

Financing an Ecosystem Restoration Business Model Regenerative Production Landscape Tanzania

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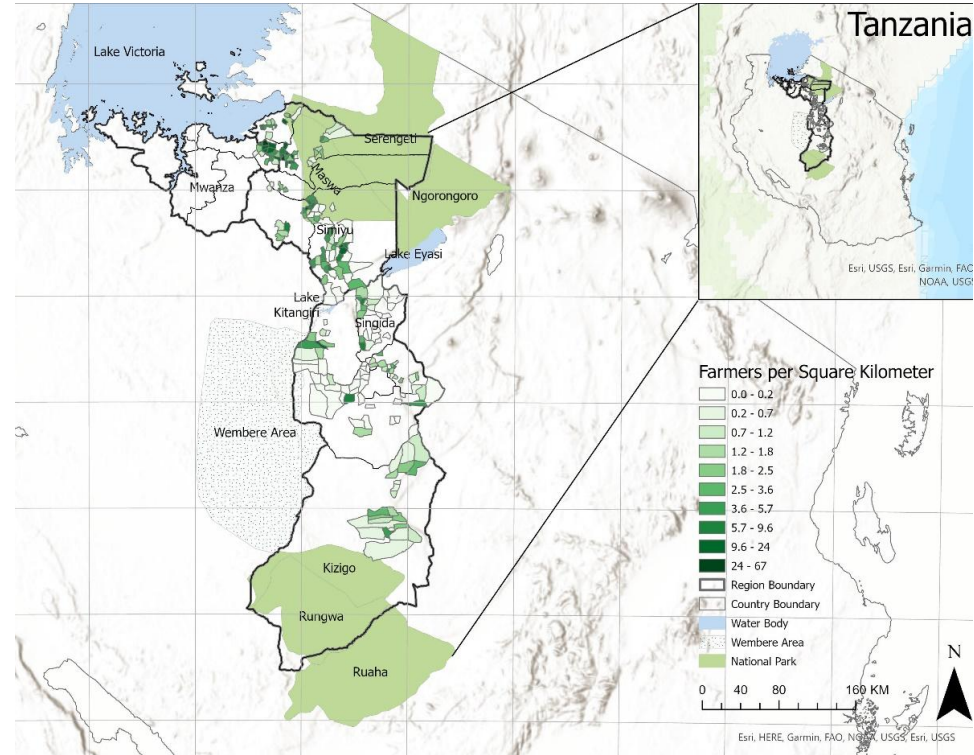
Laudes ———
——— **Foundation**

Regenerative Production Landscape Tanzania

The project area covers two regions with 70,000 sq. km and roughly 2.9 mil. people. They are semi-arid regions with a very high degree of **land degradation and deforestation** rates that are among the highest in the world.

They are located between national parks in the North and South and other **biodiversity hotspots** which are extremely important for **wildlife exchange and conservation** as well as conserving and rehabilitating biodiversity.

Rain-fed agriculture is the main economic activity in the region, generally with maize and paddy as food crop and **cotton, sesame and sunflower as cash crops**, while livestock keeping also plays an important role. This production system is extremely vulnerable to external factors such as rainfall, droughts, erosion, and occurrence of pests.



Regenerative Production Landscape Compact

An existing and organically grown partnership that is being scaled into an integrated landscape management approach with mutual interests and benefits

The partnership encompasses a **bottom-up process** with currently more than 50,000 organic certified smallholder farmers and their communities organized in village committees to district authorities, organic cotton ginners and other private sector players as well as CSOs.



Smallholder
Farmers



Village
Committees



Civil Society
Organizations



District
Authorities



Organic
Cotton
Ginners



National
Policies /
Strategies

A **policy adaptation** process captures learnings and consolidates strategies and policies from **local to national level**.

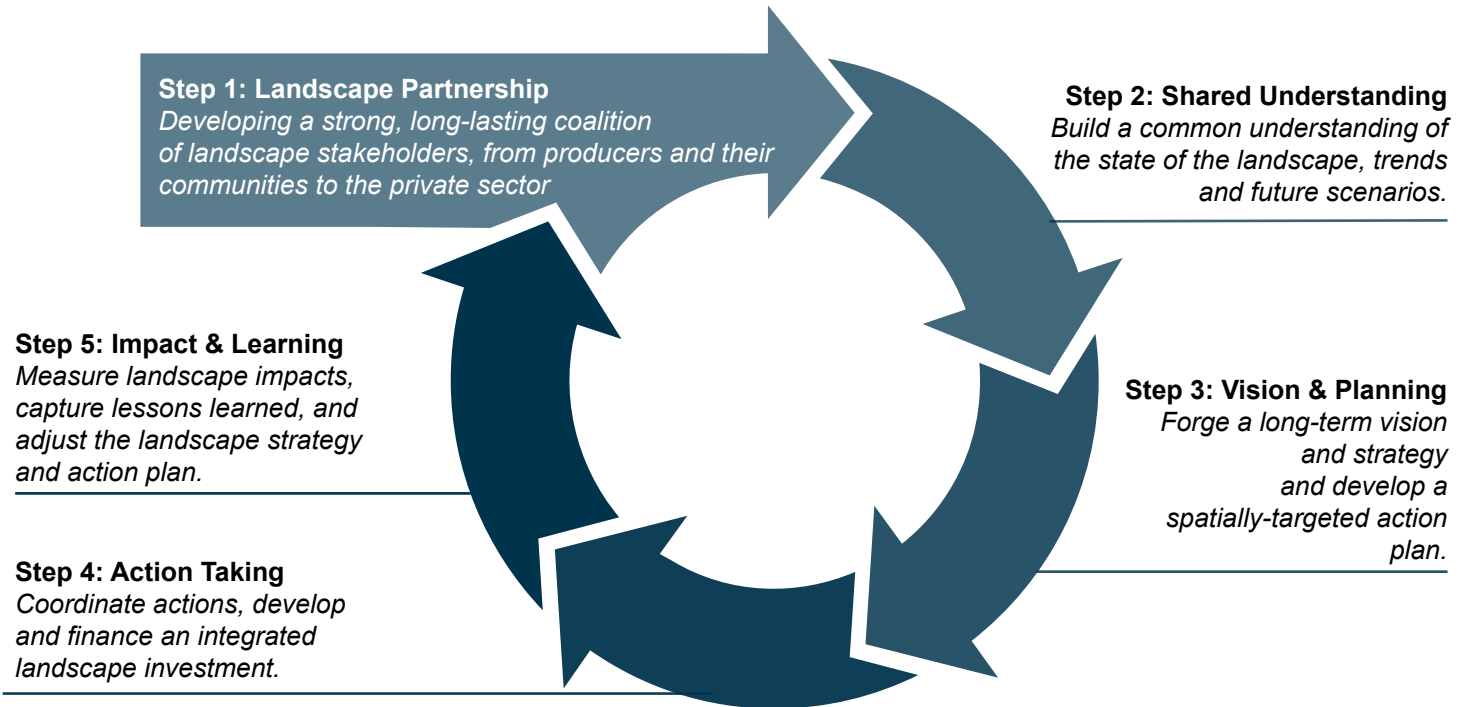
The partnership grew organically since 2017 with the implementation of an Organic Cotton Project funded by Laudes Foundation.

The need for solutions to increase **resilience to climate change** brought partners together when all stakeholders realized it requires **collective action beyond the farm-level**.



Our vision and transformation strategy

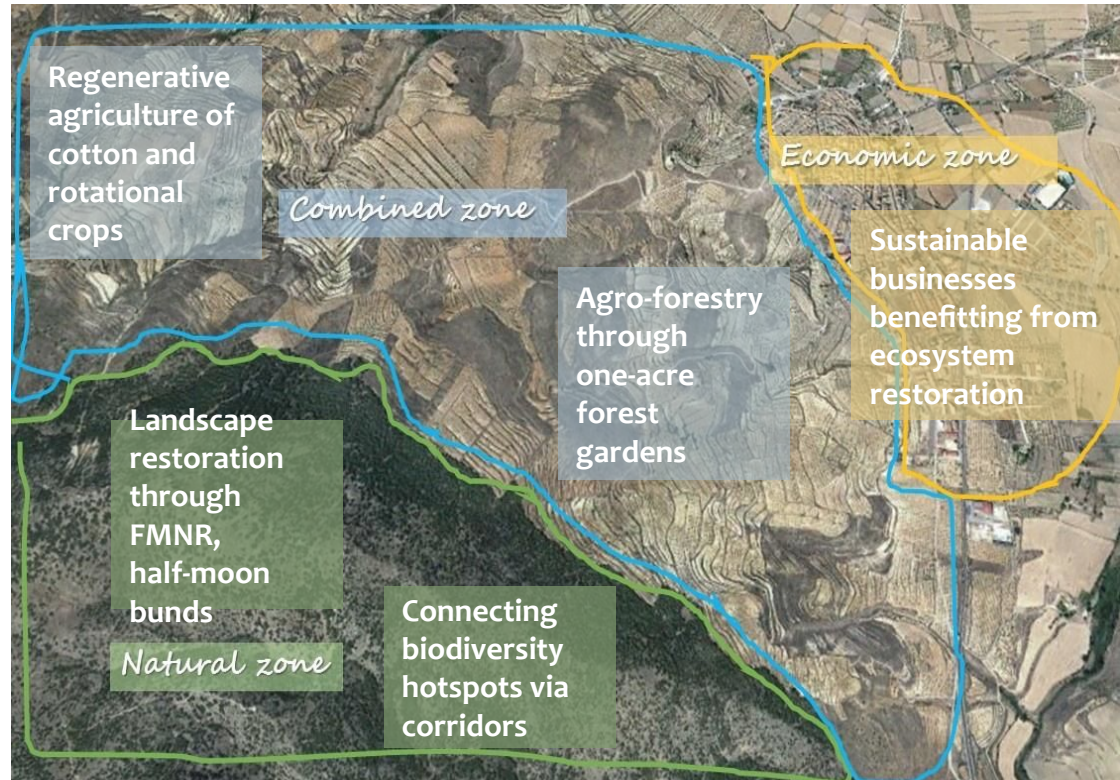
Creating a **business model for a regenerative production landscape** will safeguard natural resources, biodiversity and endangered species, while strengthening local populations' resilience to climate change. It brings together the primary users of the landscape and stakeholders in a **roadmap for an integrated landscape restoration strategy** that creates **sustainable business and restoration opportunities**.



Landscape action plan: Synergies for impact at scale

Through spatial planning, the landscape will be divided into **natural, combined and economic zones** to better understand the different needs and values in any one area and to ensure space for nature and people equally. Actions on different levels bring synergies for overall and systemic change in the landscape.

- **Farm-level** activities on regenerative agriculture including agro-forestry for farm resilience are supplemented with **community-level** planning for climate resilience through restoration of biodiversity, livestock management, and the protection of water bodies.
- **Landscape-level** restoration takes place e.g. through Farmer Managed Natural Regeneration (FMNR) to restore tree cover and environmental plans for overgrazed communal land for large-scale landscape restoration through the half-moon bund method.
- **District-level** environmental action planning synergizes all solutions into an integrated approach (biodiversity corridors, organic farming zones and overall climate-resilience of landscapes).



Critical synergies among the actions

A Landscape Compact brings together relevant stakeholders and their current engagement in the landscape behind a common vision and a roadmap for an **integrated ecosystem restoration strategy**.



Producers

Smallholder farmers practicing regenerative agriculture, are part of inclusive business models, conserve biodiversity and become more resilient to climate change



Communities

Village Environmental Committees are planning measures to increase resilience to climate change including land-use planning and local regulations.



Local Government

Local and District Environmental Action Plans and spatial planning consolidate community interventions, provide required strategic and legal backing and make them fundable.

Landscape Compact

A common vision for a regenerative production landscape brings together all stakeholders behind a roadmap for an integrated landscape restoration strategy that creates sustainable business opportunities

Private Sector

Companies are engaged in supporting farmers and communities and profit from a sustainable business model



Civil Society

CSOs support and facilitate farm-level interventions with large-scale tree and landscape restoration activities



Investors

Impact investors and funders are investing in bankable projects in a sustainable business environment



Building a landscape investment portfolio

Creating a regenerative production landscape business case where investment benefits from an **ecosystem restoration business model** that is being recognized and utilized by all stakeholders



Scaling of regenerative agricultural production through scalable companies currently offering extension services that improve soil quality and yields with the potential to reach more than 100,000 certified smallholder farmers towards creating a sustainable sourcing area for cotton and rotational crops.



Market actors require investment to develop or expand sustainable business models that promote regenerative and land restoration measures, thrive within the landscape and are connected to local, regional and international markets.



Carbon credits can be generated from large-scale reforestation, landscape restoration measures, agro-forestry and regenerative agricultural practices.



Restoring the landscape through community initiatives, such as Farmer Managed Natural Regeneration (FMNR), water harvesting through half-moon bunds, agro-forestry restoration of biodiversity and natural ecosystems.



District Environmental Action Plans (DEAPs) are made fundable to synergize solutions into an integrated approach aiming at creating biodiversity corridors through spatial planning and reforestation, supporting large conservation areas and organic farming zones.

Current financial support

Existing core funding offers the basis for the creation of an integrated landscape management approach. This provides facilitation and technical assistance resources that can moderate and channel further funding into the landscape



Various donors are funding isolated landscape restoration activities to be coordinated and scaled



Cotton companies are investing into more than 50,000 organic smallholder farmers through input provision and extension services



Different levels of government funding from national and regional to district and village level invest in their landscape



Continuous core funding is guaranteed until 2027 that provides resources for landscape facilitation, technical assistance and an innovative M&E platform

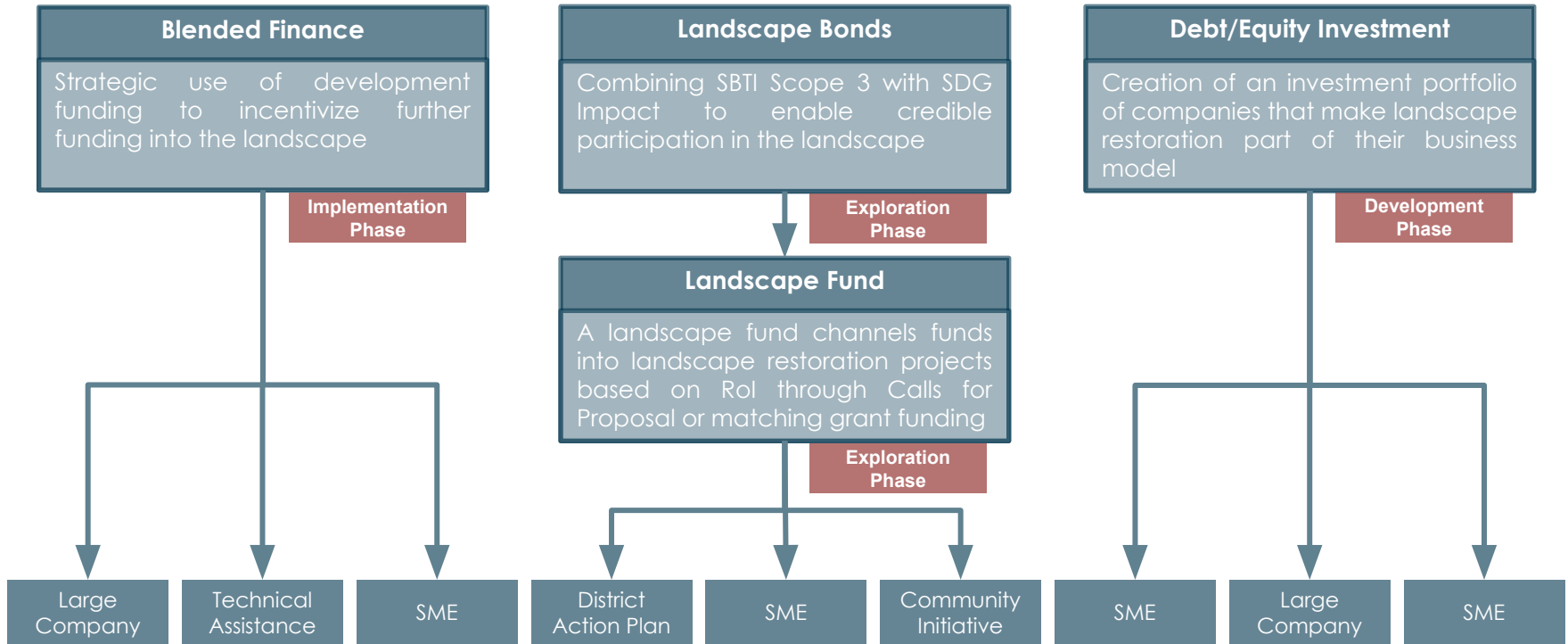


Ongoing funding of Laudes Foundation since 2017 has created the foundation for an organic development into an integrated landscape management approach



Landscape finance mechanisms

Innovative financing mechanisms are being explored to incentivize landscape restoration activities through calls for proposals and/or matching grant schemes as well as credible investments that encourage sustainable business models



Financing needs

The Regenerative Production Landscape in Tanzania would benefit from investments/funding within multiple available **funding pockets and bankable projects**

Debt / Equity or Blended Finance for Cotton Companies

- Scaling of regenerative agricultural production of cotton and other crops that receive premiums through certification

Grant Funding or Blended Finance

- Support to SMEs in the landscape that include restoration measures into their business model (e.g. local processing or input provision)

Carbon Finance

- Generation of carbon credits from large scale reforestation, landscape restoration measures, agro-forestry, and regenerative agricultural practices

Grant Funding for Landscape Restoration

- Community landscape restoration plans (from land use planning)
- CSO landscape restoration measures (FMRN, water harvesting, etc.)
- District Environmental Action Plan implementation (reforestation, etc.)

Grant Funding for Technical Assistance

- Increasing the geographical scope and reach of the existing TA facilitation team
- Supporting further technical studies and cost-benefit analyses

Philanthropic funding

- Funding for wildlife conservation around endangered species and protection of important biodiversity areas and hotspots

Landscape investment: lessons learned

1. Initial funding for facilitation is absolutely essential.
2. Recognition of landscape realities is more important than staying within theoretical frameworks to sell the partnership.
3. Knowing the different value chains in the landscape and understanding the markets is important to not limit the investment portfolio to 1 or 2 crops/products. This has to be kept open as well. Often investment opportunities only show themselves after some time, as not everything is visible from the beginning.
4. Absorbing too much funding into the landscape too quickly can dilute RoI. Better to not shy away from smaller scale support and conducting pilots to make the case for larger funding.

For More Information

An aerial photograph of a landscape at sunset. In the foreground, a white cylindrical water tower with a blue band and a ladder is situated on a rocky, vegetated hill. The background shows a vast, green valley with scattered buildings and fields, leading to a range of low mountains under a bright, orange sky.

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