www.selvashrimp.com/home</a>
25	Sustainability-linked loans and bonds (SLLB) / COFCO (Rabobank)	Various	Rabobank has offered SLLB since 2017, whereby apart from the financial criteria, the borrower agrees on key performance indicators linked to sustainability targets that could trigger, if achieved, reductions on the interest rates, but also penalties, if they are not (higher interest rate) . COFCO, a large food and agriculture company received a \$2.1 billion sustainability-linked loan from a consortium of 20 banks.	M: Voluntary markets	<a href="https://www.youtube.com/watch?v=6_n2l3jiExo">Financial Times. (2020, September 30). Sustainability-linked loans: Banking on a sustainable food system. https://www.youtube.com/watch?v=6_n2l3jiExo</a>
26	Sustainability-linked loans and bonds (SLLB) / OLAM (ING)	Asia	Olam, a global agri-business, received \$500 million sustainability-linked revolving credit line from ING. In this SLLB, the Olam's agriculture operation in Asia receives a reduction on the interest rate originally established if the company reaches the ESG targets negotiated as part of the transactions for its Asian agriculture operations. The interest rate on the facility will be reduced as the company meets its ESG targets.	M: Voluntary markets	<a href="https://www.blendedfinance.earth/sustainability-linked-debt/2020/11/16/olams-sustainability-linked-loan">Olam's Sustainability-Linked Loan. (2018). Blended Finance Taskforce. https://www.blendedfinance.earth/sustainability-linked-debt/2020/11/16/olams-sustainability-linked-loan</a>
27	The West African Initiative for Climate Smart Agriculture (ECOWAS Bank for investment and Development (EBID))	West Africa	A dedicated blended finance fund providing financial and technical support to smallholder farmer organizations and agribusinesses to adopt climate-smart agriculture practices in West Africa through conditioned loans and technical assistance for the adoption of Climate Smart Agriculture (CSA). The CSA conditionality will include production contracts.	C: Direct Private Payments	<a href="https://www.climatefinancelab.org/project/africa-climate-smart-agriculture/">The West African Initiative for Climate Smart Agriculture. (2019). The Global Innovation Lab for Climate Finance. https://www.climatefinancelab.org/project/africa-climate-smart-agriculture/</a>