Partnerships for
Forests

How de-risking strategies can help to mobilise private investment for businesses that deliver social, environmental and economic benefits

Practical examples from Partnerships for Forests, a UK government-funded incubator

Photo Allison Vos

Partnerships for Forests (P4F) is an incubator funded by the UK government that works to develop and de-risk deforestation-free businesses operating in the tropical forest belt, in order to mobilise private-sector investment and deliver growth in this area. As of 2020, the programme has successfully raised GBP 103 million from partner investors towards our supported businesses. This report provides examples of strategies and approaches applied by the programme to mobilise these investments and change attitudes to risk for those working or interested in working in this area. The report presents case studies where private capital has been mobilised into sustainable businesses, and how business income streams have been strengthened and uncertainties reduced in the long term, improving financial sustainability. The report serves as a useful guide for investors and project developers on how P4F has achieved significant results through its approach to helping immature businesses overcome challenges in their local contexts.

The report is organised in four sections. Sections 1 and 2 compare P4F's and private investors' approaches to selecting and preparing businesses, with a focus on screening and due diligence. Section 3 explores P4F's maturity funnel approach, including its four major stages and complementary case studies to showcase how P4F has provided support to develop project scopes involving: partnership agreements (with a case study on Ecoflora in Colombia); business plans (with a case study on Coopavam and Brazil nuts); piloting (with a case study on palm oil in Ghana); and scaling-up (drawing on case studies from a forestry enterprise in Kenya (Komaza) and the illipe nut supply chain in Indonesia (ForestWise). The final section of the report provides a discussion and next steps.

Photo Juliana Tinoco

Introduction

The world is facing an environmental crisis, with climate-change impacts and rapid declines in biodiversity threatening our future. We need businesses that deliver environmental, social, and economic benefits to both shareholders and communities around the globe. While these businesses do exist, to date many have struggled to achieve financial sustainability in the long-term.

As a result, most of these immature businesses are dependent on grants, technical assistance and concessional financing before they reach a level of maturity where they can be considered "investable" by commercial financiers. Key risks start-ups face relate to creating strong partnerships, defining a concrete business model, effectively piloting, and scaling-up. There is a key role to play for incubators and accelerators, such as P4F, to help address these risks and guide start-ups along the path towards maturity. These organisations provide businesses with an opportunity to improve their operations as well as help them establish partnerships with key stakeholders and investors, allowing them to receive investment and grow their operations and positive impact.

P4F is a programme funded by the UK government which catalyses investments into sustainable businesses that have the potential to either protect or restore forests and generate shared value between the private sector, public sector and local communities. Operating as a business incubator, P4F provides technical assistance and non-returnable funds to businesses that are implementing regenerative business models in land use-related supply chains. The programme supports a wide range of businesses, from early stage ideas to mature businesses. Ultimately, the programme aims to improve businesses' ability to achieve long-term financial sustainability, preparing them to attract further investments and scale up their operations.

Pre-investment assessment: Screening and Due Diligence

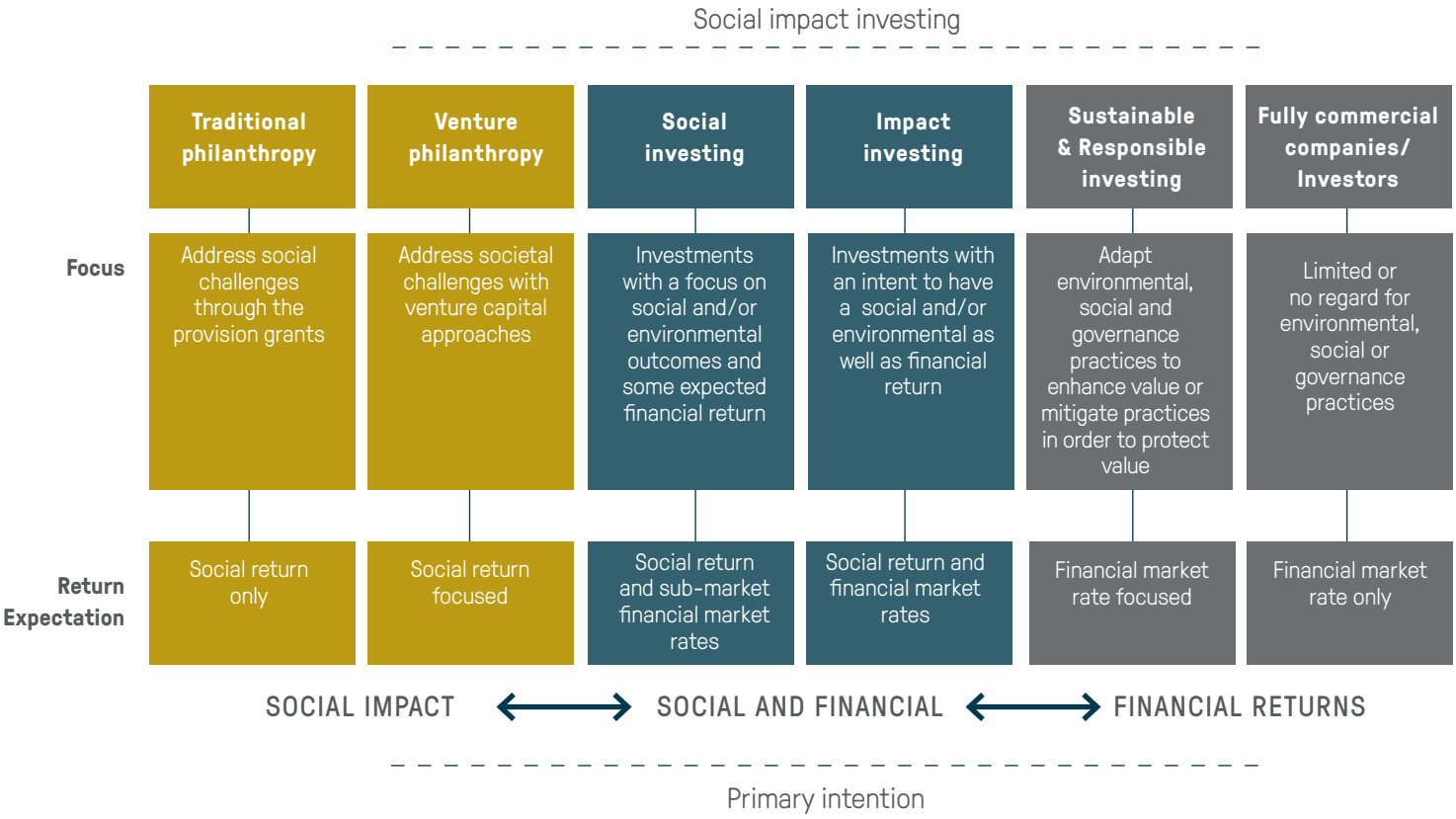
Supporting businesses that are at the pre-investment stage is a critical part of P4F's support. The programme selects businesses and ideas based on their potential to grow and expand their environmental and social impact within a regional strategy, tackling key sustainability and deforestation drivers. At this stage the programme focuses on non-financial criteria, including strength and potential to generate impact; it excludes businesses that could generate negative impact, providing feedback on how their approach could be improved.

At the due diligence stage, P4F deep dives into the business, not only applying the Foreign Commonwealth and Development Office's (FCDO's) due diligence guidelines but also supporting the business in navigating the process. The goal is to ensure businesses will follow the programme's guidelines on fund usage and to support them in becoming a more transparent and confident organisation – guaranteeing optimal use of P4F resources and strengthening governance within each business, an important value for investors. This section presents P4F's initial steps to reduce risks, how the programme structures its portfolio and how this can support businesses.

Investment screening and risks

There are different drivers of screening intensity for commercial investment and venture philanthropy incubators (such as P4F). For commercial investment, although higher screening intensity reduces overall systemic risks[1], portfolio performance can be affected by reduced diversification[2]. On the other hand, a more intensive screening approach – encompassing Environmental, Social and Governance (ESG) criteria – can mitigate risks given that businesses with good social and environmental performance are known to have better management capacity and lower exposure to risk[2]. Finding an optimal balance between these aspects will define whether the screening process should be more or less rigorous.

Figure 1. The Spectrum of Capital[3]



For programmes such as P4F, impacts are the main driver in identifying opportunities for support, and financial returns are secondary. These programmes use a framework of indicators that cut across multiple areas including environmental, social and financial performance. Financial returns are often treated as a positive impact rather than strictly a measure of investment performance. In other words, although returns on funds are not necessarily expected, a catalytic effect in the form of increased financial returns is desired, as this is a good indicator of improved financial health and business maturity. It is therefore seen as a performance indicator of impact on the business as a result of the programme intervention.

With impact as the main measure of performance, programmes such as P4F tend to have a more intensive screening process for non-financial criteria. However, they also have a higher appetite for bringing more immature and financially riskier businesses into the portfolio.

P4F's Approach: Additionality criteria and risks

At P4F, businesses need to be assessed against eight criteria before they can be considered eligible for receiving P4F financial support or technical assistance:

1 • The company has insufficient funds to self-finance (within a reasonable time frame)

2 • The company needs additional knowledge or capacity to design and/or implement a business model that maximises positive impact

3 • Without P4F, the company would be unwilling to implement the proposed business model and/or changes because of perceived negative cost/benefit

4 • The company cannot access the services offered by P4F on a commercial basis

5 • Supporting this project will not displace other companies in the market or that are ready to implement the same project without P4F support

6 • P4F's contribution will not duplicate other donor-funded support

7 • P4F support could leverage investment by other entities that would otherwise not be forthcoming

8 • Conditions associated with the grant are expected to have a positive influence on the business environment/ operations or institutional factors

Due Diligence

With the importance of the environmental, social and governance aspects of investments growing in the international business environment[4], the role of transparency becomes increasingly crucial. From an investor's perspective, transparency is a guarantee that funds are properly used, risks are adequately managed, and results are well communicated.

In this context, an important role of incubators such as P4F is to undertake comprehensive due diligence, helping organisations in assessing and finding solutions to bottlenecks in their own internal management capabilities. More importantly, organisations need an opportunity to learn how to navigate a due diligence process, and to increase confidence when approaching investment offices or auditors. This helps immature businesses to mitigate important risks, allocate resources to overcome institutional bottlenecks and ultimately facilitate the mobilisation of private investment.

P4F supports businesses in developing and implementing complex project scopes by providing resources such as grants and technical assistance from UK government funds (FCDO[5] and BEIS[6]). Funders must be assured that potential grantees will provide a satisfactory level of transparency, comply with guidelines on the use of grant funding and operate to high ethical standards. P4F must also ensure that businesses who are submitting proposals are prepared to guarantee those guidelines are applied by downstream partners that will be carrying out P4F-supported activities. Our experience is that this process has not only reduced material risks for P4F and its partners, but has also generated confidence with other investors.

P4F Due Diligence

After the screening process, P4F evaluates proponents on compliance with a set of institutional criteria. P4F's project finance and risk management teams apply FCDO's due diligence approach, a two-step due diligence process in which the first step verifies: (a) the formal identification of the business; (b) compliance with national legislation, insurance requirements and health and safety regulations; (c) government relationships; and (d) prior conduct.

The second step is a thorough verification in which potential risks and compliance issues are identified across FCDO's five risk pillars (Fiduciary, Delivery, Operational, Safeguarding and Reputational). The risks identified are monitored throughout the project development by P4F's Project Finance and Risk Management teams and by the grantee, using adequate risk mitigation strategies.

To assess the quality and strength of the business's internal policies, the programme requests and reviews a checklist of documents such as anti-fraud/corruption, employment, anti-harassment and abuse, and anti-discrimination policies. If the grantee is unable to provide any of these policies, P4F can offer support by providing guidance on how to develop them. In 2019, P4F developed a toolkit with practical guidelines on how to meet minimum compliance standards that are frequently required to access investment. The toolkit covers aspects of how to develop internal policies on Risk Management, Financial Management and Corporate Governance

Lisandro Inakake
Project Coordinator - Imaflora

"The due diligence process enabled Imaflora to revisit and update institutional policies to address important issues raised by P4F. New elements were developed as policies and processes were triggered, including implementation of more robust due diligence procedures for suppliers and training and induction processes for employees."

Dirk-Jan Oudshoorn
– Forestwise

"Support from P4F and the UK government through DFID was useful to demonstrate to other investors the trust that has been placed in us. The P4F due diligence process accelerated the development of internal procedures and strengthened investors' commitment to us."

P4F's Business Maturity Funnel

P4F has designed a proprietary approach to planning and assessing impacts in strengthening the business maturity of supported businesses. The programme designs its intervention considering the current status of the business and how P4F's financial support can improve it, with the ultimate goal of mobilising investment and increasing the scale of business operations, financial results and impact. P4F's approach comprises four maturity stages (see Figure 2), at which the results from the intervention are assessed by internal approval committees.

Figure 2. P4F Maturity Funnel Stages

As a business incubation programme focused on the tropical forest belt, P4F's role is to understand and support businesses in overcoming internal and local contexts and challenges that are preventing them from growing. Institutions matter, as they provide the rules of the game for organisations in a local competitive environment. And with local regional teams, P4F can understand the challenges of the business environments through the lens of local specialists, who are responsible for developing regional strategies considering interventions where additionality is relevant.

In broad terms, assistance and grants are used to help businesses reach maturity, with objectives including (but not limited to) the formalisation of critical partnerships, the development of business plans, overcoming operational and financial challenges related to piloting, and designing and developing investment plans. Although P4F provides support through a structured approach with an established assessment methodology, it is not a one size solution. The programme provides a level of flexibility for tailored interventions for businesses at different maturity levels, providing support to help them monitor and understand their own business evolution and impact. The next sections will showcase examples where P4F has been successful in supporting a range of different types of businesses.

Examples from the P4F Maturity funnel

Partnership Agreement: converging interests towards impact

Partnership models combine expertise and resources from different organisations and actors. For initial business ideas and grassroots organisations working in complex contexts, partnerships with relevant stakeholders can improve business environments and increase the chances of success.

However, partnerships are not easy to establish or maintain, demanding a significant effort to negotiate a fair share of benefits/risks, and consider individual organisations' and stakeholders' interests. Misalignment of interests in fragile partnerships, or non-formal governance arrangements, can create operational and reputational risks and affect the initiative's sustainability – sometimes even in the short-term.

The absence of relevant partnerships, or a poorly formalised relationship, can reduce the likelihood of a business to receive investment. However, a grantor can support businesses in establishing necessary partnership agreements with actors that will help them overcome challenges and reduce risks, particularly in immature supply chains.

Photo Fred Mauro

Photo Allison Vos

CASE STUDY 1

Securing a sustainable supply chain in Colombia, a partnership agreement for Ecoflora

The Business

Founded in Colombia in 1998, Ecoflora has pioneered the development of commercial applications for jagua *(Genipa americana)*, a species native to South American rainforests. The company has developed and patented a process to extract a natural blue colorant from this species, called Jagua Blue. The product has applications primarily in the food industry, which has long been in search of a natural blue colorant that is chemically stable – i.e. that retains its properties over time – to complete the pallet of basic natural colorants.

The Risks

Ecoflora had risks associated with the unstructured supply chain for jagua, with only a few sources supplying the business with the product, and without long-term supply agreements and incentives to maintain a solid and sustainable supply chain.

The Partnership

The signatories of the agreement were Ecoflora, a private company working with sustainable supply chains, and Cornare, the public environmental authority responsible for the protection, regulation and sustainable management of natural and environmental resources in Colombia.

By formalising this partnership agreement in 2019, P4F was able to strengthen and secure a long-term partnership (in the form of a Memorandum of Understanding – MoU) between the organisations. This MOU was signed on top of a pre-existing relationship that relied on consultations and mutual sharing of information.

The agreement committed Cornare to provide technical assistance to Ecoflora in agricultural operations and establish relationships with local property owners by providing an incentive to sign conservation agreements through a payment for environmental services (PES) arrangement. Cornare committed to provide long-term monitoring of jagua plantations and forest protection, assuring the PES mechanism. The public actor also committed to establish a commercial initiative with cattle ranchers and landowners based on jagua, promoting sustainable production within degraded pastureland, and to provide environmental and agricultural training to local communities.

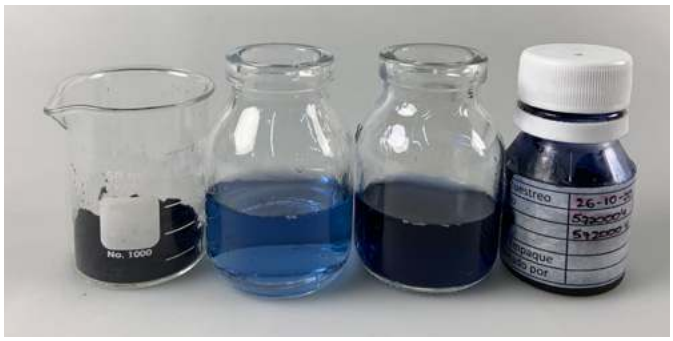
Photos Allison Vos

The Results

As of July 2020, 102 conservation agreements had been signed with local cattle ranchers and smallholders, placing 4,200 hectares under zero deforestation commitments. The agreement mobilised resources equivalent to GBP 119,000 (COP 558 million) from Cornare to maintain the PES system to 2022. P4F's contribution to achieve this partnership agreement and additional support to improve the supply chain and find new markets provided the safe environment needed to secure an additional GBP 390,000 (USD 500k) from private investors, and an additional GBP 2.3 million (USD 3 million) from Ecoenterprises.

"In 2019 when we met with P4F we informed them that having another investor in Ecoflora was important for our investment committee and particularly one that brought sustainable supply chain expertise. Furthermore, their direct involvement in helping them open new markets and finding new products for Jagua benefited all stakeholders. Finally, the due diligence and detailed analysis done by P4F validated the potential we see in Jagua Blue and Ecoflora's ability to meet demand."

John Mckenna – EcoEnterprises Fund



Business Plan: the strategy to materialise a long-term vision

A business plan is a living tool that establishes a strategy to materialise a business's long-term vision. It is a ubiquitous concept widely applied by all types of businesses. The absence of an adequate businesses plan can negatively affect an organisation by reducing its ability to fully assess the value of its products. It also reduces the probability of identifying opportunities, leading organisations to often rely on only a few buyers. By having a limited choice of buyers, the business finds itself in a situation with reduced bargaining power to negotiate prices and volumes. This creates a risky situation where pricing and demand variance can heavily affect the business's financial health.

Sustainable businesses have positive social and environmental impact at their core. They are able to meet the twofold challenge of establishing a business plan that not only provides a long-term strategy to grow profits, but also links this profit growth to strengthened environmental and social impact.

From P4F's experience, immature businesses and grassroots organisations often suffer from the lack of an adequate understanding of the markets where they operate. For these businesses, positive financials often come from a combination of pure determination, support from trusted partners, a deep understanding of the local context and a pinch of good luck. Consequently, a natural ability for entrepreneurship is undermined by the lack of internal business capacity building and an efficient strategy to grow. In these cases, P4F can directly support the development and implementation of business plans, significantly increasing the strength and number of income streams.

Photo Fred Mauro

CASE STUDY 2

Coopavam, developing a market strategy for a Brazil nut processing cooperative in the Brazilian Amazon

The Business

Coopavam *(Cooperativa dos Agricultores do Vale do Amanhecer)* is a Brazil nut processing cooperative that operates in an area with high deforestation pressures in the Northern part of Mato Grosso State. Coopavam buys Brazil nuts from smallholders and indigenous communities, providing an important livelihood alternative to illegal logging, which is directly linked to forest degradation. They produce and sell Brazil nut-based products such as oil, kernels, cookies and flour.

The Risks

Although Coopavam has a strong regional presence and recognition as a social business, they have a small number of customers. Their main buyer, a large Brazilian cosmetics company, accounted for more than 60% of the cooperative's revenue.

The Business Plan

Based on its understanding of the risks posed to the company, P4F provided Coopavam with a grant to develop a Sales and Marketing Strategy with support from BSD Consulting, a fair-trade specialised consultancy company. The firm developed a sound business plan with a study of their profitability per product, a strategy for seeking out buyers and selling their products, and a phased approach to helping the company achieve financial stability and scale up. The improvements in the business will increase Coopavam's capacity to maintain existing customers and meet the requirements of more demanding domestic and global markets.

The Results

With close support from the consultants, Coopavam was able to establish its first export contract, selling 16 tons of Brazil nuts to Gebana, a swiss fair-trade company that supports local sustainable value chains. P4F's grant support and commitment to the initiative provided the assurance necessary for Coopavam to receive an advance of 30% of the contract value, despite not having established contracts with Gebana before.

Piloting: Direct support to achieve proof of concept

With the relevant partnerships in place and a good business plan, the foundations are established for businesses to achieve proof of concept. However, even semi-mature businesses that have received seed money, or that are backed by a mature industry, struggle to overcome operational and financial challenges, even in situations where partners are in place to support business operations and/or there is a long-term business strategy.

In situations where internal capacity to address new challenges is still lacking, or when faulty business assumptions lead to expected benefits not being realised, there is an increased level of risk. These are perceived by investors and can inhibit investment in the initiative. To address issues such as these, P4F supports the structuring of pilots that help businesses overcome operational bottlenecks and deliver positive social and environmental impact.

Photos Fred Mauro

Photo Proforest

CASE STUDY 3

Helping a landscape management system to thrive - the case for sustainable palm oil production in Ghana

The Business

Benso Oil Palm Plantation (BOPP) is a company founded in 1978 in the Ghanaian state of Adum Banso. When BOPP approached P4F in 2018, they had an industrial plantation of approximately 4,235 hectares and a processing facility capable of processing 30 tonnes of Fresh Fruit Bunches (FFB) per hour. The company wanted to replicate and improve the previous successful results of an out-grower project dating back to 1994. Drawing on previous experiences and lessons learnt from working with communities, BOPP wanted to develop a new and improved oil palm model that is aligned with the Roundtable for Sustainable Palm Oil (RSPO) principles and ties within the African Palm Oil Initiative (APOI).

The Risks

As a business, BOPP had plans to expand its operations and increase the supply of FFBs to their mill. Due to limitations on land, BOPP needed to engage communities and traditional authorities to develop a sustainable oil palm model on 1,400 hectares of communal land. In order to avoid conflicts and risks to BOPP's business, BOPP had to develop an inclusive and transformative model with a landscape governance board to oversee the interests of communities, coordinate activities in the landscape, and engage key stakeholders to build smallholders' capacity using improved sustainable production practices, thereby securing their supply chain and developing a model that would be economically viable, environmentally friendly and socially responsible.

The Pilot implementation plan

P4F support was directed to formalising conservation agreements with smallholders and implementing a Landscape Governance Board, establishing an inclusive mechanism to guarantee fair representation of smallholders and protect nearby forest reserves. The initiative also conducted High Conservation Value/High Carbon Stock Assessments (HCV/HCSA) and put in place systems to protect and monitor areas earmarked for protection from the HCV/HCSA assessments. P4F resources supported smallholder training on environmental and social safeguards, professionalisation and organisation of smallholder farmers, and best management practices for improved business.

The results

To date, the project has provided additional livelihood options for over 120 smallholder farmers as conditional incentives for forest protection and as a mechanism for increasing their resilience to climate change, with over 40% being women (gender inclusion and mainstreaming). Using environmental and social best practices, the project has developed an oil palm model on 1,400 hectares of communal land using an initial investment of GBP 1.1 million from BOPP. Through the landscape governance board, the project has mobilised communities to plant over 1,500 tree seedlings within buffer areas to protect existing streams and waterbodies in the landscape. Illegal logging in the landscape and in the Neung South Forest reserve (c. 15,700 hectares) is estimated to have been reduced by c. 20% thanks to forest patrols by community members engaged and equipped by the project (BOPP). The project has provided a platform and knowledge base for other businesses to develop similar innovative models in communities that will improve their livelihoods, increase their resilience to climate change and ensure peaceful co-existence with private supply chain companies, thereby reducing their risks and making them more sustainable.

Preparing to scale up: addressing the pre-conditions for expansion

Photo Proforest

There is no strict definition of scale-up, nor an amount of business growth that can be used as a threshold reference. A broad concept is that a business is ready for scaling when it starts to benefit from relevant economies of scale, securing better conditions to negotiate sales, input prices and reduce selling costs. Mature businesses can also find it difficult to achieve this stage. The scale-up process involves dealing with relevant risks in order to build production scale and operational capacity.

At this stage, P4F support involves assisting companies in their fundraising efforts. P4F has had several conversations with investors to understand the main bottlenecks and risks that prevent them from investing in sustainable businesses. Based on these conversations, the programme has developed an investment readiness framework to help companies prepare for private investments, including by helping them develop their investment pitch. For companies that are considered ready, P4F connects them to potential investors and facilitates discussions between the parties. In some cases, P4F has also provided help in addressing any remaining key risks in order to accelerate the conclusion of an investment deal. Mobilising investments to increase the scale of sustainable businesses is precisely where P4F finds the best use for programme resources. Going forward, P4F plans to formalise strategic partnerships with investors to reduce the transaction costs of sustainable investments.

© Komaza

CASE STUDY 4

Supporting an Expansion Strategy and SPV[9] for Komaza

The Business

Komaza is a private forestry company that has been operating in Kenya since 2006, with a mission of connecting thousands of small-scale tree farmers to high-value wood markets. Over the last decade, Komaza has become Africa's leading smallholder forestry enterprise. By leveraging and aggregating farmers, Komaza can plant trees for far less than big plantations, yielding a positive impact on long-term forestry..

The Risks

Komaza faced risks associated with insufficient cash flow to reach the aggressive growth targets set at the start-up phase. Without funding, Komaza would be unable to implement their ambitious scale targets.

The preparation to scale up

Between January 2018 and April 2019, P4F supported Komaza in developing an expansion strategy and establishing a new investment vehicle that would attract more investors and allow Komaza to grow its business operations. As part of the strategy, P4F funded and provided technical assistance to help the enterprise become more financially sustainable. As well as an East Africa expansion analysis, the funding helped develop standard operating procedures (SOPs) for key activities that would ensure high quality scaling and replication. Komaza also used the support to build scalable technology and data systems to manage operations.

On top of this, P4F helped lay the foundations for an SPV launch in 2020. Given Komaza's capital-intensive investment over long time horizons, the enterprise was keen to test and trial new ways of attracting investors while addressing some of the cash flow burdens facing the company. The SPV mechanism showed the greatest potential since it would aggregate investments across multiple projects to minimise risks to investors – establishing a new forestry asset class..

The Results

Komaza has worked with around 20,000 farmers in planting 6 million trees and has successfully expanded its model into new counties in Kenya. Three years after receiving Series A funding, Komaza has now announced a first close of USD 28 million of its planned USD 33 million Series B equity financing. The company will invest in additional wood manufacturing facilities to expand its line of high quality, sustainable building materials and plans to add a new direct-to-farmer app to drive enrolment and increase farmer access to best practices. They will also build off their success with a recent remote sensing and AI pilot for automated monitoring of their farms.

CASE STUDY 5

Forestwise, scaling up the illipe nut supply chain in Indonesia

The Business

Located in West Kalimantan, Indonesia, Forestwise has been working to scale up its production of illipe nuts, a non-timber forest product. These nuts are produced by the tengkawang tree, a species of ecological and cultural importance which only grows in the forests of Borneo. P4F has supported the company in establishing a processing facility to process the nuts into butter, primarily for the cosmetic and beauty industries. P4F also supported the company in structuring a supply chain and increasing demand for this wild forest product, in order to provide a long-term revenue stream for forest conservation.

The Risks

Despite high potential profitability, much uncertainty remained around the harvesting and processing of illipe nuts. In addition, an unstructured supply chain created operational risks (e.g. disagreements from the lack of a formalised relationship with smallholders and unclear processing operations) that prevented funding from being raised from interested partners and potential buyers.

The preparation to scale up

The pre-scale up phase included the establishment of a local company to organise the supply and storage of illipe nuts, the development of a branding and marketing strategy, purchasing raw materials, starting operation of the processing facility and implementing sales.

The results

After the successful implementation of the project, the initiative was able to mobilise GBP 306,000 as direct investment and secured a bridging loan of GBP 134,000 from different sources. In addition, the expansion of the initiative's operational capacity supported a production scale-up and the establishment of nut purchase commitments amounting to GBP 1.14 million, which will be directly disbursed to communities.

Discussion and next steps

In the incubation of businesses to reduce risks and mobilise capital, an optimal balance needs to be struck between increasing financial returns, improving socio-environmental impacts, and building capacity to manage and achieve ambitious goals. The type of capital being targeted will define the measures needed to increase the business' appeal for investors.

Among the lessons learned in its three years of operation, P4F has found that the amount of time necessary to incubate businesses is considerably longer than previously expected and the incubation process also demands specific skills from local staff. In addition, replicable models with a high level of verified and demonstrable success are not always promptly replicated by the market, and not all businesses that have implemented successful pilots and achieved readiness for scale up are able to secure investments.

Currently, the programme is updating its business maturity funnel to strengthen the assessment of supported businesses and improve interventions tailored for each of the stages of the funnel. A new maturity stage is being discussed to support the scaling-up phase for projects that are ready and have the potential for scale up, but that still need additional support to implement investment plans and deal with the risks of scaling up operations.

Blending sources of capital can be an effective way to mitigate specific risks within impact investing, and to increase financial and socio-environmental performance. P4F is working together with the Blended Finance Taskforce (BFT) to mobilise private investment. With its extensive knowledge of financing for sustainable businesses, BFT is helping to bring investors' perspectives into the programme, providing strategic inputs to increase the investment readiness of P4F-supported businesses, and providing support to connect those businesses to interested investors in BFT's network.

The Blended Finance Taskforce[10]

The Blended Finance Task Force was established to help mobilise large scale capital for the UN Sustainable Development Goals (SDGs). Launched by the Business & Sustainable Development Commission in 2017, the Taskforce is supported by more than 50 experienced practitioners and experts from finance, business, development and policy. The Taskforce identified key barriers to the effective use of blended finance and called for action from leaders in the investment and development finance community in its flagship report "Better Finance, Better World". The Taskforce is now implementing an ambitious Action Programme to increase mainstream private investment for high impact sectors, with a focus on emerging markets.

Photo Allison Vos

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[9] Special Purpose Vehicle

[10] https://www.blendedfinance.earth/about

This knowledge product was developed by Partnerships for Forests in Latin America, in collaboration with the Blended Finance Taskforce, P4F´s central team and the regional teams of East and West Central Africa and Southeast Asia.

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