

The eco.business Fund's impact objectives

The fund's mission is to "promote business and consumption practices that contribute to biodiversity conservation, to the sustainable use of natural resources and to mitigate climate change and adapt to its impacts".

Working towards this mission, the Fund applies a two-pronged focus for its investments:

1. **Sector focus:** The Fund's activities focus on agriculture, forestry, fisheries and aquaculture, and tourism - economic sectors that are highly consumptive of natural resources and affected by climate change.
2. **Regional focus:** The eco.business Fund targets highly biodiverse regions of the world where ecosystems are particularly vulnerable to the effects of climate change.

Integral to its impact strategy are also the Fund's financing criteria: Investees receiving eco.business Fund financing must either hold an eligible sustainability standard or implement one of the practices outlined in the "Green List" or support a practice fully aligned with the Fund's mission.

Impact at environmental and socio-economic level

In line with its mission, the fund aims for a positive contribution in the following impact areas:



Biodiversity Conservation

Make a positive contribution towards preserving, restoring or improving biodiversity and ecosystems.



Sustainable Use of Natural Resources

Adopt practices that contribute to saving, recycling or protecting natural resources.



Climate Change Adaptation and Mitigation

Contribute to building the resilience of biodiversity systems and businesses depending on natural resources.



Socio-economic Improvements

Support businesses to maintain and expand their sustainable business practices, thereby providing employment opportunities

Impact on investment and production environment

The Fund aims to achieve long-term impact by supporting a positive systemic change towards more sustainable investment practices in the financial sector, sustainable business and production practices and an enabling environment for conservation finance.

Financial Institutions (FIs) are key actors in the Fund's impact approach. Integrating sustainability considerations in lending practices and an increased environmental and social awareness among financial sector players will support positive change towards more social and environmentally sustainable production practices. By acting through local FIs, the Fund also achieves scale and efficiency in reaching end-borrowers and ensuring sustainability of the Fund's impact.

Contribution to international development goals

With its contributions towards conserving biodiversity and ecosystems, as well as to mitigating and adapting to climate change, the Fund is contributing to key international development targets:

- **United Nation's Sustainable Development Goals (SDGs):** Committed to sustainability
- **Climate goal set out in the Paris Agreement:** Working works towards maintaining and even enhancing CO2 storage
- **Aichi Biodiversity Targets:** Mainstreaming biodiversity in business
- **Mobilizing private capital:** Blending public and private funding

The path to impact: Theory of Change

The Theory of Change demonstrates how the Fund's activities are expected to lead to the above described, intended impact. Its focus is on the "in-between", the mapping of processes that are expected to be triggered by the activities and how these would ultimately lead to the final environmental and socio-economic impacts. It was constructed based on a causal analysis, drawing on available evidence and is used to frame the Fund's impact measurement and management efforts. Underlying assumptions are continuously verified through the impact management system. They are also backed by documented evidence and causal linkages from relevant institutions; such as impact evidence from industry networks, data and statistics from international organizations, parameters and proxies from academia and relevant think tanks, as well as thought pieces by conservation organisations.

The Fund's Theory of Change considers the following levels:

Final Impact

This level contains the final impacts at environmental and socio-economic level that the Fund aims to contribute to.

Outcomes

This level includes changes that are expected to occur in the short and long-term based on the activity-induced outputs. In the short-term, the eco.business Fund expects: (i) an increased integration of sustainability considerations in investment and production practices; and (ii) a strengthened enabling environment for conservation finance. In the long-term, this is expected to support: (i) scaling sustainable investment and production practices; and (ii) scaling of conservation finance.

Outputs

This level summarizes the tangible results that the Fund's activities produce: (i) increased funding used for sustainable practices; (ii) technical assistance for sustainable practices extended; and (iii) working towards an enabling environment for conservation finance.

Activities

This level contains the Fund's different activities: (i) raising public and private capital; (ii) providing dedicated funding; (iii) providing technical assistance; and (iv) promoting stakeholder dialogue and cooperation. The Fund's activities are geared towards financial institutions, businesses, and conservation finance stakeholders – each with their own route towards achieving the final impact. These processes are interlinked and reinforce each other to drive transformation and systemic change in the market.



Elements outlined in the Theory of Change can be largely directly under the control of the fund (such as activities and outputs) or influenced by both the fund and external factors (such as outcomes, final impacts). Given the nature of the fund's work, the fund does not attribute the absolute change happening at outcome and final impact level solely to its contributions. Considering also the complex environments in which the fund's investees and stakeholders operate in, it may be possible to measure whether an intended outcome occurred, but it would be difficult or inaccurate to attribute the change solely to the eco.business Fund's work. The Theory of Change, therefore, defines how the fund contributes to causing the observed outcomes and final impacts.

Area of interest

Area of influence

Area of control

FINAL IMPACTS

Financial Institutions and Businesses apply sustainable practices that contribute to:

Biodiversity Conservation

Sustainable Use of
Natural ResourcesClimate Change
Adaptation and MitigationSocio-economic
ImprovementsContribution to the Sustainable
Development Goals (SDGs)

LONG-TERM OUTCOMES

Scaling Sustainable Investment and Production Practices

Financial Institutions

- Incorporate environmental sustainability considerations in business strategy
- Develop and offer specific lending products for sustainable business practices
- Increase funding to businesses that apply sustainable practices

Businesses

- Incorporate sustainable practices in their strategy and operations
- Sustain and expand activities with a positive impact on biodiversity
- Access financial markets and have funding alternatives to support their sustainable strategy

Scaling Conservation
Finance

Public & private investors increase capital for conservation finance and sustainable production

SHORT-TERM OUTCOMES

Increased Integration of Sustainability Considerations in Investment and Production Practices

Financial Institutions

- Strengthen systems and capacities to integrate environmental & social considerations into lending operations
- Continuously on-lend eco.business Fund financing to businesses to implement sustainable practices
- Report on results in lending towards sustainable business practices

Businesses

- Increase interest in a product offer that is more social and environmentally responsible
- Increase interest in integrating environmental & social considerations in their business operations and practices

Strengthened Enabling
Environment for
Conservation Finance

- Increasing collaboration with stakeholders, investors & investees
- Increasing knowledge base & awareness for conservation finance

OUTPUTS

Increased Funding used for Sustainable Practices

Financial Institutions

Uptake of new financing according to the fund's eligibility criteria, dedicated to conservation finance

Businesses

Uptake of financing for sustainable practices based on the fund's eligibility criteria

Technical Assistance (TA) for Sustainable Practices extended

Financial Institutions

Engage in TA initiatives to strengthen sustainability considerations in their operations

Businesses

Engage in TA initiatives to strengthen sustainable production practices

Working towards an Enabling Environment for Conservation Finance

- Strengthen networks among key stakeholders and knowledge providers
- Establish relations with public and private investors interested in conservation finance

ACTIVITIES

Financing

Provide dedicated funding to suitable financial institutions and businesses

Technical Assistance

Provide technical assistance to financial institutions and businesses

Stakeholder Dialogue & Cooperation

Contribute to dialogue, knowledge sharing and networking among conservation finance stakeholders

Raise public and private capital

Direct Effect

Indirect Effect

Effect through Financing

Effect through TA

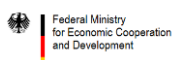
Effect through Enabling Environment



ABOUT US

The eco.business Fund aims to promote business and consumption practices that contribute to biodiversity conservation, to the sustainable use of natural resources, and to mitigate climate change and adapt to its impacts. Through targeted financing of environmentally beneficial business practices, the Fund aims to achieve measurable environmental impact alongside financial returns. The Fund provides loans to qualified financial institutions that on-lend the money to eligible borrowers, which include holders of recognized certifications or those implementing selected sustainable practices. In addition, it also provides direct financing to eligible businesses that fulfil its eligibility criteria. The Fund supports sustainable operations in the sectors of agriculture and agri-food industry, fishery (including aquaculture), forestry and tourism. For additional information please visit www.ecobusiness.fund or email us at: info@ecobusiness.fund.

Initiated By:



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