Enablers of Landscape Approaches
Wednesday 22 June: 13:00-13:55 (55 min)

With Speakers:

- Willem Ferwerda
  CEO and Founder | Commonland

- Gregory Jean
  Standards and Learning Manager | Better Cotton

- Pramit Chanda
  Global Director
  Textiles | IDH - The Sustainable Trade Initiative

- Paul Chatterton
  Lead and Founder | Landscape Finance Lab

Facilitator:

- Anita Chester
  Head of Materials | Laudes Foundation
Why landscapes?

- Average global temperatures are 1.1°C higher than pre-industrial times.
- 52% of our agricultural soils are already degraded.
- 70% increase in food production is needed by 2050.
- Over 35,765 species were threatened with extinction in 2020.
- 40% of the world population are suffering from water scarcity.
- 47mn hectares of forest have been lost in the last two decades.
- 46% of the world’s population was living on less than $5.50/day.
- 40% of the world population are suffering from water scarcity.
What are landscapes?

- Holistic
- Place-based
- Systems-based
- Policy and government’s critical
- Creates ecosystem-based impact
Key enablers of landscapes

- Government
- Farmers
- Investment
- Business
- Frameworks & Standards
Landscapes present a global opportunity for radical change
The 4 Returns Framework
A practical proven approach on Integrated Landscape Management

Willem Ferwerda
CEO Commonland
Fellow Business and Ecosystems at Rotterdam School of Management (Erasmus Univ.)
team lead at IUCN Commission on Ecosystem Management

22 June 2022
Momentum for a ‘Landscape Restoration Industry’

Momentum: Climate, Food, Land & Biodiversity crises: UNCCD COP15, CBD, COP27, UN Food Summit, UN Decade on Ecosystem Restoration, ESG

Increase of isolated restoration, conservation, regenerative agri. projects that can not be compared and learnings can not be exchanged

Increase of funding by governments, DFIs, philanthropy, business, carbon and investors

Decisive moment: need for agreement on the use of a coherent narrative within a tested framework based on realistic KPIs

Towards a restoration industry: Scaling up large landscape restoration projects and pipeline development for investors & governments

Business as usual continues and isolated projects do not achieve systemic change at landscape/ecosystem scale, not sustainable

Source: Commonland, Willem Ferwerda
Making theory work through a practical framework and language that unites stakeholders and business

Moving away from maximizing Return on Investment per hectare to maximizing 4 returns per landscape (min. 100,000 ha)

Source: 4 Returns. RSM-Erasmus Univ. IUCN CEM 2015
4 returns are delivered by 3 landscape zones during a minimum period of 20 years

**Natural zone:** Restoring the ecological foundation and biodiversity.

**Combined Zone:** Restoring biodiversity, soil through regenerative agriculture & agroforestry delivering sustainable landscape productivity.

**Economic Zone:** Urban areas, infrastructure. Delivering high & sustainable economic productivity. Monocultures are part of the economic zone.

Source: 4 Returns. RSM-Erasmus Univ. IUCN CEM 2015
3 landscape zones works with all stakeholders

Example from Tamil Nadu (India) farmers and their landscape zoning

**Economic Zone:** village, processing, trading, communities

**Combined Zone:** regenerative agro-forestry of coconut, rice, mango, sugarcane, flowers, etc.

**Natural zone:** water, wetlands and forests

Credit: Dhan Foundation

Source: 4 Returns. RSM-Erasmus Univ. IUCN CEM 2015
We structured stakeholder alignment through 5 process elements based on co-creation with Theory U

- The **Theory U** is a practical method for guiding awareness-based system change within a landscape partnership
- This image shows how to move through the **5 elements** whilst applying the principles of Theory U

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4 Returns Framework for Landscape Restoration

**Process**
5 Elements

- Establishing a landscape partnership
- Reach a shared understanding
- Building a landscape plan
- Ensure effective implementation
- Develop monitoring and learning

**Impact**
4 Returns

- **Return of Inspiration**
  Opening people’s eyes to the possibility of a better future

- **Social Returns**
  Creating jobs, businesses, networks, and social prosperity

- **Natural Returns**
  Restoring the health, resilience and prosperity of landscapes

- **Financial Returns**
  Realising long-term, sustainable, and local income

**Landscaes**
3 Zones

- **Natural Zone**
  Regenerating a landscape’s ecological foundation by restoring and protection of biodiversity within natural ecosystems such as wetlands, grasslands and forests

- **Combined Zone**
  Combining food, fibre and biodiversity productivity through regenerative agriculture, agroforestry and soil restoration.

- **Economic Zone**
  Delivering sustainable economic productivity with dedicated areas for activities that create value, typically concentrated in urban areas, infrastructure and processing.

**Time**
20+ years

Successful systematic landscape restoration takes one generation, or 20 years.
Monitor & Evaluate KPIs

**4 Returns Outcomes**

**Return of inspiration**
- **Domain:** Domains
- **Indicator examples:**
  - Participation: Number of people participating in cultural or social initiatives (more people engaged in cultural or social activities)
  - Replication: Number of landscape restoration initiatives that have been replicated (more initiatives copied)
  - Most Significant Change stories: MSC Stories show how return of inspiration people have a deeper connection to their landscape

**Return of Social Capital**
- **Domain:** Employment
  - Number of direct/indirect jobs created/supported at the venture/landscape level (more jobs created)
  - Entrepreneurship: Number of people whose entrepreneurial and professional skills have been improved (more people with improved skills)
  - Network: Number of different groups connected to convey knowledge, information, and other support for innovation (more connections)

**Return of Natural Capital**
- **Domain:** Biodiversity
  - Soil Health: Improved holistic management of soil health (more healthy soil)
  - Water: Improved water flow and/or increased water quality (more water)
  - Carbon: Carbon sequestered into the landscape (tonnes of CO2 sequestered)

**Return of Financial Capital**
- **Domain:** Business development
  - Profitability: Positive cash flows have been generated for the restorative business (more profits)
  - Investors: IRC for investors is met for their respective thresholds (more investors)
  - Farmer Income: Total increase in annual farmer income and/or beneficial effects (more income)

*The recommendation also states that new businesses should be created where possible to improve the quality of existing jobs.*

**Source:** 4 Returns. RSM-erasmus Univ. IUCN CEM 2015
Spain: 1 million hectares

Source: WI/LFL/CL 4 Returns Framework for Landscape Restoration, UN Decade 2021
Spain: Visualizing 20+-year goals by zone

- Landscape analysis
- Future vision for the landscape
- 4 Returns Strategy
- Achievements to-date
- Detailed roadmap
- Overview funding needs
Benefits of 4 Returns Framework

• The 4 Returns framework is **universally understood** to build a resilience landscape
• Guidance for long term landscape vision where **regenerative cotton** can be integrated in the combined zone
• Serves as a **bridge** between bottom up (actions on the land) and top-down business and institutional policies.
• The 20+ years timeline **avoids overpromising** and greenwashing.
• Upfront investment in landscape partnerships will **bring down long term risks**.
• It is aligned with BTI criteria, ESG, SDGs, UN Decade on Ecosystem Restoration and Rio UN conventions (Climate, Biodiversity, Land Degradation)
• M & E may serve as a potential standard for a future **Landscape Asset Class**
Landscape Finance: Engaging commercial finance for nature and regeneration

- **Global Investor Pools**
  - **$91T** Private Sector Debt
  - **$76T** Global Equity Market
  - **$42T** Global Public Debt

- Global ODA < $0.2T
- Most sustainability funds are sourced here
- The big opportunities are here
Green Bonds
Large finance for land use is rapidly growing

2012 $2 Billion
2022 $1.6 Trillion
$350B new this year

Use of Green Bonds 2021
- Energy 35%
- Buildings 30%
- Transport 18%
- Water 6%
- Land 5%
- Waste 4%
- ICT 1%
- Industry 1%
- Unallocated A&R 1%

© Climate Bonds Initiative 2022
Landscapes: An integrated solution
Landscape methodology

**TIME**
20+ years

**PROCESS**
5 Elements
- Landscape partnership
- Shared understanding
- Vision and Plan
- Taking Action
- Impact and learning

**IMPACT**
4 Returns
- Return of Inspiration
- Return of Social Capital
- Return of Natural Capital
- Return of Financial Capital

**PLACES**
3 Zones
- Natural Zone
- Combined Zone
- Economic Zone

Minimum 20 years (one generation) is a realistic timeframe to successfully implement large-scale integrated landscape management activities with all stakeholders.

Governance
Finance
Markets
Landscape finance examples

Forest carbon
DRC Mai Ndombe Province Emission Reduction Program
- USD 170 M investment
- 29 MtCO2e ERs across 13 M hectares
- 1.2 M ha reduced impact forestry
- 2 M ha improved agriculture
- 6 M ha biodiversity corridor

Landscape sourcing
Indonesia Jambi Tropical Landscape Finance Facility
- USD 215 M in two tranches
- 400,000 M ha corridor
- Tiger, orangutan and elephant
- Focus on wildlife friendly rubber
Landscape finance examples

Reef resilience
Fiji Great Sea Reef Resilience Program / Matanataki
- Ensuring resilience of the third longest barrier reef in the world
- $50 M private investment and business incubation system
- $30 M public investment GCF

Peatland finance
Scotland The Flow Country
- 400,000 M ha peatland system
- Twice the carbon content of all UK forests
- Focus on carbon, World Heritage branding and green business
Building investment funds

Dutch Fund for Climate and Development

- €160 M fund
- Built on 4 Returns methodology
- Supporting landscape level implementation in 10 countries
- Investing in 35 NBS projects
Investments at landscape level

**Nature Based Solutions**
- Grant Projects
- €1–50M each

**Landscape Instruments**
- Bankable Projects
- €50–200M each

**Landscape Investment Funds**
- Performance Projects
- €100M–1B each

**Thematic Funds**
- €50–€500M each
  - Forest landscape restoration
  - WASH / Catchment
  - Energy

*PHILANTHROPIC AND GOVERNMENT*

*COMMERCIAL*

*RESULTS BASED*
Landscape Scale

Benefits

- Risk and cost reduction
- Larger finance
- Shared value and synergies
- Regulatory solutions
- More coherent impact tracking
- Stronger stories and branding

Challenges

- Time consuming
- Costly at early stages
- Complex
- Still evolving as a methodology
Thank you

Paul Chatterton
Lead and Founder
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Enablers of Landscape Approaches
IDH’s Production, Protection, Inclusion (PPI) approach to achieve an inclusive goal and inspire sustainable landscape management.

Agricultural products are grown sustainably, nature can flourish, and communities prosper.

Long-lasting and stable partnerships and cooperation that outlast political cycles.

Private and financial sectors enable and finance change towards enhanced sustainability.

Implementation of PPI

SUSTAINABLE PRODUCTION
- Increased adoption of sustainable production and regenerative agri-practices
- Reduction in greenhouse gas emissions

INCLUSION
- Improved incomes
- Gender equity in the supply chain
- Improved livelihoods for tribal communities

PROTECTION & RESTORATION
- Improved access to and management of water
- Restored soil health
- Preserving biodiversity

Connecting Demand with Supply
- Global and local demand | Verified Sourcing Areas

Strengthening Landscape Governance
- Multi-stakeholder coalition | Commitments | Enabling policies | Compacts | Monitoring

Catalysing New Sources of Finance
- Technical Assistance | Investable Projects | New Finance Instruments
Working together – through a design framework

**STEP 1**
Scoping
Landscape Analysis

**STEP 2**
Building a Landscape Coalition
(Co-envisioning)

**STEP 3**
Developing Building Blocks
(Setting Goals, LoIs Signed)

**STEP 4**
Finalizing the Compact
(1-Multistakeholder plan)

**Post Compact (Implementation)**
- Governance
- Monitoring
- Investment

- Landscape Analysis
- Stakeholder Mapping
- Vision Definition
- Definition of the Local Targets
- Memorandum of Understanding
REGENERATIVE PRODUCTION LANDSCAPE COLLABORATIVE

Scaling regenerative and restorative agricultural practices in Madhya Pradesh, India to benefit people, nature and economy
RPL Collaborative

Originally founded by Laudes Foundation, IDH The Sustainable Trade Initiative and WWF India, the Collaborative aims to catalyse and scale a model where:

- Producers grow agri-commodities using natural and regenerative farming principles that restore natural resources and reduce emissions from farming systems
- Smallholder farmers and communities thrive through improved economic stability, enhanced livelihoods and greater participation in decision-making
- Businesses can source responsibly while creating inclusive supply chain relationships
5 Year MoU with the Government of Madhya Pradesh & RPLC

Collaborative & Compacts Launch

Working with the producers community

- 45+ organisations across Private sector, government, CSOs producers’ organization representative
- 14 Compact Partners (8 Private Sector from cotton, spices, horticulture)
The cooperation platform for supply chain sustainability changemakers

www.sourceup.org

A PLATFORM THAT CONNECTS

• AN USER INTERFACE WHICH STIMULATES INTERACTION
• PROJECTS
• TRANSPARENT & VISUAL PROGRESS

A new market mechanism to lift the sustainability level of entire landscapes
It makes all the difference to have this involvement with the field, to really understand the complexity of the production chain until it reaches the top.

LUCIO VICENTE
Head of Sustainability at Grupo Carrefour, Brasil
ATLA project in a nutshell

**Component 1:** Development of strategic roadmap for Better Cotton Standard System adaption to landscape approach

**Component 2:** Pilot projects

- Explore Better Cotton Standard system contribution to landscape management in the context of the Buyuk Menderes Project, Turkey.
- Develop a stakeholder analysis and engagement strategy as part of a regional jurisdictional approach in Punjab, Pakistan
ATLA pilot project #1
Buyuk Menderes Basin, Turkey

Target Key Biodiversity Areas (KBAs)
- Bafa Lake Nature Park, potential Ramsar Site, Important Bird Area
- Buyuk Menderes Delta National Park, potential Ramsar site, Important Bird Area
- Home to species of global importance (Dalmatian pelican, European Eel, Eurasian otter)

Target Sector
- Cotton: 14% of national cotton production
- Textile: 60% of national home textile exports in Denizli

Key Industries
- Textiles
- Agriculture
- Cotton
- Tanneries
- Metal
- Electrical
- Olive Oil
- Geothermal Energy

Size: 25,000 km²
Population: 2.5 Million
River Length: 548 km
ATLA pilot project #2
Punjab province, Pakistan

Stakeholder engagement
- Stakeholder analysis and mapping
- Stakeholder engagement strategy

Strategies / Action Plans or Roadmap
- Goals, Targets, Strategies and Joint action plan developed and implemented by NSC members

Formation of ‘National Steering Committee (NSC)’
- Memorandum of Understanding signed with participants
- NSC 1st Meeting

Monitoring & Evaluation
- M&E framework designed to measure NSC progress against joint action plan
KEY STRATEGIC RECOMMENDATIONS

- Prioritize Better Cotton investment in Landscape initiatives/projects
- Define scope and scale of landscape programmes
- Build or contribute to project multistakeholder partnerships
- Explore further adaptation of the Better Cotton Standard System to LS/JA
  - Principles and Criteria
  - Monitoring and Evaluation
  - Capacity-building
- Develop a value proposition for Brands members to invest in LS/JA projects
Thank you
Thank you