



biofund

Fundação para a Conservação da Biodiversidade

Innovative Financing Mechanisms

**BIOFUND: An incubator of projects to support biodiversity
conservation in Mozambique**

2021

WHO WE ARE

The Foundation for Conservation of Biodiversity is a private, independent Mozambican Foundation (founded 2011, officially launched 2015)

Public Utility Status

More than 50 members, Individuals and Institutions

Endowment fund of **USD 41 million** and implementation projects of over **USD 20 million**

Aim to support biodiversity conservation in Mozambique



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Fundação para a Conservação da Biodiversidade



Mozambique's Protected Area network covers nearly 26% of the country



Mozambique

BIOFUND PILLARS



STRATEGIC PILLAR 1
Consolidate
BIOFUND



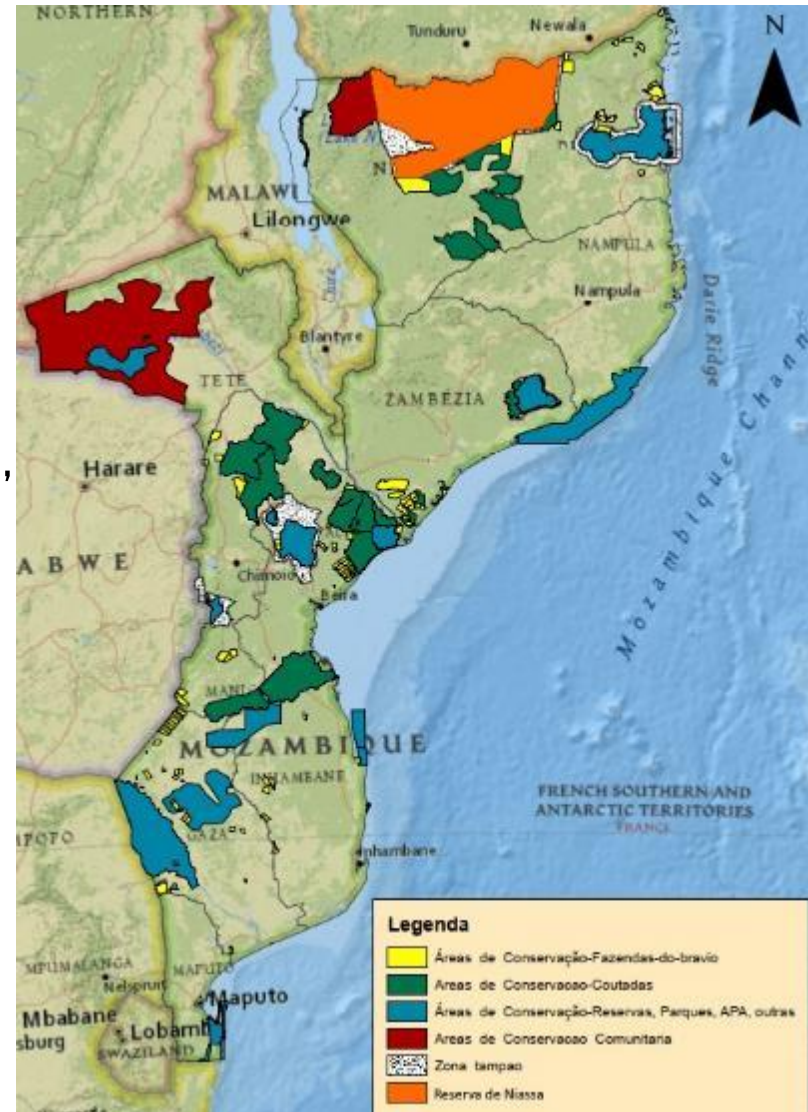
STRATEGIC PILLAR 2
Finance
Conservation



STRATEGIC PILLAR 3
Create an Enabling
Environment

CONSERVATION FINANCING IN MOZAMBIQUE

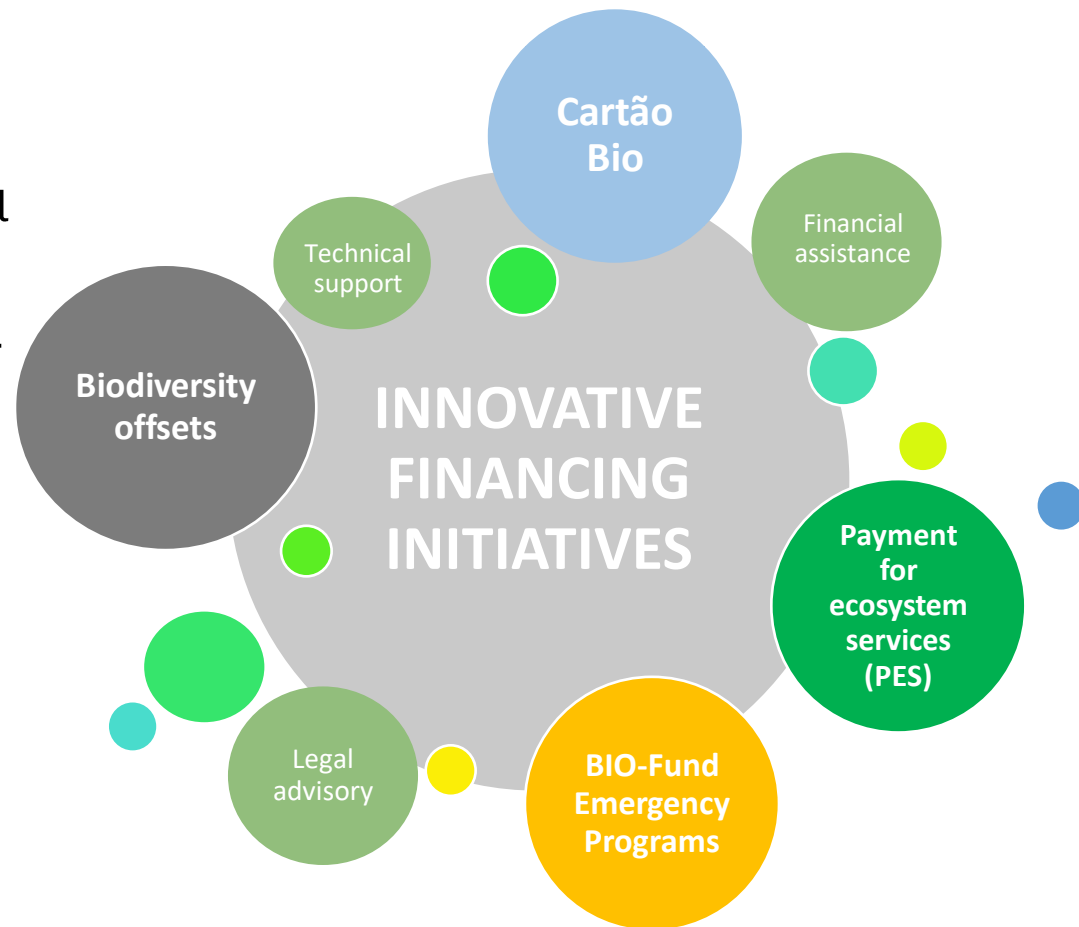
- 26% of the national territory protected (National Parks and Reserves, game farms and sport hunting concessions and Forestry Reserves)
- Large gap of funding to support Mozambique's NBSAP from 2015 to 2035
- Government budget insufficient and strong external dependency (80%) annual budget (BIOFIN, 2019)
- Mozambique needs an urgent support to promote long-term sustainable financing to support biodiversity conservation
- BIOFUND was established to fill the gap of funds to support protected areas in Mozambique



BIOFUND: WHY INNOVATIVE FINANCING INITIATIVES ?

- **Generate new long-term financing, and diversified sources of revenue for biodiversity conservation in Mozambique**
 - **Additional resources for BIOFUND endowment and special programs**
 - **Additional Resources for conservation in Mozambique, NOT via BIOFUND**
- **Explore new sources of sustainable financing and assess its (legal, technical and financial) viability to support biodiversity conservation in relevant landscapes and seascapes in Mozambique**

BIOFUND Innovative Financing Department is created 2019

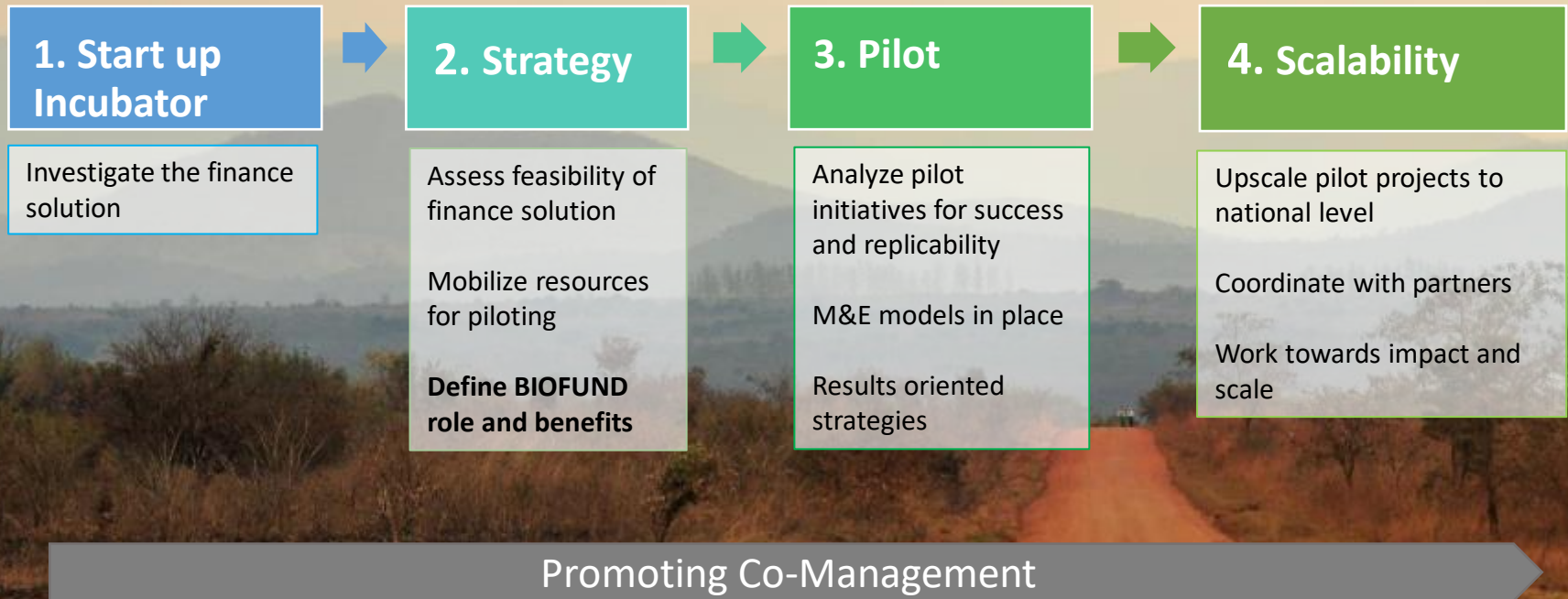


BIOFUND Added Value

- **National Permanent Institution**, committed to the long term
- **Detailed knowledge of Mozambique's Conservation Sector**
- **Robust internal financial procedures and management capacity demonstrated**
- **Initial funding exists to explore new windows of financing.** Creates the opportunity to develop model, pilot concept and work beyond the usual donor's project cycle
- **As a financial mechanism rather than an implementer, can dedicate the time and resources on mobilizing funding sources**



Our Approach: THE INCUBATOR PROCESS



CO-MANAGEMENT OF PROTECTED AREAS

Description/Definition

- Cooperative sharing between government and partners of management of PAs

Current State of Affairs in Mozambique

- Concept of co-management for PAs in Mozambique promoted by BIOFUND
- Has become official government policy "Preferred Approach"
- ANAC has established a Business Unit to work on regulating, monitoring, and facilitating partnerships

Mechanism Potential

- Many large NGOs and global funds with specific interest to manage protect areas and support biodiversity conservation
- Over USD \$700 000 million in agreements signed between GoM and partners for co-management of PAs in Mozambique

Possible Role of BIOFUND

- Concept promotion across conservation sector
- Lobby and advocacy to promote partnerships for biodiversity conservation
- Technical assistance
- Fundraising

Our Approach: THE INCUBATOR PROCESS



CARTÃO BIO / BIO CARD

Description/Definition

- Mozambique's first/only biodegradable debit card
- Partnership between BIOFUND and the Commercial and Investment Bank (BCI) launched in 2017
- % of revenues contribute to biodiversity conservation

Role of BIOFUND

Now:

- Channel funds to support conservation projects (satellite markers in Rhinos at Sabié Park and ecological restoration of the Bobole Botanical Reserve)

Future:

- Long-term financing mechanism for biodiversity conservation
- Explore new market partnerships



+USD 50K

+18 000
clients

Our Approach: THE INCUBATOR PROCESS



EMERGENCY BIO-Fund

Description/Definition

- Created by BIOFUND in July 2020 to support protected areas during the covid-19 pandemic:
 - Ensure the jobs of rangers and essential personnel to support regular patrolling activities in public and private management

Current State of Affairs in Mozambique

- Emergency Fund provides a strong financial support to ANAC and AMOS
- Large donors with interest to support the Emergency Fund

Major Impacts (2020)

- 12 695 911 ha biodiversity protected
- 24 public, private and community protected areas
- 61% of the total protected area in Moz
- 958 rangers supported
- 30 869 man-hours / patrol per month (in private areas)
- Approximately USD 2 Million to be disbursed by June 2021

Role of BIOFUND

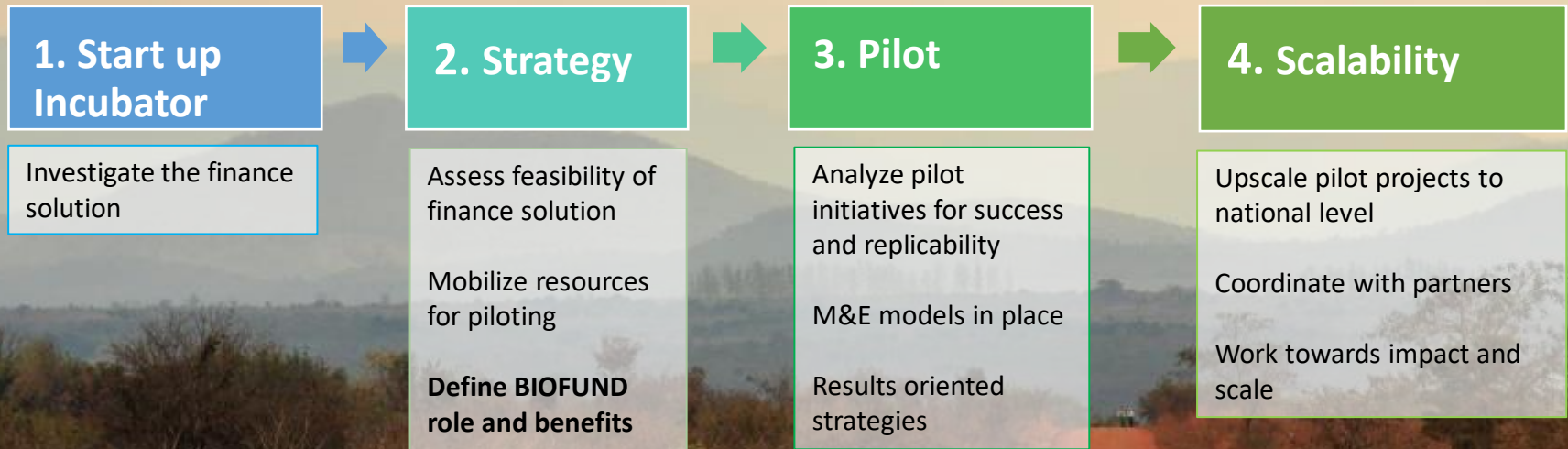
Now:

- Operationalize a rapid financial mechanism
- Interlocutor between GoM and private sector

Future:

- Full capability for emergency situations

Our Approach: THE INCUBATOR PROCESS



Promoting Co-Management

Cartão BIO

Emergency BIO-Fund

Biodiversity offsets program

BIODIVERSITY OFFSETS

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Description/Definition

- Biodiversity offsets is a mechanism to ensure full compensation for the unavoidable impacts on biodiversity of economic development projects

Mechanism Potential

- After government budgets, Biodiversity Offsets are the **single largest source of funding of biodiversity globally**, providing more funding than all bilateral and multilateral agencies combined

Current State of Affairs in Mozambique

- RoadMap in 2015
- Legislation being finalized
- Technical guidelines being developed
- Pilot projects to start in 2021

Possible Role of BIOFUND

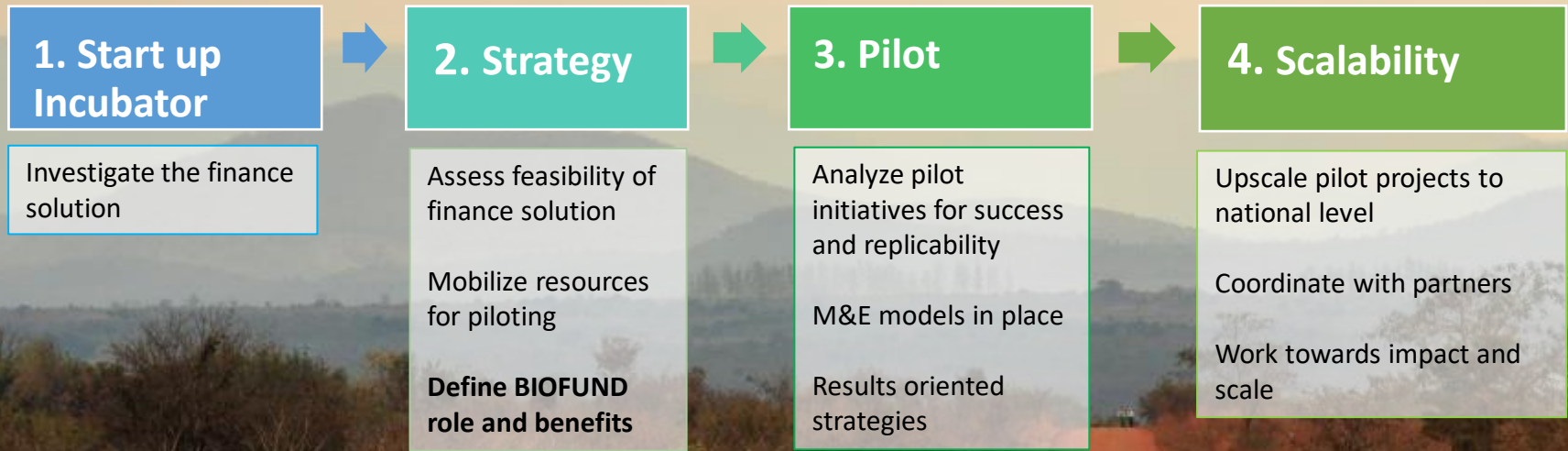
Now:

- Concept promotion
- Technical assistance on legislation, metrics, training
- Fund Pilots

Future:

- Financial channelling intermediary
- Technical support to government and private sector on the siting and design of offsets

Our Approach: THE INCUBATOR PROCESS



Promoting Co-Management

Cartão BIO

Emergency BIO-Fund

Biodiversity offsets program

REDD+

REDD+ CARBON OFFSETS

Description/Definition

- REDD+ Carbon offsets permit an emitter of CO2 a way to offset the atmospheric effect of this by Reducing Deforestation and forest Degradation in a verified manner

Mechanism Potential

- Many large global funds (GCF etc) with a specific carbon-reduction focus
- As climate talks re-start, there is an increased interest from the private sector

Current State of Affairs in Mozambique

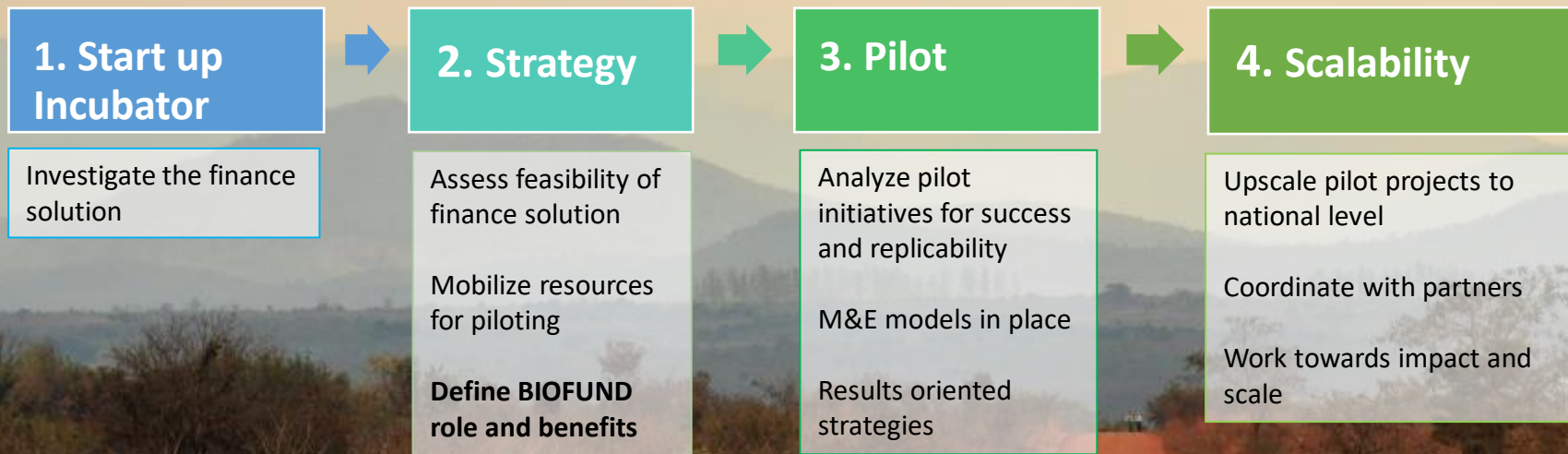
- REDD Readiness since 2005
- Emission Program Reduction Agreement signed with World Bank in 2019
- MRV Unit and technical capacity in FNDS
- REDD+ Decree in 2018

Possible Role of BIOFUND

Since the FNDS is the designated body for REDD+ in Mozambique, BIOFUND has added value only in the following circumstances:

- Beneficiary is a PA
- Funds are received in a large amount and need to be paid out over several years
- (Especially) Funds are to be received internationally in foreign currency

Our Approach: THE INCUBATOR PROCESS



Promoting Co-Management

Cartão BIO

Emergency BIO-Fund

Biodiversity offsets program

REDD+

PES for Water

PES FOR WATER

Description/Definition

- PES is a system for the provision of environmental services through conditional payments
- Innovative economic tool to conserve or restore biodiversity, ecosystems, or their services

Mechanism Potential

- Global Climate interest
- Increase interest from the public and private sector

Current State of Affairs in Mozambique

- National Blue and Green Economy in place with PES goals considered
- National biodiversity strategies and guidelines promoting PES as a viable ecosystem management practice
- Emission Program Reduction Agreement signed with World Bank in 2019
- MRV Unit and technical capacity in FNDS

Possible Role of BIOFUND

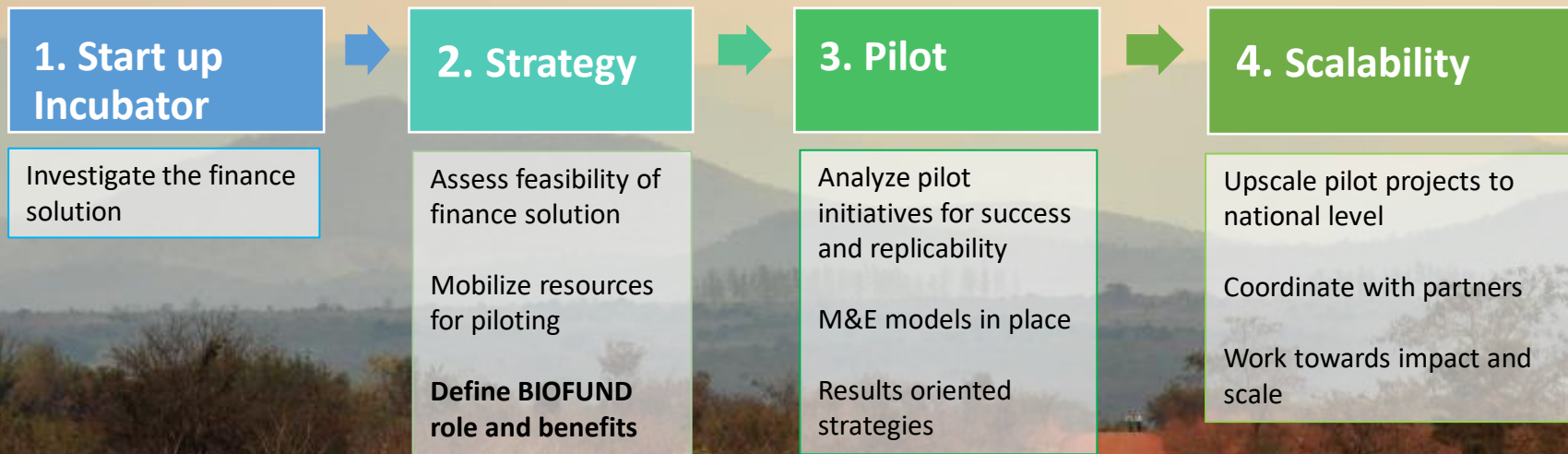
Now:

- Feasibility Analyses
- Technical assistance on legislation, metrics, training
- Fund Pilots

Future:

- Channeling mechanism

Our Approach: THE INCUBATOR PROCESS



Promoting Co-Management

Cartão BIO

Emergency BIO-Fund

Biodiversity offsets program

REDD+

PES for Water

Game farming coop, Blue Carbon, Impact Investment, etc

IMPACT INVESTMENT

Description/Definition

- Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return

Current State of Affairs in Mozambique

- Impact investing in Mozambique has kept pace with rising commercial investment
- Variety of investment incentives available to both foreign and domestic investors
- Investment requires national capital
- Government interest to launch business incubators (some are in place, such as PROAZUL)

Mechanism Potential

- The estimated \$715 billion total size of the **impact investing market**
- More than 1,700 **impact investors**
- Large investors interest in cooperate with non profits organizations in Mozambique
- Trust funds have capacity to provide additional funding for conservation

Possible Role of BIOFUND

Now:

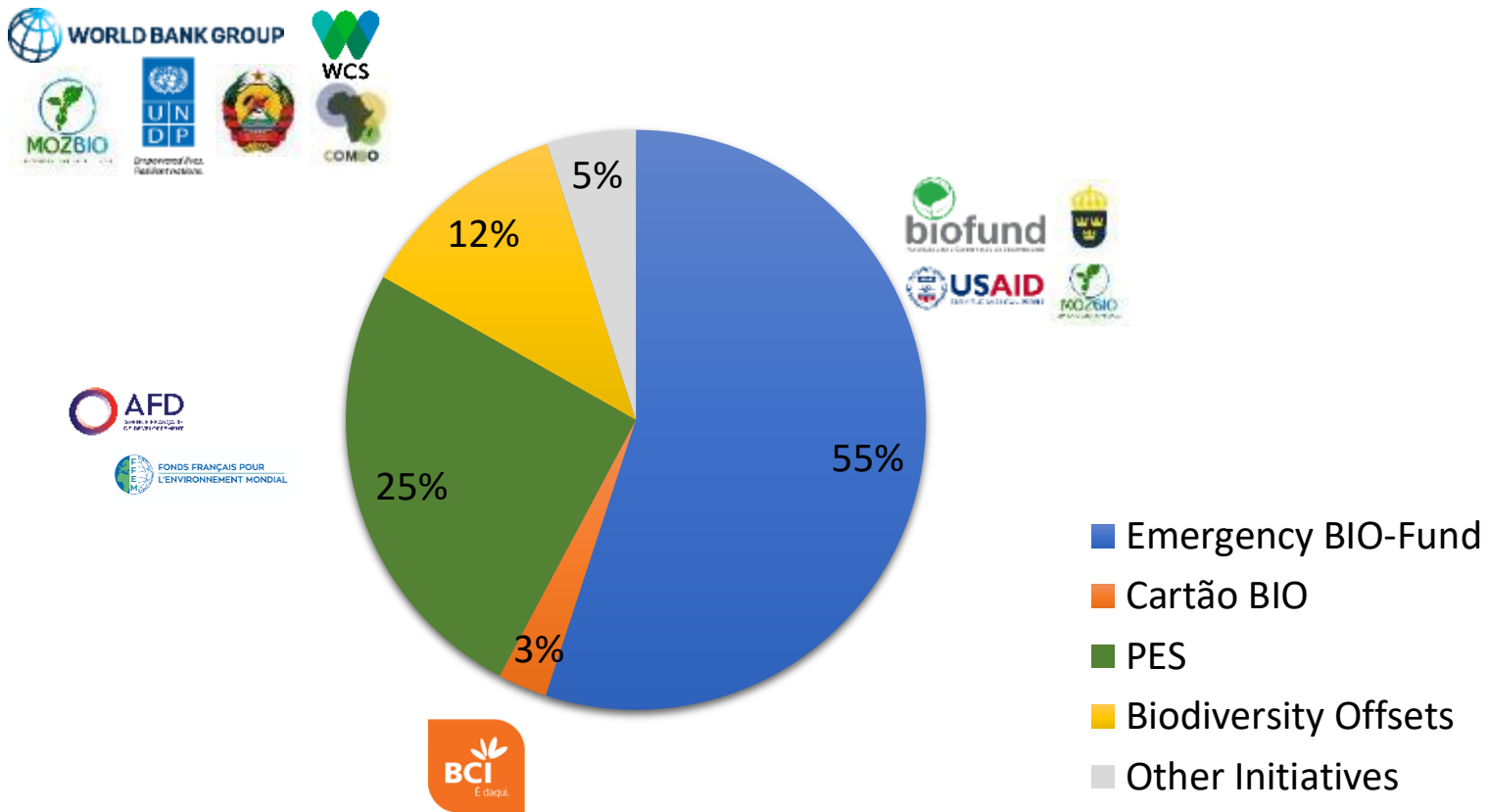
- Concept promotion
- Investment in pilot projects
- Attracting and mobilizing investors

Future:

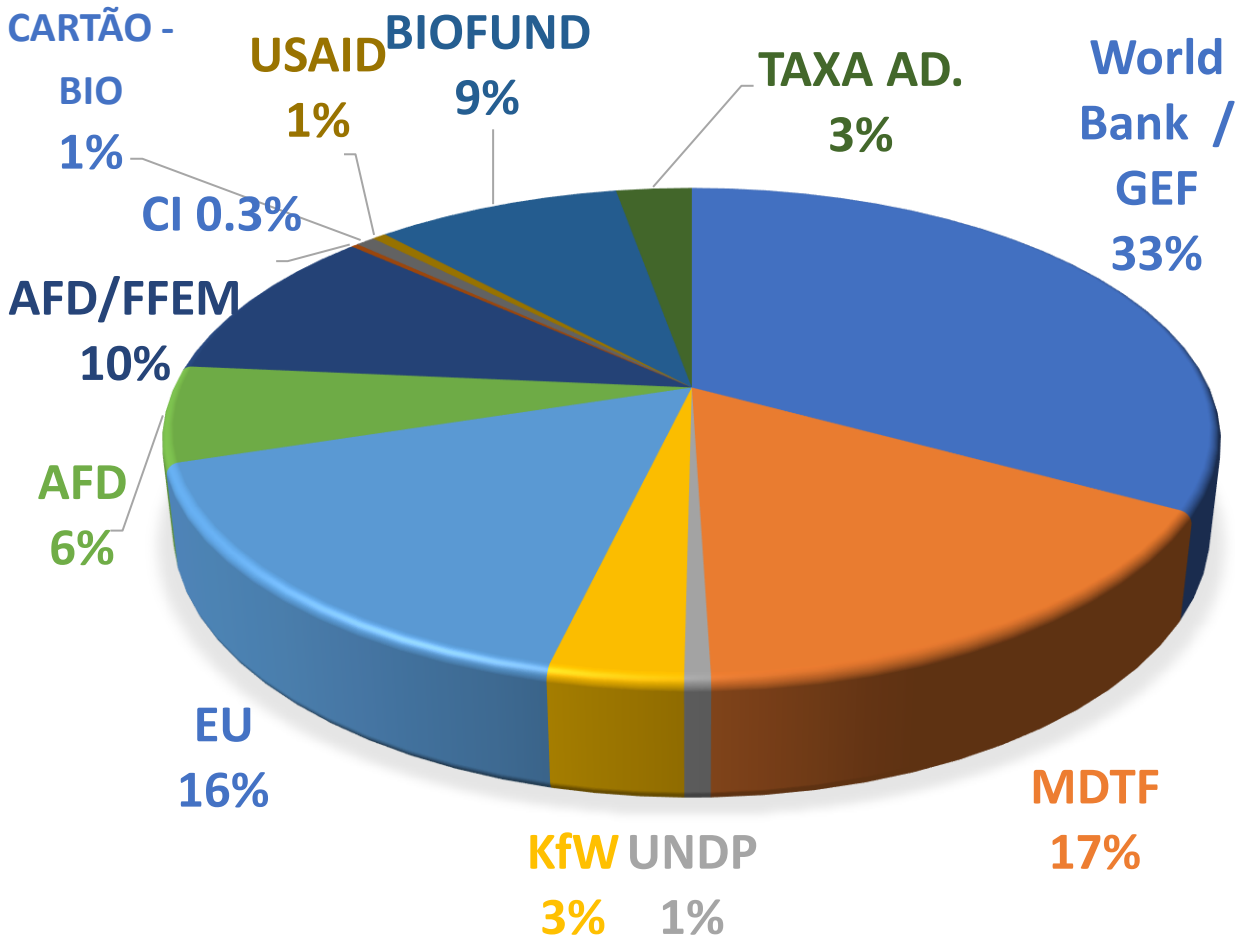
- Investor
- Mobilize blended finance (grants + investments)
- Guarantee quality standards

INNOVATIVE FINANCING DEPARTMENT PROJECTS - 2020

TOTAL BUDGET (2020)
USD \$2,362,000



BUT DON'T FORGET THE BASICS - BIOFUND FUNDING SOURCES IN 2021



- Most funds are still from traditional donors!!
- This is the base which gives you credibility to innovate



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**Obrigado
Thank you**

www.biofund.org.mz