



**Nature
Facility**

- 2023 Annual Report -

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Front page image: World Heritage Site Nyungwe National Park, Rwanda, photo courtesy of G.R. Vande Weghe

Executive Summary

The Nature Facility is a grant facility that aims to catalyse large-scale investment into the protection and restoration of at-risk ecosystems of global importance, with a focus on Natural World Heritage Sites (WHS) and the ecosystems and people that interact with them.

In 2023, the Nature Facility was officially established as a multi-partner trust fund between the United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF) and United Nations Educational, Scientific, Cultural Organization (UNESCO).

In its first six months of operations, the Nature Facility has launched its first programme in Burundi and DRC. To create the conditions for nature-positive development in Burundi and DRC, the Nature Facility is funding an innovative blended financing project that leverages the potential of the afro-montane rainforests – historically used as rear bases for regional armed groups - into catalysts for sustained peace, food security, and climate resilience. With an aim to delink deforestation from leading commodity supply chains, the project is providing concessional finance to scale-up nature-positive Small & Medium Enterprises (SMEs) around the forests. The project prioritizes investment in key exploitative sectors with the highest potential for reducing drivers of degradation, namely agriculture, clean energy, forestry, and eco-tourism. Investments will seek to create a virtuous cycle whereby financial returns can be re-invested into the Kibira Foundation to carry out park management and peacebuilding in perpetuity. The programme approval by the Nature Facility was instrumental to establish the local foundation and facilitated the signature of the co-management agreement between the Government and the local foundation. By supporting the Kibira Foundation, the project is strengthening national (Burundian) leadership in conserving biodiversity and providing a dedicated, sustainable funding mechanism for park and community activities.

In parallel, a second flagship programme has been developed in Thailand and Malaysia focused on structuring the Tiger Landscape Investment Fund (TLIF, formerly Tiger Ecosystem Fund). The TLIF will aim to catalyze private sector investments into nature-positive businesses that contribute to the protection, restoration, and sustainable management of Tiger Landscapes. Tiger landscapes are large blocks of ecologically connected areas of suitable tiger habitat. They are highly diverse ecosystems and contribute to human well-being, locally and globally, through the provision of many ecosystem goods and services such as sustainable water supplies, carbon storage and sequestration, food security and medicinal plants, and economic opportunities. The TLIF is being structured to mobilize capital from institutional investors, development financial institutions, and philanthropic donors to achieve nature and people objectives. Investments by TLIF in sustainable livelihoods and nature-positive businesses, such as eco-tourism, and community-based agribusinesses, would reduce threats to tigers and biodiversity, support their recovery, and strengthen the climate resilience of local communities and indigenous peoples.

To support the Facility's Programming and general operations, the Facility's Secretariat was established within UNDP's Nature Hub. The Secretariat holds both technical and operational expertise and includes initial capacity for outreach, communications, and programming/Fund Coordination. In Q3-Q4 2023, the Secretariat contracted consultants from Conservation Alpha to develop the Investment Plan and Resource Mobilization Strategy, and a graphic designer to develop the Nature Facility brand.

Initial work to develop the Investment Plan included a situational analysis of potential financing vehicles and meetings with an array of relevant partner and stakeholders in the nature investment space. The Facility's Theory of Change and governance structure were also developed through an iterative process with primary partners.

In terms of resource mobilization, a comprehensive Outreach Tracker was developed and presented to Steering Committee members and partners. To achieve the Facility's common goals, bolstering resource mobilization efforts remains of paramount importance. In 2024, all partners will work collectively to diversify funding sources, forge strategic partnerships and harness innovative fundraising approaches. In parallel, the finalization of the Investment Plan will further solidify the Facility's programmatic focus and help identify a pipeline of investable opportunities.

Introduction to the Nature Facility

Background

The Nature Facility was born out of an urgent need for action to halt and reverse biodiversity loss and ecosystem degradation. Drivers of biodiversity loss are nested within the current unsustainable production and consumption system, intertwined with a prevailing economic model that ignores environmental externalities and value of biodiversity and ecosystem services. To achieve the targets outlined in the Global Biodiversity Framework and make substantial progress by the 2030 deadline, we need profound change in how nature is valued and integrated within the development agenda.

Grants alone are no longer sufficient to deliver results at the scale and pace required, and private sector investment to achieve sustainable development objectives is critical to bridge the huge ‘funding gap’ for nature-positive solutions.

To truly address the magnitude of challenges, in the limited time available, private investment must be catalyzed to unleash the transformative potential of financial markets. While grant funding still plays a crucial role in jump-starting conservation, it falls short in providing the sustained and substantial funding required to drive long-term impact in the regions that need it the most.

Private investment has the potential to unlock significant capital flows and foster a financial ecosystem that values and invests in nature over time. This is where the Nature Facility and its growing alliance of public-private partners will demonstrate and deliver transformative change.

In building a global catalytic financing mechanism, development resources will serve to de-risk investment in nature-positive solutions that are both economically viable and socially and ecologically beneficial.

Establishing the Facility

On March 30, 2023, the Nature Facility was officially established as a United Nations Multi-Partner Trust Fund. The Facility was founded by three UN agencies: United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF), and the United Nations Educational, Scientific, Cultural Organization (UNESCO). Each agency brings unique value and expertise to the Facility:

- **UNDP:** Providing on the ground capacity development and technical assistance and facilitating access to Governments and communities in line with [Nature Pledge 2030](#)
- **UNCDF:** Leading the deployment of tailored financial instruments, providing capacity building and technical assistance for incubation, and scaling of nature-positive ventures.
- **UNESCO:** Supporting the identification of priority sites, providing critical science, data and reporting on sites, and scaling conservation action.

The Nature Facility was also joined by its first donor, Cartier Philanthropy, a grant-making foundation established in 2012. Cartier is a French luxury goods conglomerate which designs, manufactures, distributes, and sells jewellery and watches. Founded by Louis-

François Cartier in Paris in 1847, Maison Cartier is regarded as one of the most prestigious jewellery manufacturers in the world. In 2020, Cartier founded Cartier for Nature to help address the ongoing biodiversity crisis and drive positive change beyond the scope of its corporate sustainability commitments. Cartier for Nature, as part of Cartier Philanthropy, complements existing activities in the fields of human development, women's empowerment and the arts and culture.

By signing onto the Nature Facility, all partners endorsed the Facility's Terms of Reference (TOR). The TOR outlines the Facility's context, rationale, governance, programmatic approach, and risk analysis. The full TOR can be found online [here](#).

Programming

The development of a comprehensive Investment Plan will be prepared through the Secretariat and approved by the Steering Committee, in parallel to the elaboration of two pilot programmes, with an aim to refine the scope of the financing strategy up to 2030. The Investment Plan sets specific investment objectives and outlines practical approaches to bridge conservation and sustainable finance objectives for ecological protection, restoration and resilience, including through proposing an effective mix of programmatic and financial modalities. The plan will include clear geographic priorities, a portfolio of concrete and emerging nature-positive businesses and funding mechanisms, a clear timeline for implementation, expected deliverables with indicative costed outputs, associated financial allocation envelope that takes co-financing into consideration as well as outline the role of UNDP Country Offices to support site identification and project design. Completion of the investment plan will be targeted for end of Q2 2024.

To highlight early programmatic impacts and provide concrete evidence of the Nature Facility's value, two demonstration programmes were developed in 2023.

Kibira and Kahuzi-Biega Forest Sanctuaries

As part of the Albertine Rift Montane Forests, the Kibira and Kahuzi-Biega forests play a fundamental role in the functioning of the region and support one of the highest levels of biodiversity on the African continent.

The Kibira forest is one of Burundi's major nature assets in terms of its social, environmental, and economic ecosystem services. The decline of this forest will have a significant impact on the country's ambition to end poverty (affecting most of the SDG goals). Without combined efforts with private sector and others key stakeholders, the country will lose the Kibira's biodiversity and associated socio-economic benefits. Specifically, (i) the loss of biodiversity will have a significant impact on tourism opportunities due to the loss of key attractions such as chimpanzees, (ii) the degradation of nature assets and the loss of ecosystem services will affect services



Figure 1 - Kibira National Park

that support different aspects of human well-being, including employment opportunities and agriculture productivity.

However, the Kibira forest continues to be degraded by a range of anthropogenic activities - deforestation, poaching, bushfires, unsustainable harvesting of medicinal plants and overgrazing - the impacts of climate change are increasingly wreaking havoc in the region, impacting food security and stable sources of income for local communities. While the park offers opportunities for poverty reduction and food security in the region, its management requires effective co-management and the structuring of sustainable revenue streams to generate long-term, regenerative social and environmental returns.

The Kahuzi-Biega and Kibira forests sanctuaries programme is therefore supporting the design and implementation of tailored protected area interventions that prevent further degradation of the forests and promote the wellbeing of local communities and Indigenous peoples, including through direct involvement in management strategies as well as the approaches for financing improved livelihoods.

2023 was a year of learning and preparation for increased project delivery from 2024 onwards. In particular, the Kibira foundation has formally entered into a 10-year co-management agreement with the agency in charge of protected areas (Office Burundais pour la Protection de l'Environnement, OBPE). An important milestone in the project's contribution to ensuring effective protection and conservation of the park's biodiversity is the ongoing rehabilitation of facilities to reactivate the Kibira National Park Headquarters. In addition, the process of developing/revising the park's management plan was initiated during a three-day workshop in October, in collaboration with the UNDP country office.

Lastly, an open and competitive process conducted by UNCDF has resulted in the selection of two outstanding organisations in their respective fields to lead implementation on the ground from 2024. Communities of Hope (COH) and Conservation, Changement de comportement (3C), the two selected organisations, will work closely together and with the Kibira Foundation and the Burundian Protected Areas Authority (OBPE) to promote the conservation and protection of the Kibira National Park.

Since the start of the Programme, and the signing of the co-management agreement, the following have been achieved:

- **Improved park infrastructures to refurbish the headquarters:** Kibira National Park lacks a functional headquarters to support all law enforcement and biodiversity conservation activities. The current site, which served as the park headquarters, has been out of use since 1993 due to political crises and insecurity. However, a centralised and functional operations centre is essential for the efficient management of the park. With support from the United Nations Peacebuilding Fund (UNPBF), UNCDF has begun to refurbish a first set of two buildings in the Rwegura sector to enable the reactivation of the park headquarter and the redeployment the ecoguards. The Nature Facility funding has complemented existing efforts and will provide further support for the renovation of additional facilities in 2024. This includes the renovation of accommodation for the park manager and eco-guards, as well as three bungalows for tourists.



Figure 2 - Refurbished headquarters for Kibira National Park.

- Develop/revise protected area management plan to secure and monitor critical areas for endangered primate species:** The Kibira National Park is currently managed by a management plan released in 2014. This plan is outdated and was not adequately enforced to comply with national and international protected areas management standards. The development of new management plan is in line with the Burundian government objectives to improve the management of the Kibira National Park. Several partners have expressed their interest in supporting this government to achieve this objective. UNDP is currently leading the development of the process to equip the Park with a new management plan. The process was formally launched in October during a three-day workshop in Kayanza. Park managers and experts in conservation as well as representative from UNCDF and the Kibira foundation attended the workshop. UNCDF through the nature facility program will provide various technical supports and will ensure that a revenue generating mechanism is designed as part of the management plan.
- Develop and implement a detailed restoration plan:** reforestation and restoration activities have already made significant progress. Over 160,000 plants have been cultivated through community nurseries within the park and in the community areas.
- Recruitment of implementing partners:** In June 2023, UNCDF launched a Request for Proposal (RFA) for the selection of qualified organizations to support the management of the Kibira Foundation and lead the implementation of activities under the co-management framework. The selected organizations will be key implementing partners for most the activities under this program.

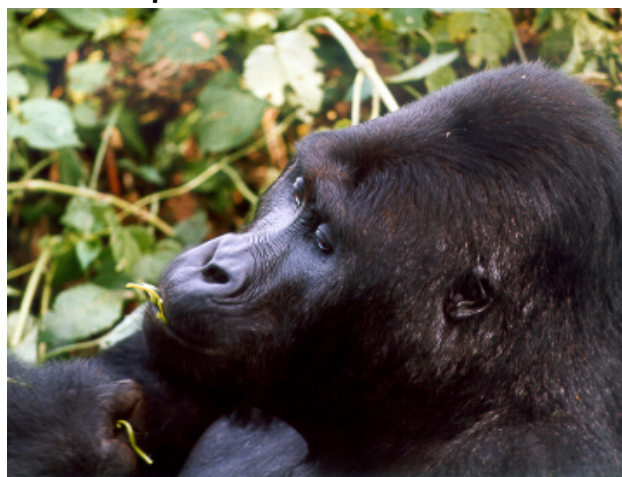


Figure 3 - Gorilla in Kahuzi-Biega National Park, photo: Guy Dubonnet

- **Training and capacity building for the implementation of the World Heritage Convention and the Man and the Biosphere (MAB) Programme:** 30 experts trained, from the Burundi National Commission for UNESCO including sectoral ministries and institutions involved in cultural and natural heritage, exact and natural sciences, researchers from higher education institutions, media professionals and civil society.
- **Technical assistance for the establishment of World Heritage National Committees and the MAB Programme:** Support for the preparation of draft regulations on the establishment of these committees. This is the first step towards the creation of UNESCO designated sites. These Committees represent entities for consultation, liaison and information, as well as for mobilizing, coordinating and implementing activities and partnerships with all the stakeholders concerned.
- **Missions to assess the state of conservation of Kibira National Park (KNP):** Two field missions were carried out, resulting in assessment of the state of conservation of the site and collection of recent data, and a detailed timetable for the preparation of dossiers for the nomination of the park as a biosphere reserve and for inscription on the World Heritage List.

In addition to the activities within Burundi supported by the Nature Facility, UNCDF, with support from the Peace Building Fund, has been working with Wildlife Conservation Society (WCS) to initiate activities within Kahuzi-Biega National Park in DRC.

Tiger Landscape Investment Fund

Home to nearly 15% of the world's tropical forests, Southeast Asia experiences some of the highest rates of habitat and biodiversity loss in the world¹. The loss of forests over the past 20 years negatively impacts the communities dependent on the forest for its resources and services, as well as releases significant amounts of greenhouse gas emissions (GHGs) that contribute to global climate change². The challenges to conserving biodiversity, and the natural ecosystems it underpins, vary across the region; however, what is common across all biodiversity landscapes is the critical need to strengthen the relationship between people and nature through nature-based livelihoods that benefit people and nature.



Figure 4 – Camera trap image of the Malaysian tiger, a critically endangered species threatened with extinction, photo: UNDP

From an estimated population of 100,000 at the beginning of the 20th century, the population of wild tigers had crashed to as few as 3,200 by 2010. However, 2016 marked a pivotal moment for tiger conservation as global populations increased to 5,574 tigers³. Despite this positive trend, the increase has not been consistent across the tiger's range and the tiger population continues to decline dramatically in Southeast Asia. Of continued concern, the threats causing the decline have

¹ <https://www.nature.com/articles/s41467-019-09646-4>

² Global Forest Watch(<https://www.globalforestwatch.org>)

³ (Global Tiger Forum, 2023)

not disappeared and new kinds of threats have emerged. Overall, tiger landscape conservation needs to be urgently strengthened if it is to achieve long-term success.

Tiger landscapes are large blocks of ecologically connected areas of suitable tiger habitat. They are highly diverse, ranging from dense rainforests to open grasslands. These areas also contribute to human well-being, locally and globally, through the provision of many ecosystem goods and services such as sustainable water supplies, carbon storage and sequestration, food security and medicinal plants, and economic opportunities. Such large, ecologically intact areas are critical in supporting sustainable development³, addressing the triple crises of biodiversity loss, climate change, and the emergence of zoonotic diseases, and providing the stable conditions essential for healthy, sustainable economies and security for millions of people.

Protecting and restoring large tiger landscapes requires a long-term approach that enables landscape scale design and deployment of a 10 to 15 year conservation plan. Existing financing modalities, particularly Official Development Assistance (ODA), don't align with this approach as they tend to be small in scale and short in duration.

The proposed Programme would support the development of the Tiger Landscapes Investment Fund (TLIF, formerly Tiger Ecosystem Fund) to catalyze private sector investments into nature-positive businesses that contribute to the protection, restoration, and sustainable management of Tiger Landscapes.

In several tiger landscapes, lack of sustainable livelihoods and business opportunities are key drivers of not just the loss of tigers and biodiversity but also climate vulnerability and GHG emissions. Investments by TLIF in sustainable livelihoods and nature-positive businesses, such as eco-tourism, and community-based agribusinesses, would reduce threats to tigers and biodiversity, support their recovery, and strengthen the climate resilience of local communities and indigenous peoples.



Figure 5 - Thungyai-Huay Kha Khaeng Wildlife Sanctuaries, Thailand, is a critical stronghold for the long-term survival of many species including tigers. This World Heritage Site will be a focal landscape for the TLIF. Photos: Ko Hon Chiu Vincent

The TLIF is being structured to mobilize capital from institutional investors, development financial institutions, and philanthropic donors to achieve nature and people objectives. The Fund is particularly attractive to institutional impact investors with strong preferences for measurable and verified positive impacts on nature and people.

At the same time, nature-positive businesses such as eco-tourism, community-based sustainable enterprises, and restoration are perceived as risky by institutional investors. To reduce the financial risks to institutional investors and make the fund attractive to them, the fund will deploy a blended finance structure, pooling capital from different investors, including development financial institutions, and philanthropic donors as well as leveraging guarantee mechanisms.

The programme was presented to the Steering Committee in November 2023 with Members requesting additional information prior to taking a final decision. Programme approval is expected in early 2024.

Governance & Operations

The Nature Facility Steering Committee was established with UNDP, UNCDF, UNESCO, and Cartier for Nature as its first members. UNESCO was selected as the first Chair for the Committee for a period of two years. The Steering Committee provides overarching, high-level strategic direction and cohesion for the Facility and ensures effective decision-making and management oversight of all operational and technical aspects of the Facility. The Facility's Administrative Agent is the UN's Multi-Partner Trust Fund Office (MPTFO) who is accountable for effective and impartial fiduciary management and financial reporting and guides the Secretariat in the design and operationalization steps of the Facility.

Two virtual Steering Committee meetings were held in 2023. During the first Steering Committee Meeting, allocation of funds towards the Burundi/DRC Programme and the Secretariat was approved. Additionally, the Steering Committee approved the initial concept note for the South-East Asia Programme, requesting a full programme be developed for consideration. The Committee additionally endorsed the Rules and Procedures of the Steering Committee outlined in the Nature Facility Terms of Reference and the workplan and budget for the Secretariat.

The Secretariat is hosted by UNDP within its Nature Hub and functions in collaboration with relevant units from UNESCO and UNCDF. The Secretariat supports the Steering Committee and facilitates the overall operation of the Fund, ensuring strict separation of oversight and execution functions. The Secretariat holds both technical and operational expertise and includes initial capacity for outreach, communications, and programming/Fund Coordination. In Q3-Q4 2023, the Secretariat contracted consultants from Conservation Alpha to develop the Investment Plan and Resource Mobilization Strategy, and a graphic designer to develop the Nature Facility brand.

During the second Steering Committee Meeting, revisions were requested for the South-East Asia Programme to narrow the scope of implementation and clarify the programme's key deliverables. The Committee additionally approved the Nature Facility branding and the 2024 Secretariat workplan and budget. During the meeting, there were guided discussions regarding the Investment Plan, enhancing resource mobilization, and key milestones for 2024.

Branding

The Secretariat worked with a graphic designer to develop the Nature Facility logo and visual identity.

The goal of the Nature Facility branding was to develop a modern, inspirational visual identity with connections to both people and planet. Based on an analysis of other nature-based funds and initiatives, the Secretariat recommended the graphic design consider non-traditional shapes and images for the logo. Given the Facility's focus on terrestrial ecosystems, the colours associated with the brand were to be pulled from images of nature.

Ultimately, the Facility's logo is inspired by the Golden Ratio—a mathematical equation prevalent in nature and as well in various human products, including architecture and art pieces.

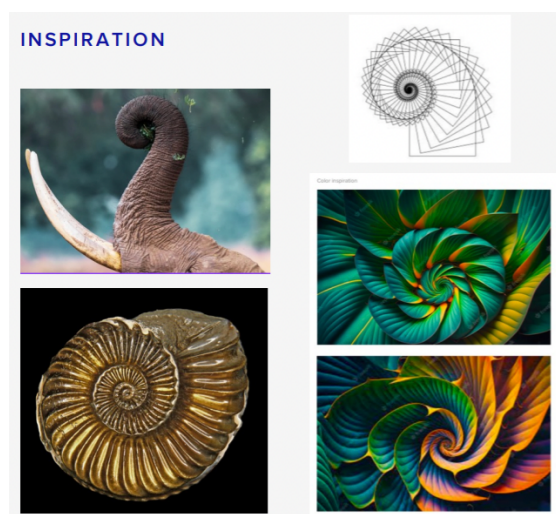


Figure 6 - Visual inspiration for the Nature Facility logo

Investment Plan

Conservation Alpha (CA) was engaged in Q4 2023 by UNDP (on behalf of the Nature Facility) to lead the design of the Investment Plan and the Resource Mobilisation Strategy for the Nature Facility (NF). Initial efforts focused on conducting a situational analysis of potential financing vehicles and meeting with a wide array of relevant stakeholders in the nature investment space using a semi-structured interview to outline the parameters and learn lessons from the successes and failures in the nature finance space. Primary Partners were interviewed to provide their vision for the Nature Facility, to outline the roles of each organisation and the parameters for the NF, as well as to share lessons learnt from the Global Fund for Coral Reefs. Secondary Stakeholders, ranging from banks, NGOs, multilateral organisations and impact investors into nature were interviewed to outline their experience of the opportunities for a grant facility to catalyse investment and to gain useful insights for the investment plan. Several case studies were identified during these discussions and incorporated into the investment plan.

CA spent time developing the first iteration of the high-level Theory of Change for the Nature Facility, designed to meet the social, ecological and investment objectives of the facility. The Theory of Change was developed following an iterative process with the primary partners, before it was presented to the Steering Committee in December 2023. CA additionally defined the parameters of a “World Heritage Landscape” and provided an initial outline of a site prioritisation process to narrow down the scope of investment to UNESCO World Heritage Landscapes. The first iteration of a governance structure for the facility was also developed with all these components presented to the Steering Committee in December 2023 for feedback.

CA started building out the Resource Mobilisation Strategy, focusing initially on creating an Outreach Tracker which was demonstrated to the Steering Committee in December 2023.

2024 Roadmap

Beyond the successful implementation of the Facility's demonstration programmes, the Nature Facility will map the extensive portfolios of its UN partners to identify and scale up successful solutions and programmes. Specific collaboration is planned with GEF-8 Integrated Programmes and BIOFIN. Through BIOFIN's work in 40 countries to create tailored National Biodiversity Finance Plans that support countries transition to a nature positive economy, the Facility will help implementation identified solutions that protect nature, create jobs and combat climate change.

To achieve the Facility's common goals, bolstering resource mobilization efforts remains of paramount importance. In 2024, all partners will work collectively to diversify funding sources, forge strategic partnerships and harness innovative fundraising approaches. Several donor events are expected throughout 2024, targeting global conferences such as the UN High-Level Political Forum, UN General Assembly, UNFCCC COP, CBD COP, UNCCD COP, etc. These conferences will provide opportunities to introduce the Nature Facility's vision and programme pipeline with the intention of attracting additional anchor donors. A public launch is expected by end of 2024.

