eco.
business
Fund

PROMOTING BIODIVERSITY CONSERVATION AND THE SUSTAINABLE USE OF NATURAL RESOURCES

An Introduction to the eco.business Fund

Frankfurt, May 2018

MISSION & FOCUS SECTORS

The fund aims to promote business and consumption practices that contribute to **biodiversity conservation** and the sustainable use of **natural resources**, and to mitigate **climate change** and adapt to its impacts, initially in **Latin America** and the **Caribbean.**

Agriculture and Agroprocessing

Fisheries and Aquaculture

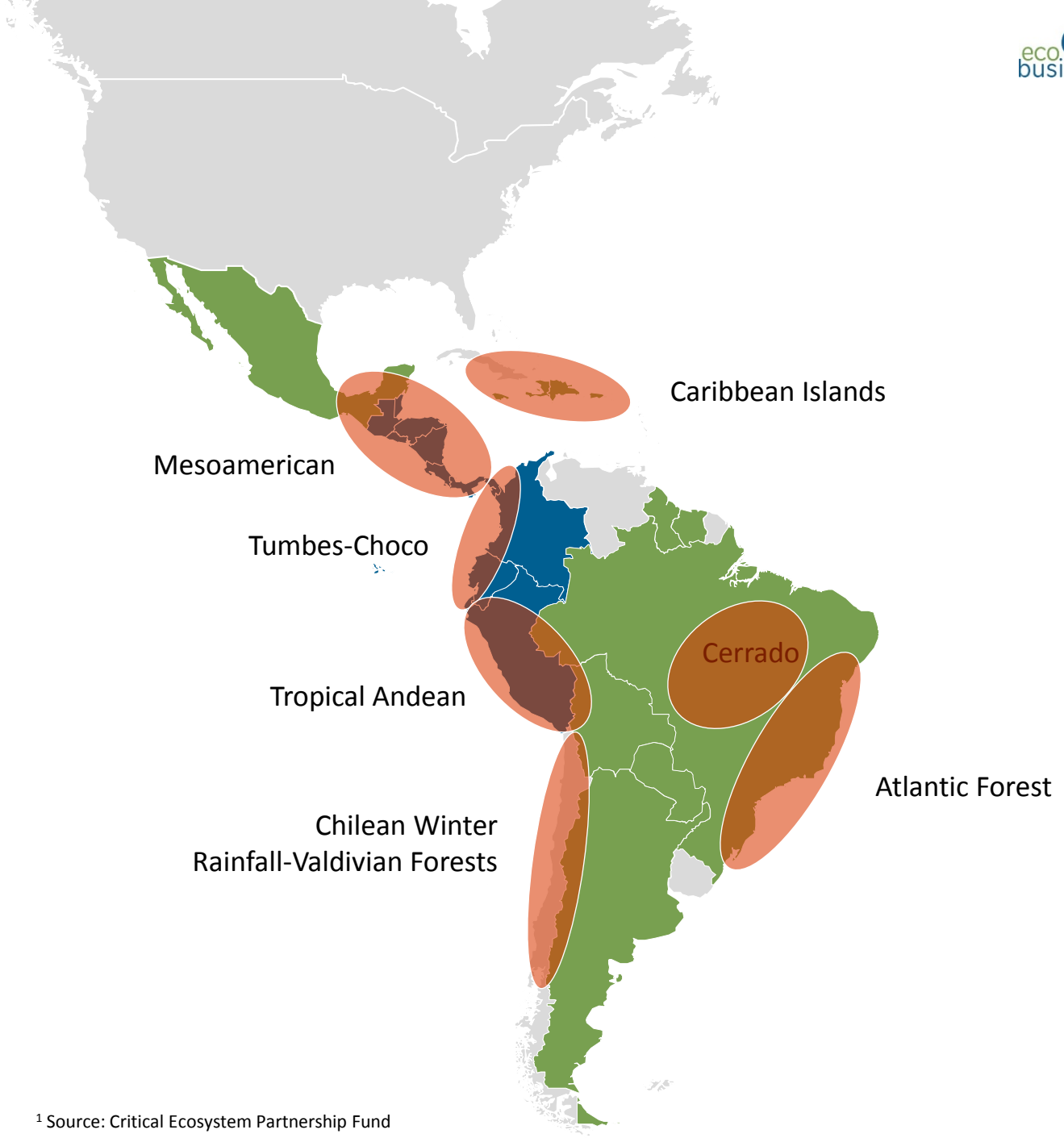
eco.business Fund Priority Sectors

Forestry

Tourism

TARGET REGION

- **Biodiversity hotspots** are highly biodiverse areas endangered by human activity.
- These areas host a vast amount of irreplaceable, endemic species not found anywhere else in the world.
- **Seven** of the world's 36 biodiversity hotspots[1] are located in **Latin America**.
- The eco.business Fund's initial focus is on highly biodiverse regions (the Andean Region and Central America) that overlap biodiversity hotspots.



Initial countries of focus
Additional eligible countries
Biodiversity hotspots

[1] Source: Critical Ecosystem Partnership Fund

FLOW OF FUNDS

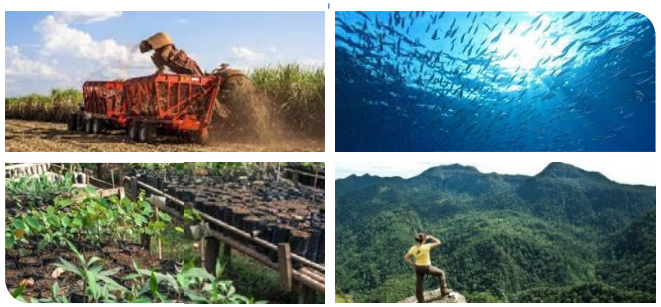
Direct Investments
(Max. 15% of Outstanding Portfolio)

Funding

Dedicated Financing

Donors & Investors

Local Partner Institutions[1]



Target Group

Sponsoring

Technical Assistance

[1] Commercial banks, microfinance institutions, leasing companies, etc.

ECO.BUSINESS FUND'S TIERED STRUCTURE MOBILIZES PRIVATE CAPITAL

Private Investors

Development Finance and International Financial Institutions

Donors

	Risk Cushion Provided by Subordinated Tranches
Senior Notes	17% USD 33.3 million
Subordinated Notes	9% USD 17.4 million
Senior Shares	29% USD 58.9 million
Junior Shares	46% USD 91.7 million

Risk

Income

% based on NAV Q4|2017

ELIGIBILITY CRITERIA FOR THE FINAL TARGET GROUP

Final borrowers must meet at least one of the following conditions:

1

Certified Producers

The final borrower has to hold one of 23 certifications for sustainable production approved by the fund, including:

2

“Green List” Activities

Funded activities must be included in a list of specific uses with a significant positive impact on conservation, such as:

- Purchase and installation of water-saving drip or micro-sprinkler irrigation systems
- Renewal or establishment of cocoa plantations and shade-grown coffee under agroforestry systems

- Infrastructure and equipment required to produce compost and organic fertilizers
- Water filtration systems to promote water purification and soil quality

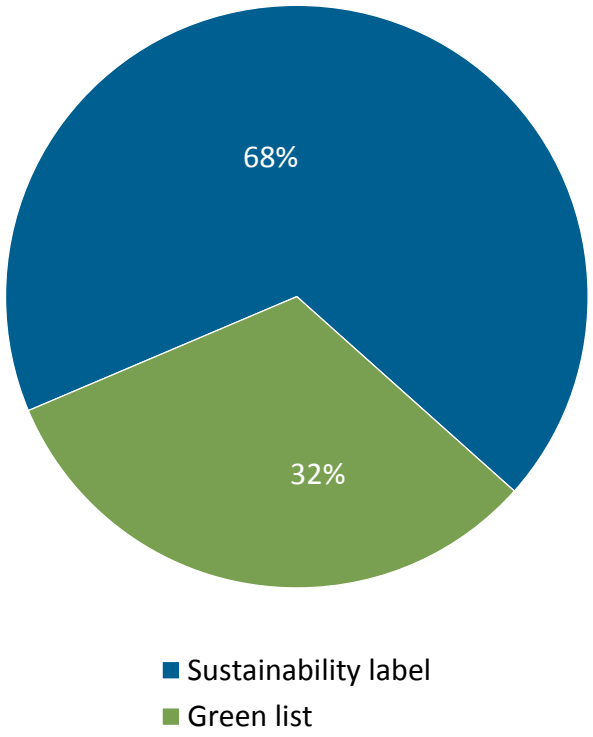
3

Non-Standardized Measures

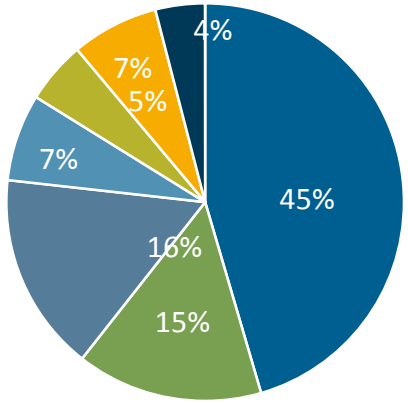
Selected projects with a high impact on biodiversity conservation, the sustainable use of natural resources and climate change mitigation and adaptation

PORTFOLIO BREAKDOWN

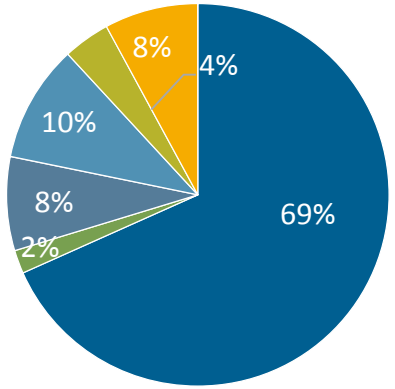
Sub-Loans by Measure



Sub-Loans by Sustainability Label



Sub-Loans by Green List



As of Q4|2017

THE ECO.BUSINESS DEVELOPMENT FACILITY

Main activities

Individual Technical Assistance (TA)

For Financial Institutions

Building capacity and raising awareness for sustainable lending practices

For End-Borrowers

Supporting adoption of sustainable practices or conversion into sustainable businesses

Sector TA

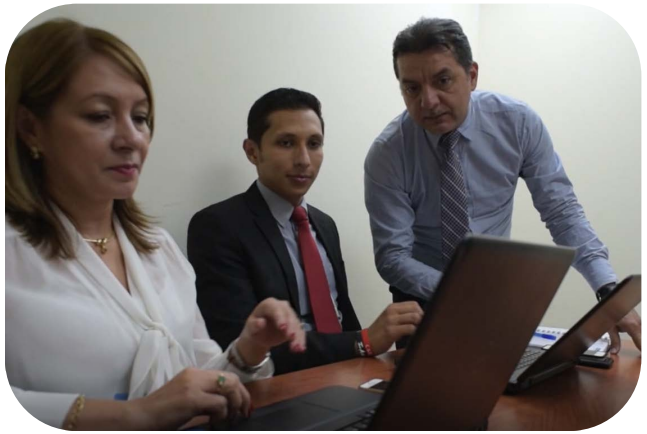
Studies, awareness-raising, sector events

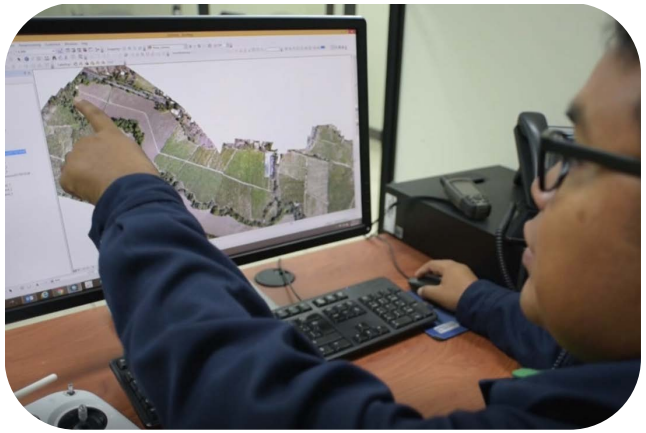
Research & Development, Impact Assessment

Providing information for eco.business Fund and evaluating its impact

PARTNERING WITH LOCAL FINANCIAL INSTITUTIONS

Example – Banco Hipotecario, El Salvador





PARTNERING WITH LOCAL FINANCIAL INSTITUTIONS

Example – Banco Hipotecario, El Salvador

PARTNERING WITH END BORROWERS

Example – Café Casal, El Salvador

PARTNERING WITH END BORROWERS

Example – Café Casal, El Salvador

Summary

Well established public-private partnership (PPP) model provides significant risk cushion to private investors

Joint initiative of investors committed to the **sustainable use of natural resources and biodiversity conservation**

Providing **long-term dedicated financing** through financial institutions, combined with high-impact **direct investments** with a strong spillover potential

Following a systematic approach to **mainstream biodiversity finance**

Technical assistance to enhance impact of investment activities

Demonstrating positive environmental impact by **regular development performance measurement** and **impact studies**

THANK YOU FOR YOUR ATTENTION

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