

# Innovative Finance and Transforming Global Agriculture

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# FINANCING NATURE

Closing the global  
biodiversity  
financing gap



PAULSON INSTITUTE

保尔森基金会

The Nature  
Conservancy

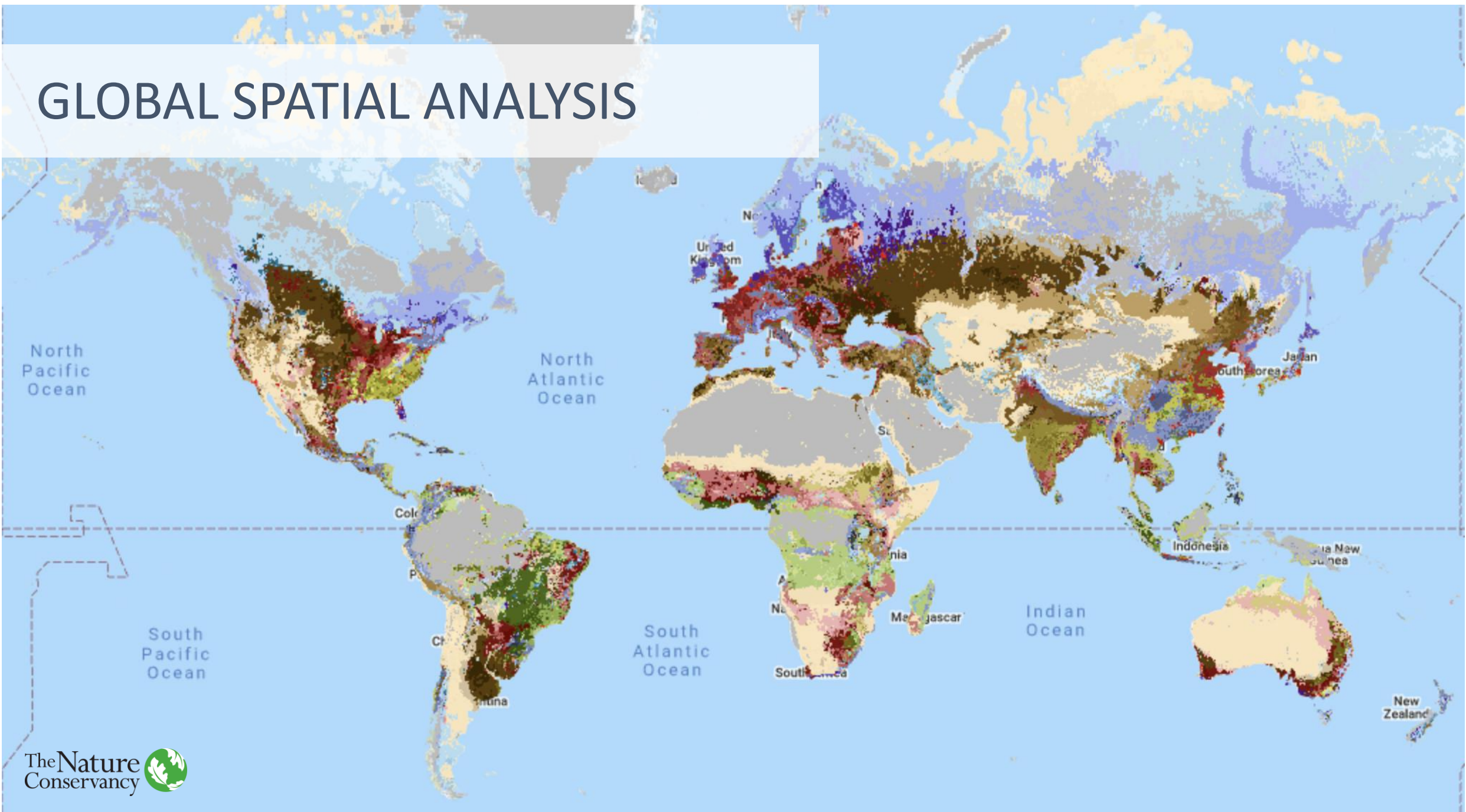


Cornell  
Atkinson  
Center for  
Sustainability

# Innovative Finance

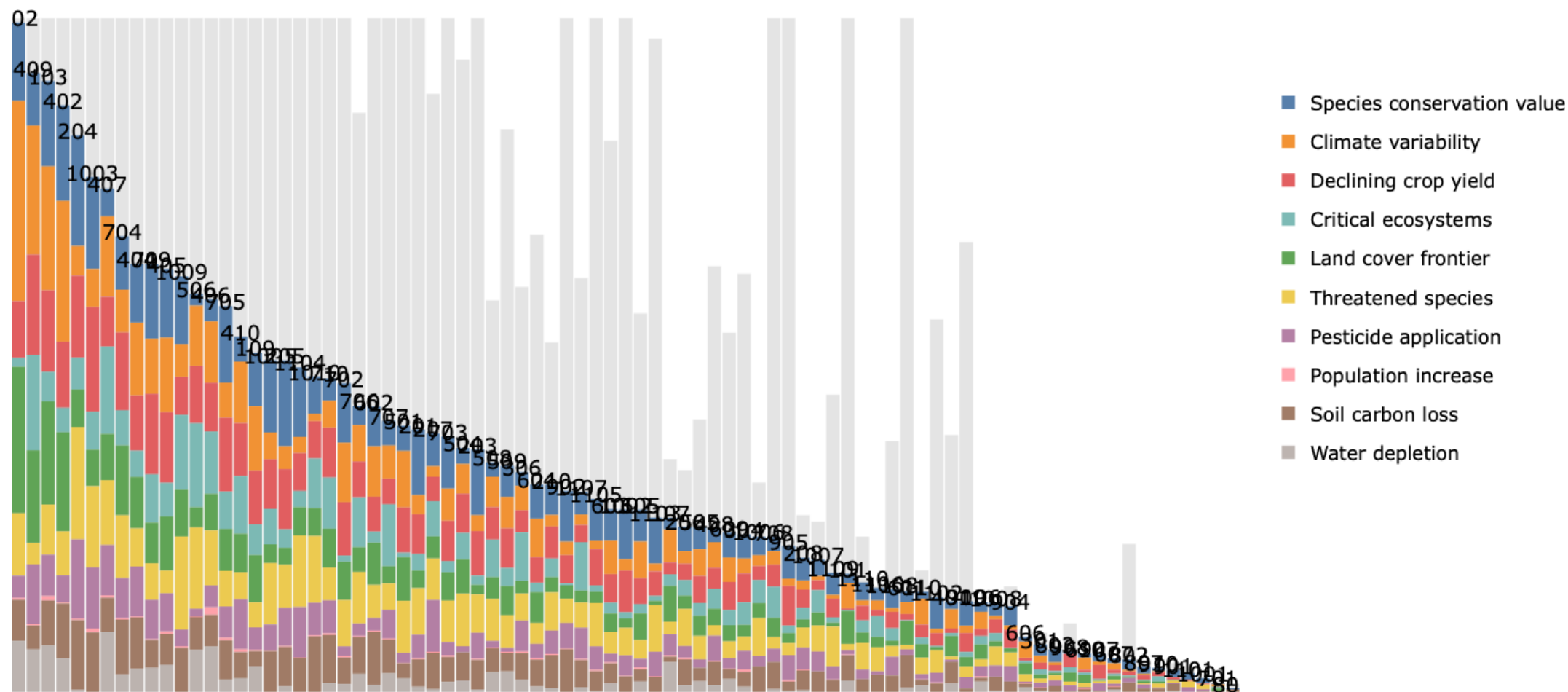
**Leveraged Land Deals,  
& Easements, Blue & Green Bonds,  
Reef Insurance, Debt-for-Nature  
Swaps, Investible Deals for  
Conservation, Farm Loan  
Products, Urban Environmental  
Markets, Carbon Credits**

# GLOBAL SPATIAL ANALYSIS



# STATE OF OUR FOODSCAPES

Understanding how foodscape classes are exposed to key risks



# NATURE-BASED SOLUTIONS IN FOODSCAPES

COVER CROPPING

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INTERCROPPING

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PRECISION NUTRIENT MANAGEMENT

-----

PLANNED ROTATIONAL  
GRAZING

-----

AGROFORESTRY

SUSTAINABLE FISHERIES

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RESTORATIVE AQUACULTURE

CRITICAL ECOSYSTEM PROTECTION

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FOREST AND GRASSLAND RESTORATION

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AVOIDED CONVERSION

Agroecology and regenerative agriculture

Healthy and productive oceans

Protection and restoration of nature

# Biodiversity Finance Mechanisms

## Harmful Subsidy Reform

Current estimate (negative flows)  
US\$ 273.9–542.0 billion per year

Future potential (negative flows)  
US\$ 0–268.1 billion per year

(assuming most harmful subsidies reform scenario)

## Recommendations

### Governments

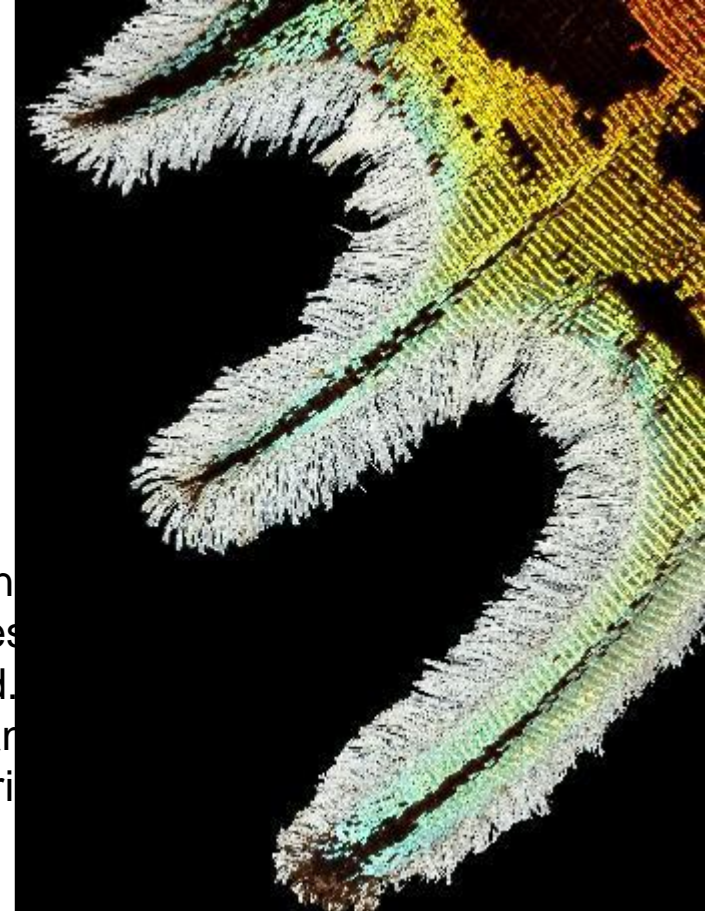
- Redesign, reduce, or redirect existing subsidies while protecting the interests of marginalized groups to be impacted.
- Donor countries should provide financial and technical support to recipient countries to facilitate subsidy reforms.

### Businesses

- Review, identify, disclose, and implement their commitments to transition away from harmful subsidies.

### International Organizations

- Develop common methodology and strategy.



# FINANCING MECHANISMS

Grants (no payment)				Repayable finance	
GRANTS	SUBSIDIES	PAYMENTS	RISK MANAGEMENT TOOLS	DEBT	EQUITY
<ul style="list-style-type: none"> <li>Public and foundation funding for conservation easements</li> <li>Research and development grants</li> <li>State and federal funding for land and water acquisitions</li> <li>Research and development grants</li> </ul>	<ul style="list-style-type: none"> <li>Tax incentives</li> <li>Public agricultural subsidies</li> <li>Partial cost reimbursement</li> </ul>	<ul style="list-style-type: none"> <li>Direct payment for ecosystem services (e.g. carbon offsets and payments to farmers)</li> </ul>	<ul style="list-style-type: none"> <li>Crop insurance (US Farm Policy)</li> </ul>	<ul style="list-style-type: none"> <li>Commercial loans</li> <li>Farm lending</li> <li>Sustainability-linked loans</li> <li>Green bonds</li> <li>Bank ESG programs</li> <li>Other public credit</li> </ul>	<ul style="list-style-type: none"> <li>Private equity funds</li> <li>Other farmland investment funds</li> <li>Early stage funds</li> <li>Publicly traded or private</li> </ul>



# Thinking Together

- At an Order of Magnitude, e.g., \$30 billion investment opportunity to support farmers in the sustainable production of beef and soy in the Amazon, Cerrado and Chaco biomes of South America.
- What have we been learning and what do we need to learn to apply innovative finance to support the transition of agriculture to a system that better serves people & planet?
- How do we engage all stake holders, including small-scale producers, indigenous peoples, and local communities?
- In what ways must we think bigger and more holistically, e.g. a focus on energy provisioning could go hand in hand with agriculture reform.