

Paisajes Sostenibles

Herencia Colombia - HeCo

Sustainable Finance For Conservation: Heritage Colombia



2011



Organización de las Naciones Unidas para la Alimentación y la Agricultura



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1. Heritage Colombia

- 1.1. Approach and scope
- 1.2. Results-based conservation plan
- 1.3. Strategy measurement indicators
- 1.4. Financial gap and financing model



Biodiversity conserved in functional, connected and resilient landscapes



Maintaining ecosystem services to ensure the country's productive and economic base



Local communities ensuring their well-being through the contributions of nature and the reduction of climate vulnerabilities



A strengthened and cost-effective National System of Protected Areas (SINAP)

**Focus and scope:
Expected impacts**



Results-based conservation plan



Increasing the protection of natural and cultural capital

Increasing Colombia's protected natural capital by expanding National Protected Areas System area and promoting protected areas as natural solutions to climate change.



Declaration of **2 million hectares** of land and **15 million hectares** in marine and coastal protected areas.



Effective management

Improving the effective management of protected areas by incorporating a climate change approach in planning and management.



More than **100 APs** improve their **management effectiveness / based on Green List standards IUCN**



Governance and connectivity in landscapes

Strengthening governance and improving livelihoods of communities living in biological corridors and contributing to connectivity in sustainable landscapes.



Sustainable livelihoods are improved benefiting more than **280,000 people** in 7 connectivity corridors of the 5 conservation mosaics



Measurement – Indicators and KPIs

1

Conservation Impact

1. Tons of carbon dioxide equivalent (tCO₂eq) reduced or avoided in each landscape
2. Number of hectares in the process of restoration in the areas of interest.
3. Percentage of change in cover conditions in each landscape
4. Coverage and type of nature-based solutions under implementation to reduce climate vulnerability and enhance adaptation
5. Level of management effectiveness at Protected Area and at Landscape levels meeting green list standards
6. Level and type of benefit sharing of protected areas effective management

2

Finance & Resource mobilization

1. Percentage of the financial gap covered / reduced for perpetuity
2. Diversification of income streams
3. Level and type of financial flows for different type of investments
4. Number and type of investments unlocked
5. Type of tailored financial instruments and vehicles developed

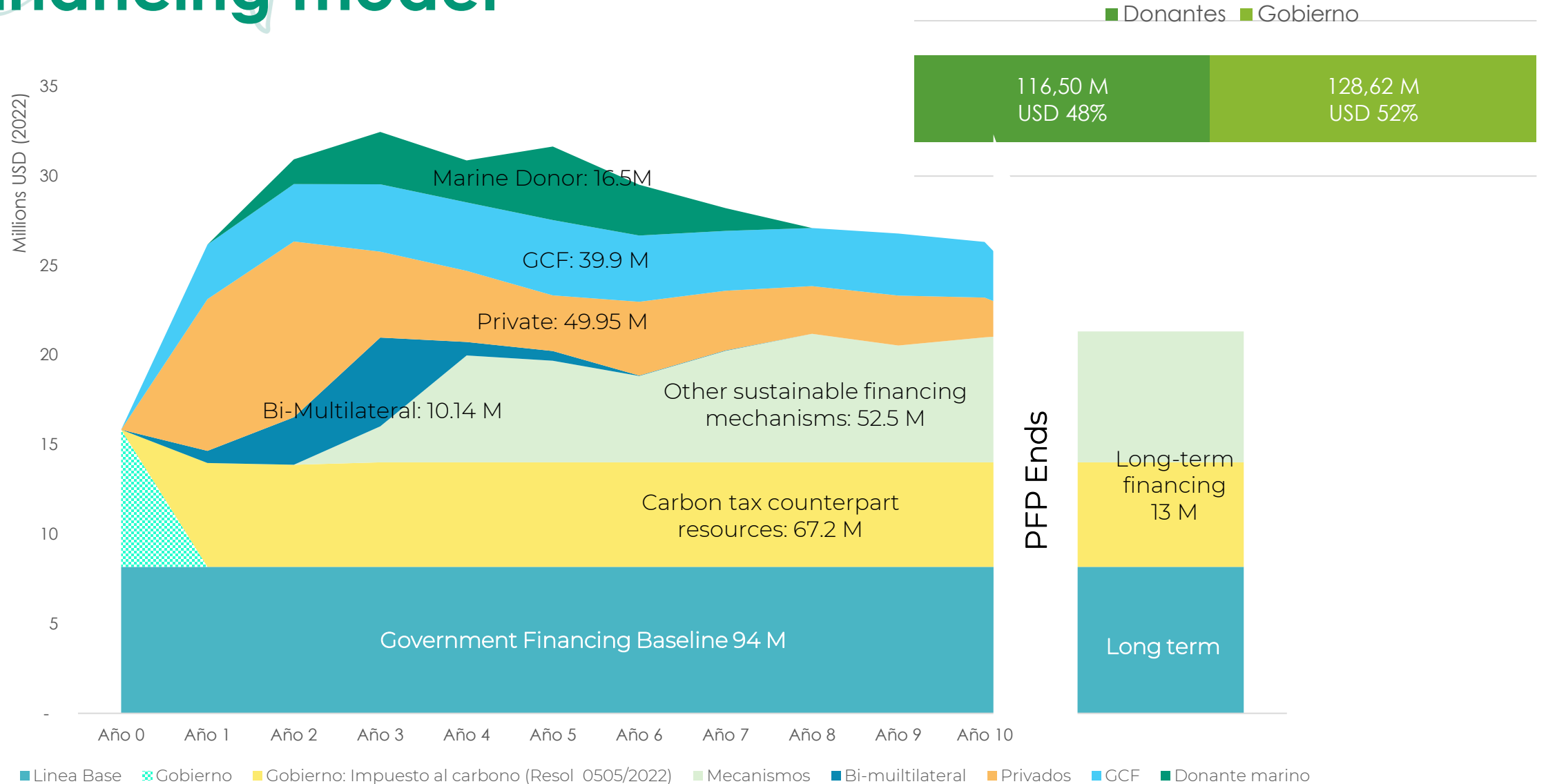
Measurement – Indicators and KPIs

3

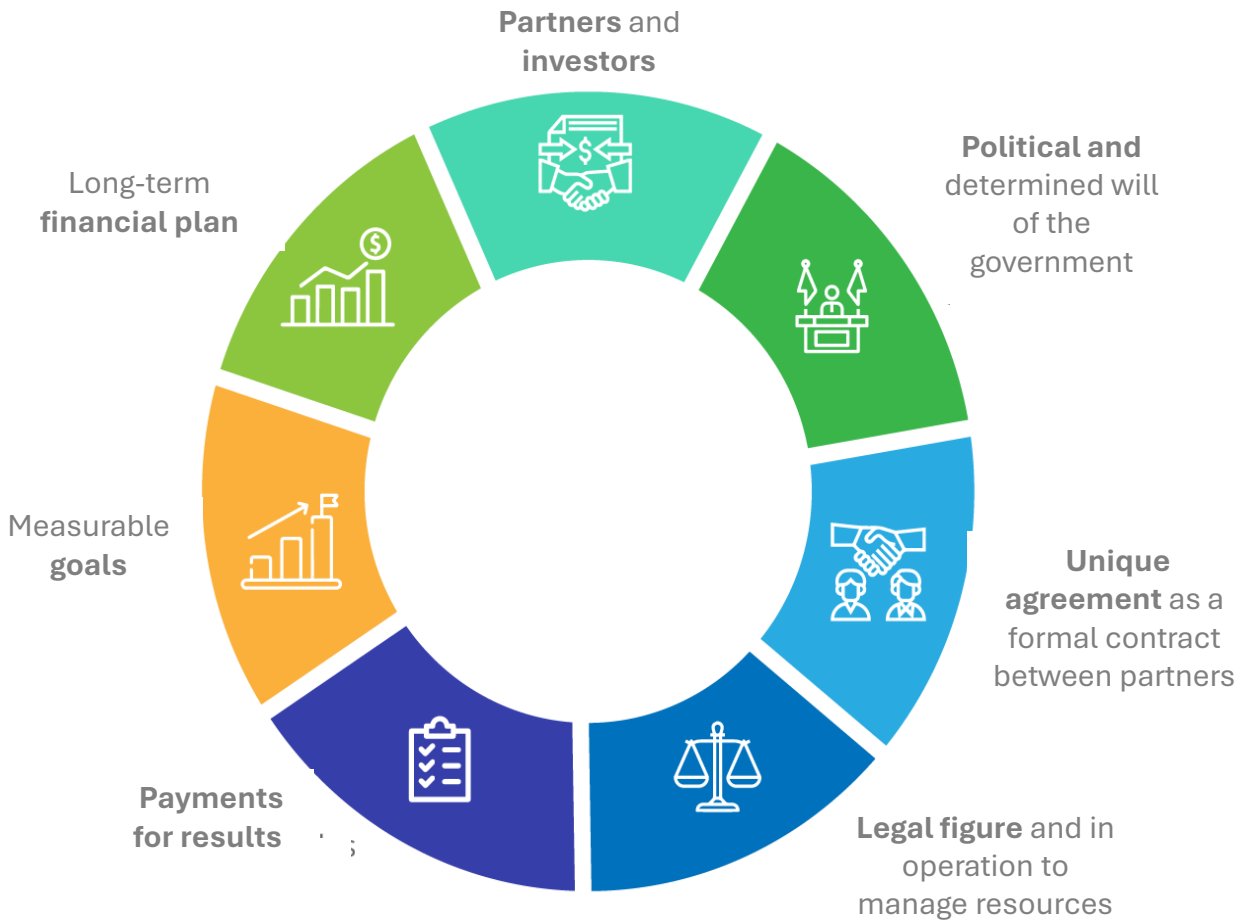
Social Impact

1. Level and type of governance scheme developed
2. Level of territorial security and rights based developed
3. Type of nature-based economies supported
4. Networks and collaborative regenerative supply chains
5. Level and type of income received
6. Number of green jobs developed
7. Level and type of involvement of elders, women and youth
8. Changes of basic needs or multidimensional poverty index
9. Index of satisfaction of communities based of financial flows unlocked

Financial gap and financing model



Focus and scope: Heritage Colombia a Financing Program for Permanence - PFP

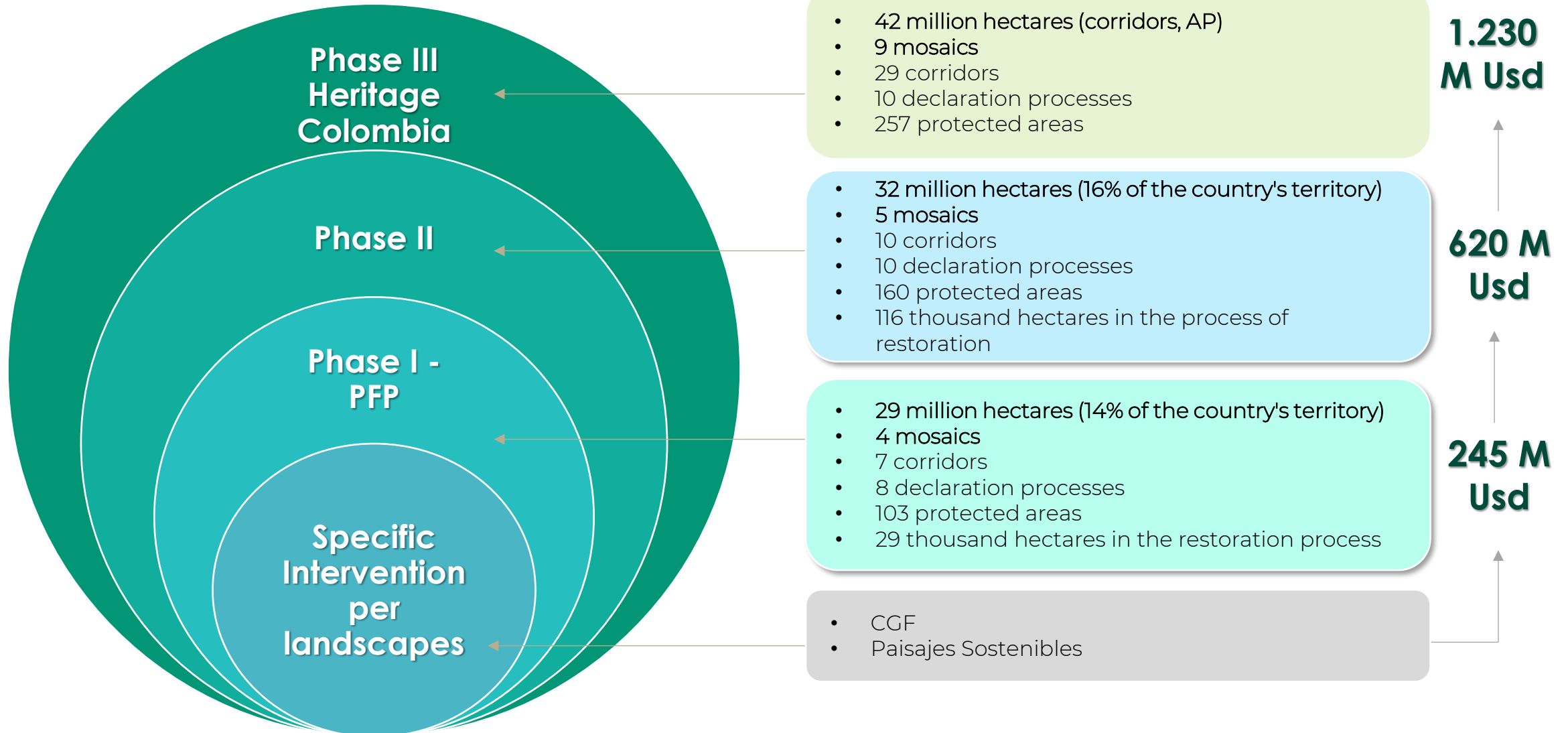


Ensure the long-term conservation and financing of 29 million hectares, representing 14% of Colombian territory, promoting the consolidation of the National System of Protected Areas (SINAP) and contributing to the country's 2020-2030 vision



245 M USD



Approach and scope: Phases



Priorización geográfica en el PFP a partir de la Fase 1



Fase 1 - PFP

-  Manejo efectivo Fase 1 - PFP
-  Ampliación o Declaración de nuevas áreas protegidas - PFP
-  Corredores fase 1 - PFP
-  Mosaicos fase 1 - PFP

Colina y lomas
Cuenca Pacifico Norte

Malpelo

Yurupari -
Malpelo

Colina y lomas
Cuenca Pacifico Norte

Malpelo

Yurupari -
Malpelo

Cordillera Beata

Acandí
Playón
y Playona

Serranía de
San Lucas

Sierra Nevada
de Santa Marta

Sabanas y humedales
de Arauca

Selvas transicionales
de Cumaribo

Serranía de
Manacacias

Ecosistemas
Secos del Patía

Bajo Río de
Caguán

0 130 260 520 Km

Focus and
scope:
Geographic
location

2. Blended financial solutions

2.1. Non-return financial sources

- Philanthropic donations
- Bi-multilateral government grants

2.2. Domestic revenues streams

a) Taxes/incentives:

- Taxes
- Royalties
- Corporate - Taxes for infrastructure development

b) Biodiversity offsets

- Biotic offsets and Compensations 1%
- Habitat banks
- Payment for environmental services

2.3. Markets returns generating - performance based - Jaguar Bond

2.4. HECO INVEST: Connecting Impact Investment

- Inclusive economy*
- Anchor companies for regenerative economies*
- Greening Finance: financial vehicles & financial institutions*
- Reporting, measurement and traceability*

Non reembolsable –Philanthropy & Bi-Multilaterals grants



Natural Capital - Conservation of ecosystems and environmental services



Ideation of Community business enterprises



Inclusive and right based conservation - and livelihood improvement



Restoration and adaptation investments



Participatory & Monitoring measurements



BEZOS
EARTH
FUND

GORDON AND BETTY
MOORE
FOUNDATION



GREEN CLIMATE FUND

GCF B.35 PROJECT APPROVAL

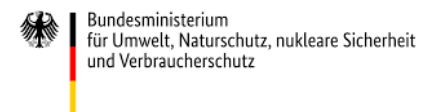
FP203

HERITAGE COLOMBIA (HECO): MAXIMIZING THE CONTRIBUTIONS OF SUSTAINABLY MANAGED LANDSCAPES IN COLOMBIA FOR ACHIEVEMENT OF CLIMATE GOALS

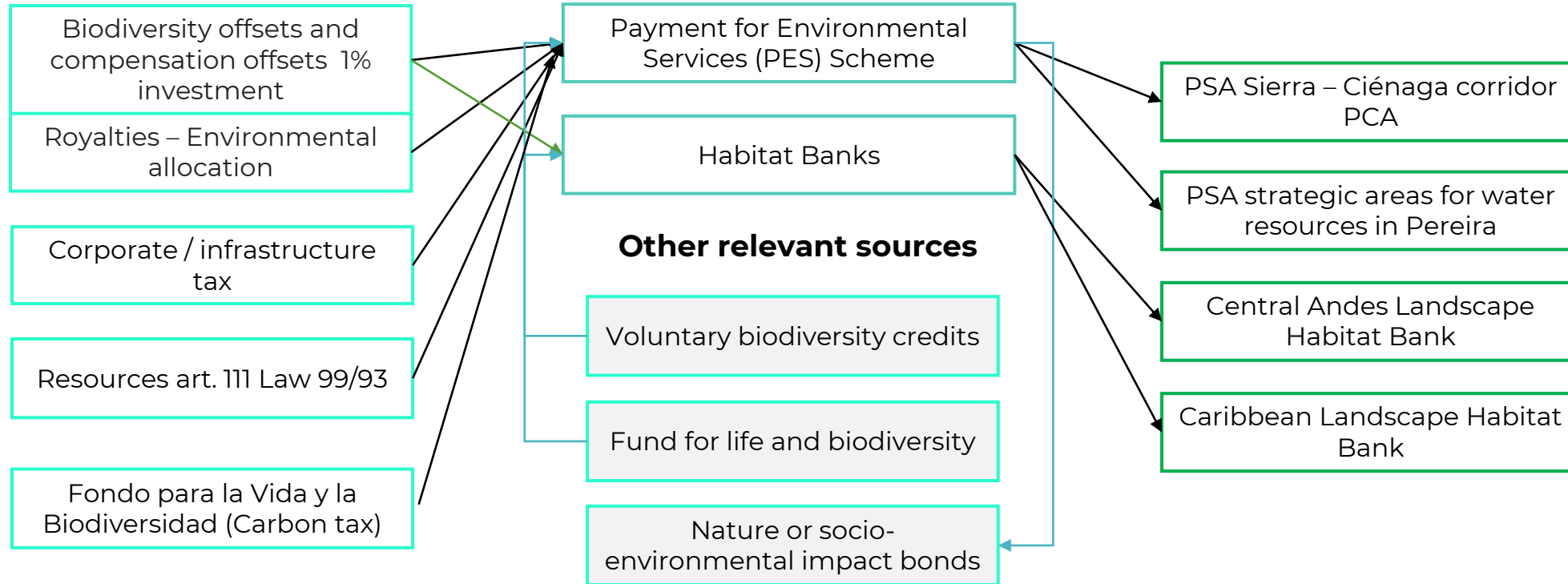
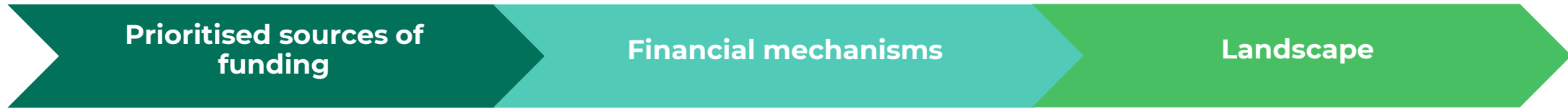
COUNTRY: COLOMBIA

GCF FINANCING: USD 43.0m

ACCREDITED ENTITY: WORLD WILDLIFE FUND, INC. (WWF)



Regulated financial mechanisms for HECO



Resource mobilization potential

Technical, legal, financial and monitoring considerations

Guidelines for its implementation

Annual potential resources for the PFP

Source of funding	Average annual potential (M USD)	Annual PFP eligible (M USD)
Carbon tax 17% Contribution		3,65
Royalties	23,52	2,21
Biodiversity offsets - compensations	13,05	1,82
Corporate taxes – infrastructure development taxes*	4,1	1,4
TOTAL (Annual average)	40,67	9,08

**Andes and Caribe landscapes*

Payments for ecosystem services (PES)

HECO Landscapes

CARIBBEAN LANDSCAPE

Payment for Environmental Services Scheme for water regulation and quality within the strategic corridor that connects the SNSM and the Ciénaga Grande de Santa Marta.

Estimated resources to be mobilized: **\$2,874,599 USD**

Department: Magdalena.

Hydrographic Basins:

- Rio Foundation.
- Cold River – Seville
- Aracataca River.

Municipalities: Aracataca, Ciénaga and Fundación surrounding the Sierra Nevada of Santa Marta.

PSA modality: Water regulation and quality.

Prioritised properties 629 (38457 Hectares)

Implementation area* 5589 Hectares

Phase: Pre-feasibility.

ANDES LANDSCAPE

Maintenance and provision of the ecosystem service of water regulation and quality in strategic environmental areas of the municipality of Pereira, based on a PSA scheme.

Estimated resources to be mobilized: **\$1,550,748 USD**

Department: Risaralda.

Hydrographic Basins:

- Cauca River Afferent.
- Old River.
- Otún River.

Municipality: Pereira

PSA modality: Regulation and water quality

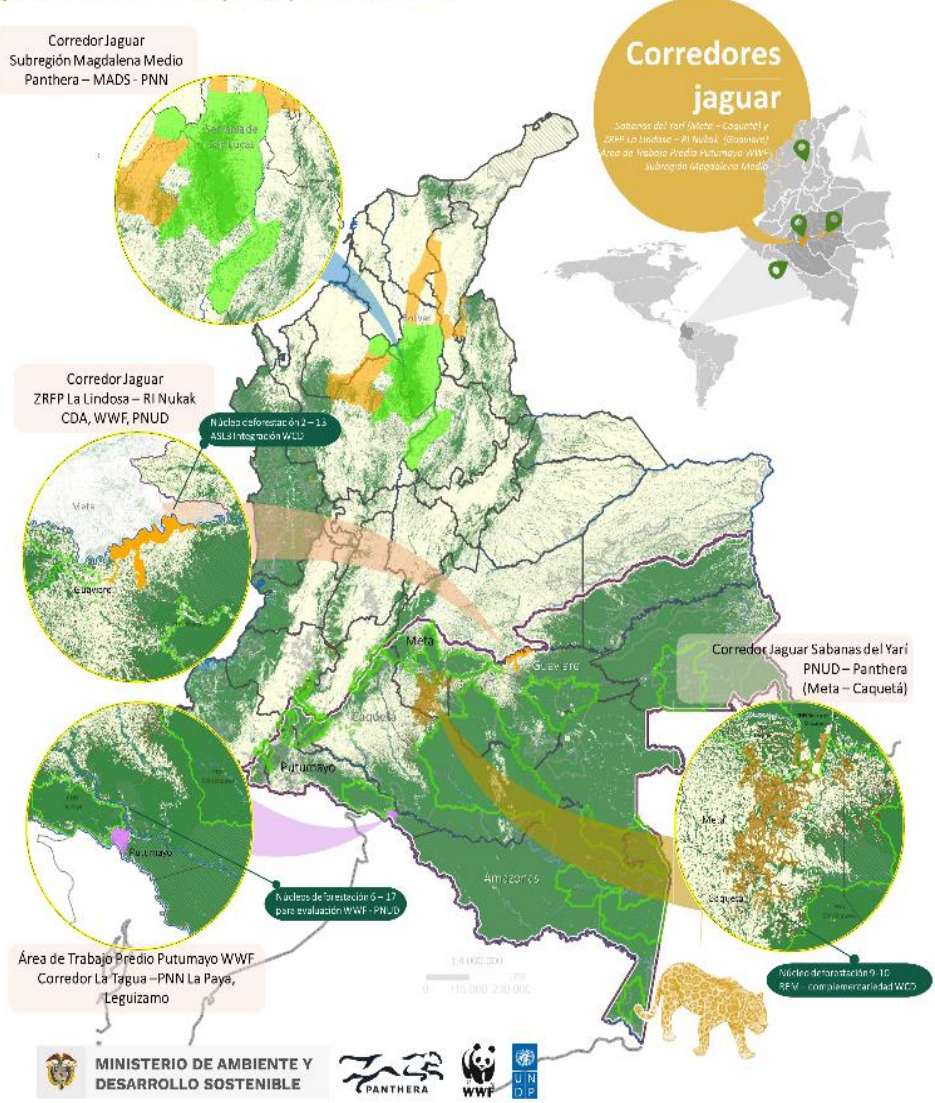
Prioritised properties 913 (6415 Hectares)

Implementation area* 3284 Hectares

Phase: Pre-feasibility.

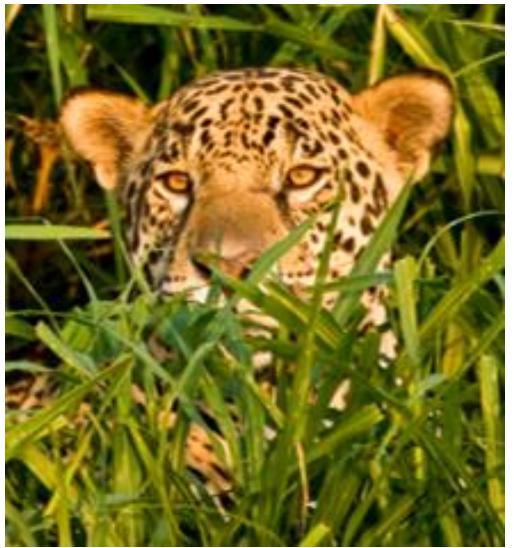
Jaguar Bond – Impact – performance / result based

Corredores de Conservación de la Vida Silvestre para el Desarrollo (WCD) en Colombia



POTENTIAL ACTIONS:

- Identification of geographical location: Prioritization of geographies.
- Promoting local economies and community participatory systems
- Financial structure: Prepare information regarding potential projects and interventions. As well as, in terms of potential KPIs, and monitoring and verification mechanisms (definition of time).
- Definition of operational model and governance framework: Definition of interventions, assessment framework and verification.



IMPACT:

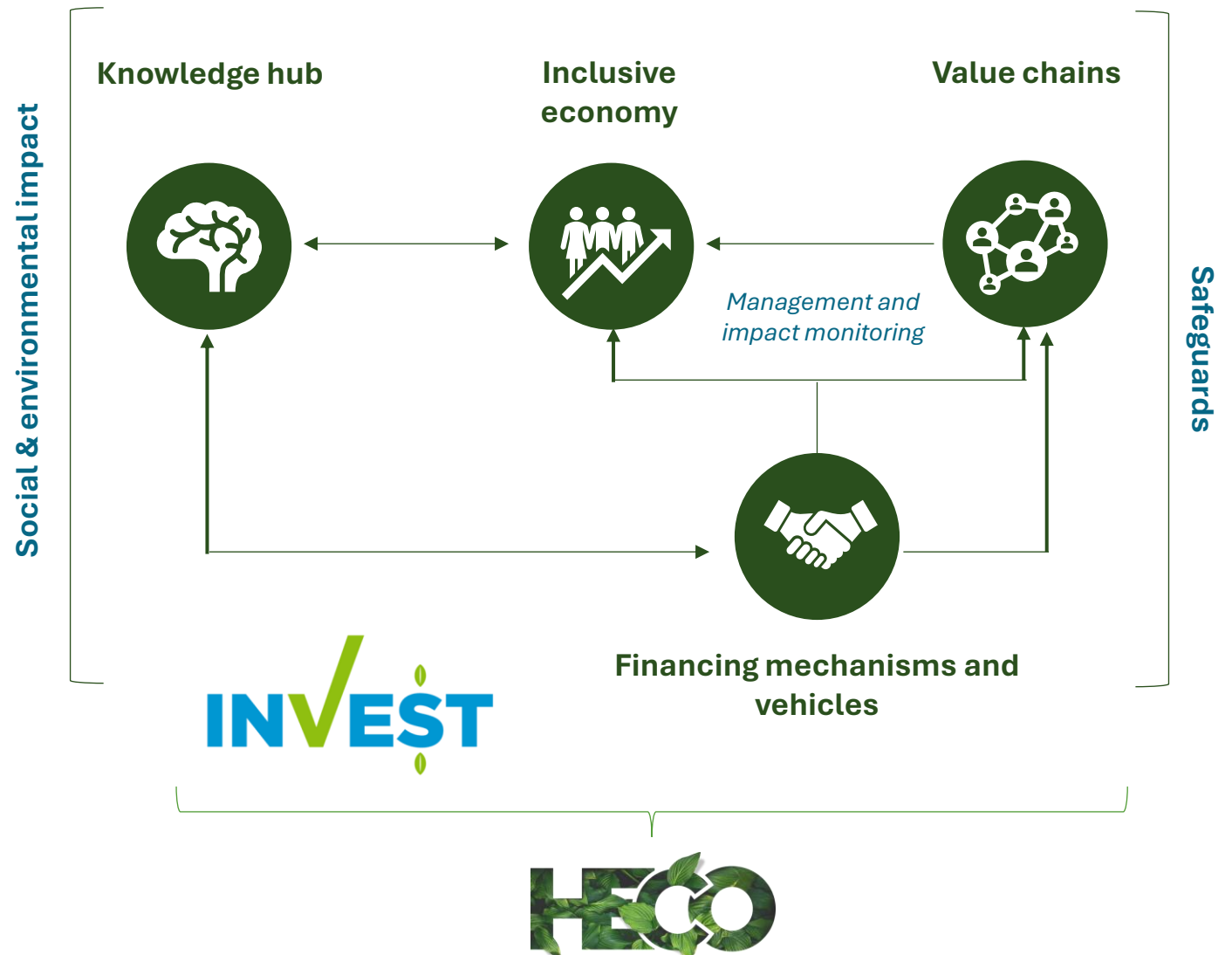
Terrestrial protected areas created or under improved management (5.926.432 hectares)
 Area of land and ecosystems under restoration (5.000 hectares)
 Area of landscapes under improved practices (1.283.051 hectares)

Impact Investment HECO INVEST

Invest is an initiative that connects investment with solutions that have an environmental, social and economic impact in favor of the conservation and well-being of Colombians.

Through INVEST, we promote impact investment to protect Colombia's natural and social capital and promote positive change in highly climate-vulnerable territories, through its lines of action:

- ✓ Inclusive economy
- ✓ Value chains
- ✓ Financing mechanisms
- ✓ Knowledge Hub (Reporting, measurement and traceability)





Origination Facility Hub

Community Inclusive BioEconomies

Community Initiatives located in strategic territories/landscapes (e.g., vulnerable to climate, public risk, generation of essential ecosystem services such as water, food, fibers, timber, energy and carbon, among others)

Pilot in HECO Landscapes



Objective:

Structuring initiatives, promoting empowerment and capacity building with a focus on landscape-scale initiatives and impact on biodiversity, improvement of community well-being, regenerative economies, and inclusive financial mechanisms

INVEST – facility to originate, structure and connect communities' initiatives /

businesses with funders/ enhancing monetary and non monetary type of investments based on equitable benefit sharing mechanism





Matchmaking facility

Corporate Value Chain – regenerative socio bioeconomies

We aim to **promote the strengthening of socio-business capacities** focused on opportunities for optimizing a value chain. By fostering the development of connections and consolidating alliances among actors committed to conservation impact, biodiversity, and climate change.

We achieve this by **guiding Businesses (B businesses) practices towards sustainability, identifying opportunities, driving their growth, and ultimately facilitating access to financing and promoting regenerative value chain**



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Building Solutions Process

Innovative Financial Mechanism

Identifying **landscape needs** and **opportunities of investment.**



Identifying **financial needs** and **opportunities of investment ecosystem**



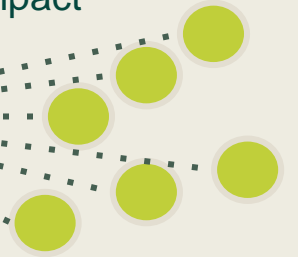
Design of financial mechanism



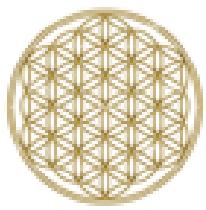
Integrating partners and ecosystems actors.



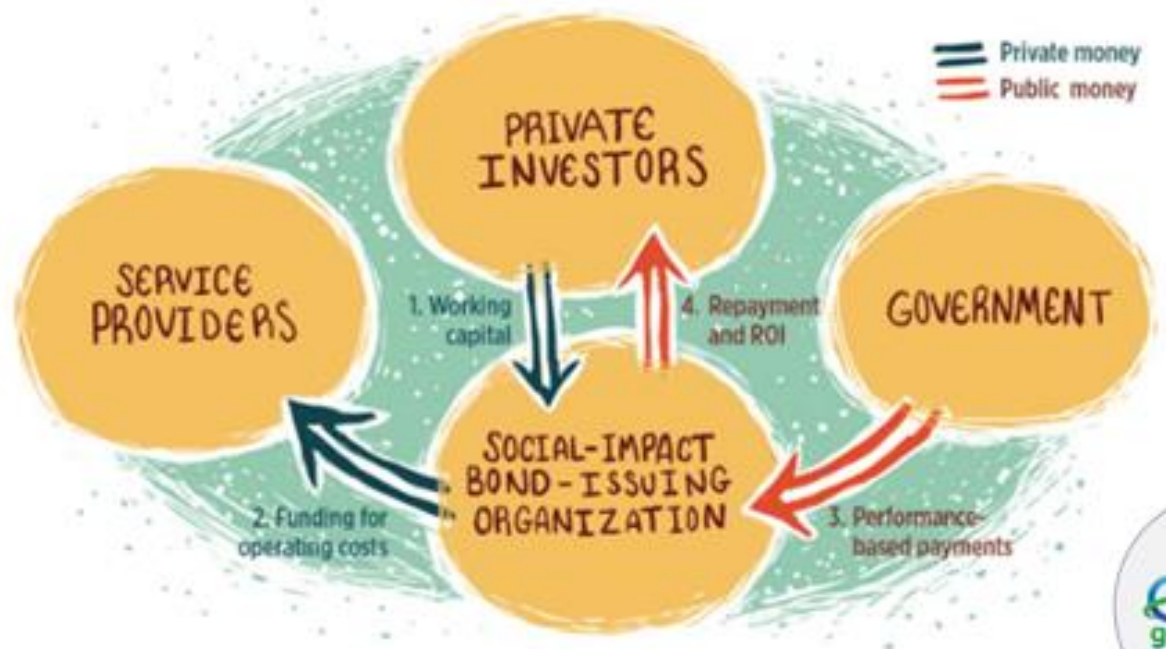
Develop the financial mechanism aiming to generate impact



Jaguar Bond – Impact – performance based



Broad set of actors
-local communities,
public conservation &
private initiatives-



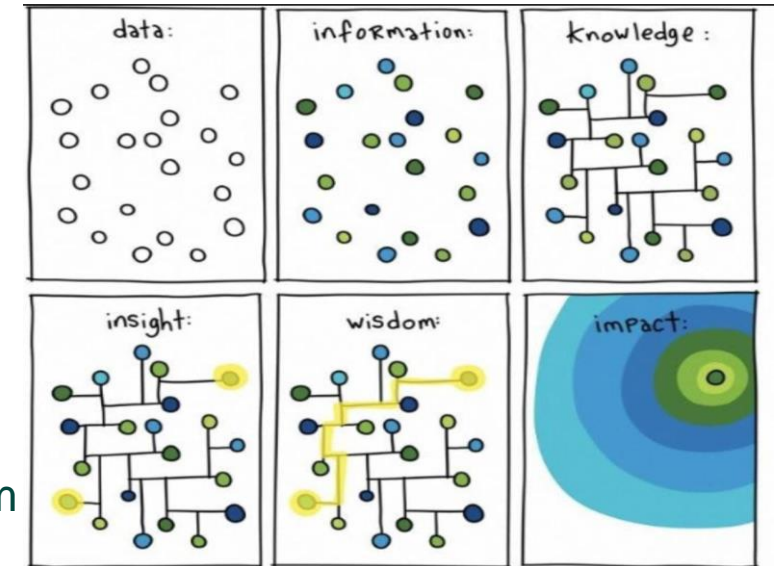
#Debt4Nature
SWAP



Reporting, measurement and traceability

Dynamic and collaborative space dedicated to identifying and strengthening social, environmental and financial impact:

- Consolidates and transforms information and data, generating knowledge related to social, environmental and financial impact
- Promotes transparency through traceability of the transformation of information into reliable and transparent knowledge for the ecosystem
- Provide Data to improve investments decision making to enhance impact



Based globally and nationally standardized indicators and metrics, using Artificial Intelligence for Environmental Sustainability (ARIES), and algorithms with machine reasoning modeling, the platform accesses the most relevant data to inform the potential impact of investments

Conclusions

1. Heritage Colombia

- Landscape Approach and scope
- Results-based conservation plan
- Measurement: indicators & KPIs
- Financial gap and financing model

2. Blended financial solutions

2.1. Concessional financial sources

- Philanthropic donations
- Bi-multilateral government grants

2.2. Domestic revenues streams

a) Regulated instruments:

- Taxes
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- a) Inclusive economy
- b) Anchor companies for regenerative economies
- c) Greening Finance: financial vehicles & financial institutions
- d) Reporting, measurement and traceability

