

Investing Into Our Future

Mt Mulanje Biosphere Reserve
Mulanje Mountain Conservation Trust
Malawi

February 22, 2023



Presentation outline

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1. The Mt Mulanje Landscape



Mt Mulanje is the highest mountain (3,002 m) in tropical southern Africa

Forest Reserve Protected Area: 640km²
Global Biosphere Reserve = 1,002 km²

- UNESCO Biosphere Reserve
- Afromontane biodiversity hotspot
- Key Biodiversity Area (Priority One)
- Alliance for Zero Extinction Site
- World Heritage Site listing in process (Intangible Cultural Landscape)

2. District Development Potential



District populations

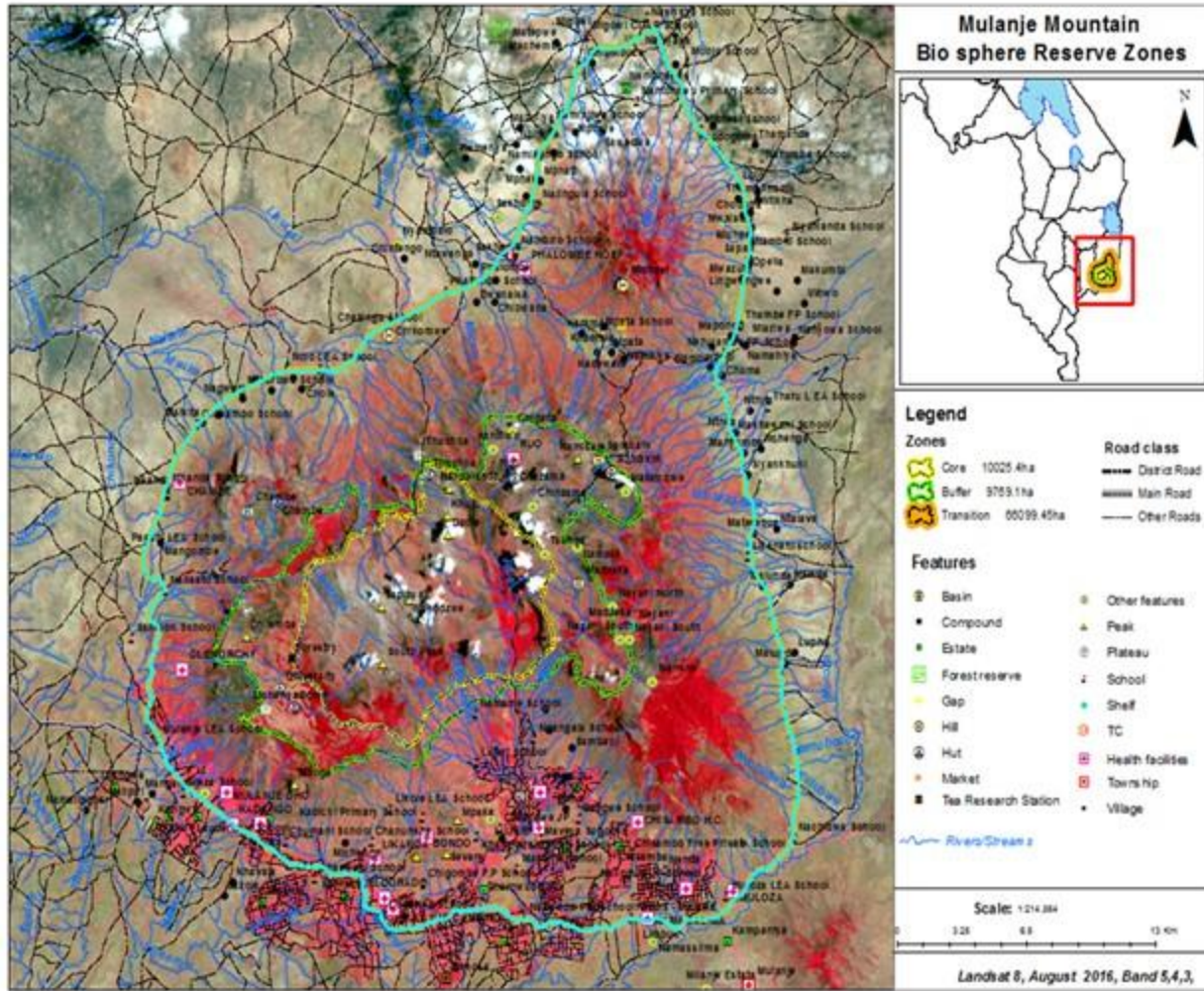
Mulanje: 684,107 334/km²

Phalombe: 429,500 308/km²

Development potential

- Well established tea industry
- Hydropower potential
- Gravity Piped Water & Irrigation
- Tourism potential
- Agriculture & forestry potential
- Entrepreneurial culture
- Youthful population
- Good road connection to nearby Blantyre City & Mozambique

3. Individual Village Profiles



340 villages located in the Transition Zone of the Biosphere Reserve.

80 Village Profiles have been drafted, describing the community's number of households and an overview of their programmes, plans, natural and social assets and an outline of the village development agenda.

The Profiles are grouped per river catchment and provide key insights into the socio-economic status and local perceptions.

4. Integrated Management Plan (2019-2029)

Understood to be the first integrated multi-sectoral management plan for a protected area in Africa. Developed by the Department of Forestry and facilitated by the US Forest Service, it is detailed with the technical expertise of 8 national government sector agencies and two local government councils. Leading local stakeholders were closely involved.

Overall objective: The sustainable conservation and utilisation of Mount Mulanje Biosphere Reserve for the benefit of all in Malawi and the global environment.

Subsidiary objectives:

- Conserve biodiversity, restore ecologies and enhance ecosystem services.
- Contribute to building sustainable, healthy and equitable societies, national economies and thriving human settlements in harmony with the Biosphere.
- Facilitate biodiversity and sustainability science, education for sustainable development (ESD) and capacity building.
- Support mitigation and adaptation to climate change and other aspects of global environmental change.



5. Mulanje Mountain Conservation Trust

Conservation Trust Fund with UK FCDO, World Bank & GEF support.

Inclusive Board Governance:

- 2 traditional authorities
- 6 sector & local government agencies
- 2 academic / research institutions
- 2 conservation organisations
- 1 private sector association
- 1 civil society organisation

Legally operational since April 2000.

Establishment of a staffed Institution seen to enable long-term permanence to sustain conservation & development action.

The main focus of the MMCT Strategic Plan (2022 - 2027) is to secure the management concession of the Forest Reserve.



Vision

The vision of MMCT is to contribute towards a Mt Mulanje Global Biosphere Reserve that is responsibly managed and equitably benefitting all.

Mission

MMCT is a collaborative partnership that provides an enabling environment for the improved management, wise use and understanding of Mount Mulanje and its resources in a transparent, professional committed and sustainably financed manner.

6. Substantive past financial support

MMCT has channeled significant funding, mostly grants, to assist a wide variety of achievements that have assisted the government management agency, research agencies & community development. The large donors have been:

Financier	Amount	Year	Purpose
Global Environment Facility	USD5.5million	2005	Capitalise MMCT Conservation Trust Fund
World Bank	USD2.2million	2002 - 2008	Conservation support
NORAD	NK7million	2008 - 2013	Conservation support
USAID	USD2.6million	2010 - 2013	Catalysing a green economy

MMCT provides a nexus - typical of a Conservation Trust Fund - to enable a blended finance mix to support a landscape approach by disbursing finance to many interrelated conservation and development activities.

7. Partnership dashboard



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8. Investment portfolio – Management concession

Landscape management concession & capacity investment

- Securing management concession to unlock resource opportunities
- Re-capitalising the Endowment (Conservation Trust Fund)
- Building Protected Area management capacity and capability
- Partnerships to improve conservation and socio-economic outcomes

Endowment fund re-capitalisation US\$ 2-5 million

Concession-making process US\$ 55,000

Management assets & staffing cost US\$ 650,000 (year 1)

Management operational costs US\$ 450,000 (years 2 - 4)

The **ideal financial instrument** would be a **landscape bond** otherwise a blended finance mix of grants, equity impact investments, a sinking fund & a loan facility for third-party concessionaires.

9. Investment portfolio – Scale-ups

Scale-Up investment opportunities: US\$ 1-25 million.

- Equity investment & JV finance into hydro-power IPP generation & distribution.
- Blended investment to upgrade landscape-level small-scale irrigation schemes & pump solar scheme power grids.
- Water Fund finance to catalyse user payments to sustain catchment management.
- Carbon trade to biomass-efficient & electric cookstoves = less fuelwood demand
- Forest restoration grants / carbon investments.
- Micro-finance guarantees to up-scale bee-products & aquaponics associations.
- Impact investments into Inde-Mulanje natural & agro-products factory.

10. Investment portfolio – Start-ups

Start-Up investment opportunities: US\$ 1-2 million

- Grant-assist training & inputs to initiate horticultural seedling nurseries.
- Market links between retail and artisanal craft-making groups.
- Commercial leases to 6,000ha timber & fruit tree plantations.
- Site lease offers or social enterprise equity for eco-tourism hospitality & activities.
- Attract innovative green commerce - abundant water energy & resource diversity.
- Green bond financing for gravity-fed potable water utility upgrade & sustainability.
- Facilitate cultural World Heritage Site listing to enable events hosting.
- High-value crop & natural product manufacture.
- Eco-tourism hospitality & activities.
- Timber, utility & fruit-tree plantations.

Seeking out Landscape Management Sustainability

Equity investment & JV finance into MMCT hydro-power IPP 10,000 connections & 6.2MW

Water Fund developed to catalyse water-user payments to holistic sustainable catchment management

CONCESSION sustains PA

Blended investment in sustainably managed landscape level small-scale irrigation schemes & pump solar scheme power grids

Impact investments into Inde-Mulanje agro-products factory

Attract innovative green commerce - abundant water energy & resource diversity

Carbon trade to biomass-efficient cookstove & Electric cookstove use = less fuelwood demand

Micro-finance guarantee & loans to up-scale bee-products & aquaponics associations

CONCESSION investments

Green bond financing for gravity-fed potable water supply utility upgrade and sustainability

Forest restoration grant / carbon investments

Market links between retail and artisanal craft-making groups

CONCESSION management

Facilitate Cultural world heritage listing to enable events hosting

SCALE-UPS

Grant-assist training & inputs to initiate horticultural & seedling nurseries

Commercial leases to 6,000 ha timber & fruit tree plantations

CONCESSION contracted

START-UPS

Site lease offers & social enterprise equity for eco-tourism hospitality & activities

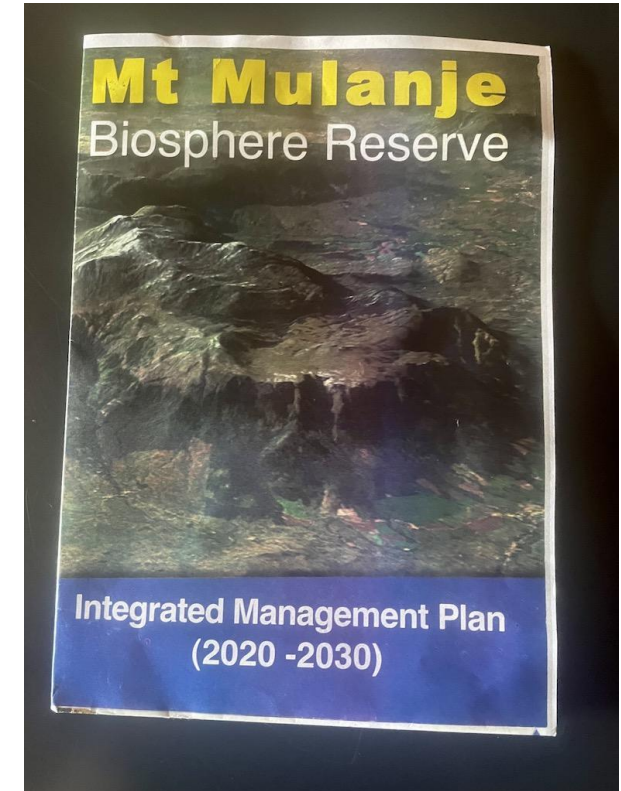


Critical Synergies among the Actions

MMCT views the Management Concession intent as a comprehensive and inclusive best-fit solution enabling a sustainable development landscape platform that engages a mix of partnerships seeking excellence to seek out ecological management achievements that are supported by innovative commercial ventures and an increased role of the local village community to ensure better protected area management.

The critical synergy sought at strategic and ground level is to achieve positive outcomes to commerce, community or conservation, that concurrently realises mutual benefit.

The Integrated Management Plan guides this triple-win.



11. A Mt Mulanje Landscape finance mechanism



CHALLENGE

Over time, the gradual deforestation and habitat transformation of the catchment areas has resulted in lower water quantity and quality.

The deforestation has increased runoff, topsoil losses on mountain slopes, eroded riparian buffer areas, and destroyed wetlands. Catchment degradation and associated vegetation cover has led to more damaging floods. Overtime, the increased sedimentation builds up and reduces dam storage capacity and increased water treatment cost.

MMCT works with the Malawi Government, the Nature Conservancy & Water for People to collaboratively develop the Blantyre-Mulanje Water Fund that seeks to link Blantyre City water utility & local water use to a direct finance stream to improve future catchment management at Mt Mulanje.



CONTEXT

The city of Blantyre, Malawi is often considered the commercial and industrial hub of Malawi. It is the country's major employment center and has the greatest multiplier effect on the economy.

Home to over **800,000** people, the city has seen explosive population growth with the residents increasing by over **350%** since the late **1970's**.



Financing needs – our ‘wish-list’

Most critical needs of our integrated landscape investment portfolio:

Endowment fund re-capitalisation	US\$ 2-5 million
Concession-making process	US\$ 55,000
Management assets & staffing cost	US\$ 650,000 (year 1)
Management operational costs	US\$ 450,000 (years 2-3)
Start-up investments	US\$1-2 million
Scale-up investments	US\$1-15 million

Commitments do exist to support some of these needs.

The ideal financial instrument would be a landscape bond, otherwise a blended finance mix of grants, equity impact investments, a sinking fund & a loan facility for third-party concessionaires.

12. Landscape investment: lessons learned

- 1) Look for linkages, synergies & complementarities between investments
- 2) Standardise similar investment types & styles to avoid conflicts
- 3) Seek out triple-win benefits (conservation, community & commerce)
- 4) Utilise the best expertise and expert advice
- 5) Follow compliance, standards and certification where possible.
- 6) Insure, de-risk, increase resilience and resolve conflicts.
- 7) Ensure market demand exists for enterprise products & services.
- 8) Build partnerships with patience for long-term sustainability.

For more information

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