

ESKEN Webinar

13 September 2022

Investing for Climate Adaptation and Resilience in  
Land Use Finance



# Agenda

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Welcome

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Presentations:

- **Stuart Beavis** | Regional Lead, Dutch Fund for Climate and Development (Asia), WWF Hong Kong
- **Marie Andrée Liere** | Adaptation Specialist, Landscape Resilience Fund
- **Sophie Trémolet** | Europe Freshwater Director, The Nature Conservancy

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Q&A





**Stuart Beavis**

Regional Lead DFCD (Asia), WWF Hong Kong

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# Mekong Delta Integrated Rice and Aquaculture Project

Stuart Beavis

Regional Lead, Dutch Fund for Climate and Development (Asia)

13-09-22

# Project vision

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Design a **bankable model for responsible farming** in the Mekong Delta landscape



Contribute to restore the **long-term resilience** of the Delta

- for nature and people
- by addressing the root causes of the loss of resilience of the Delta

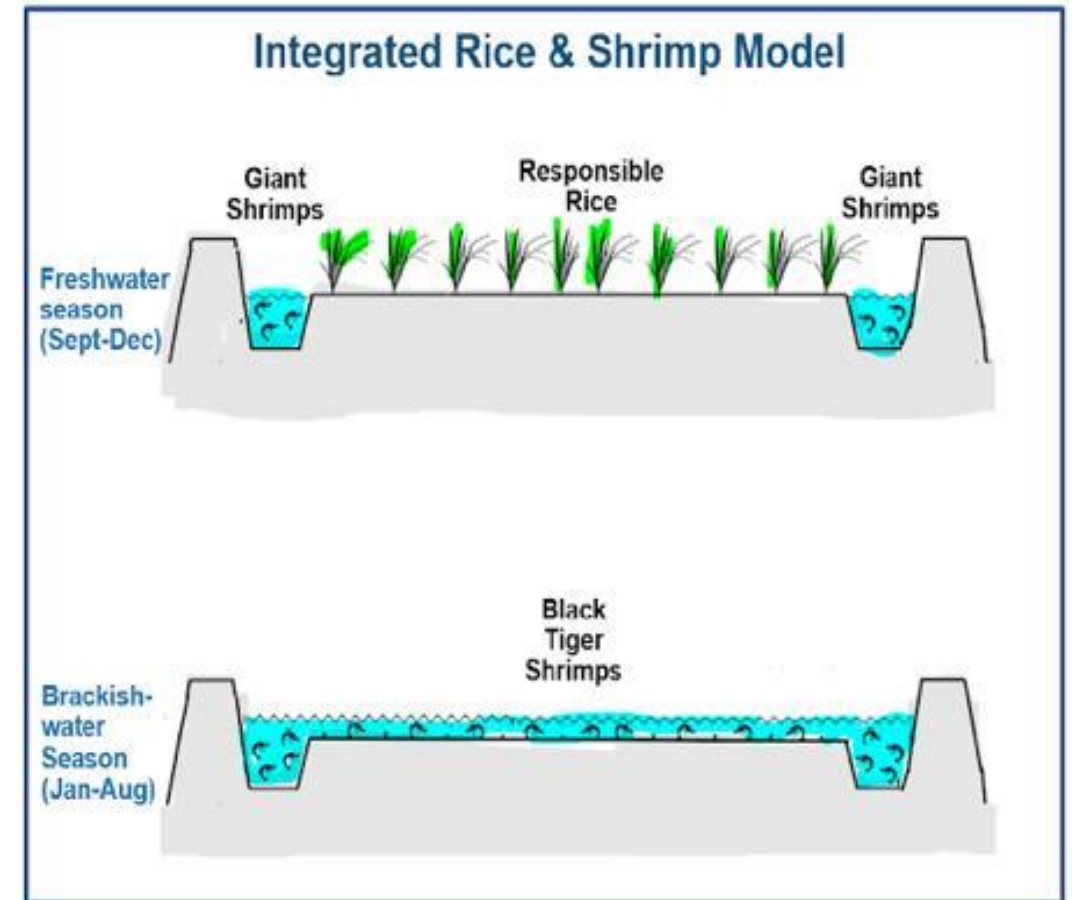


Support **low-income communities**

# Project design



- Replace conventional rice and aquaculture by **Integrated Rice & Shrimp Responsible Farming**
- **Modernize a proven model**
  - Mixed rice & aquaculture farming has spread across the coastal provinces of the Delta for 25 years
  - The aim of the proposed project is to bring improvements to this proven model and adapt it to climate change
- **Pursue 6 key project objectives**



# 1. Food Production Resilience: Responsible farming

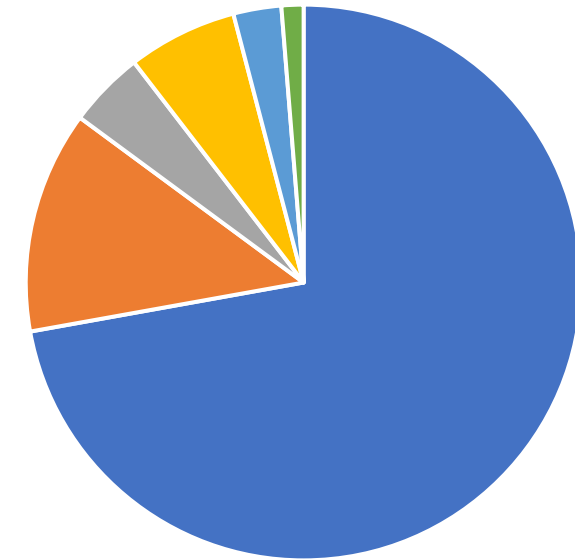


No use of chemical fertilizers, pesticides and antibiotics

- Farmers in the project will produce certified responsible shrimps and rice
- Avoiding chemical pollution, loss of biodiversity, consumers health issues and GHG emissions
- Responding to international consumers demand



International demand for Giant Tiger Prawns certified by Aquaculture Stewardship Council (ASC)



■ DACH ■ Scandinavia ■ US & Canada ■ Benelux ■ China ■ UK  
\* DACH: Germany, Austria & Switzerland

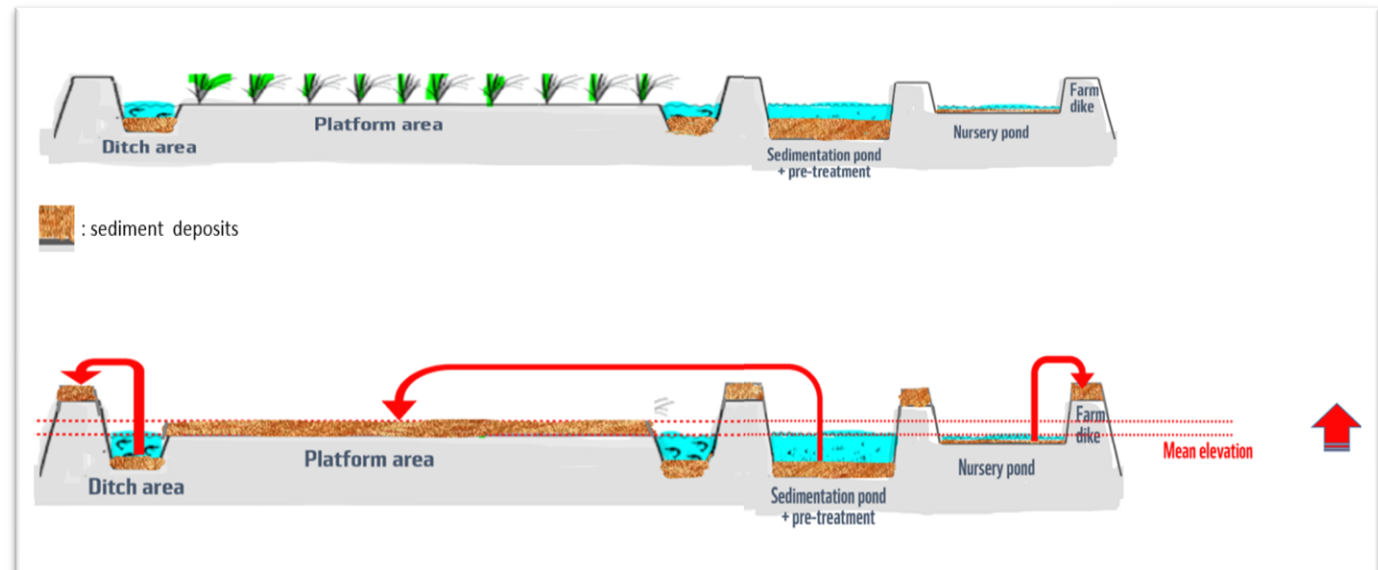
Source: ASC report at Vietfish in Vietnam 2018

## 2. Physical Resilience: Sedimentation



### Building-with-nature to compensate for land subsidence

- Allowing muddy water from the rivers and canals to flood the paddies
- Trapping sediment deposits in the fields
- Gradually gaining elevation year by year
- Fertilizing soils naturally





## 2. Physical Resilience: Sedimentation



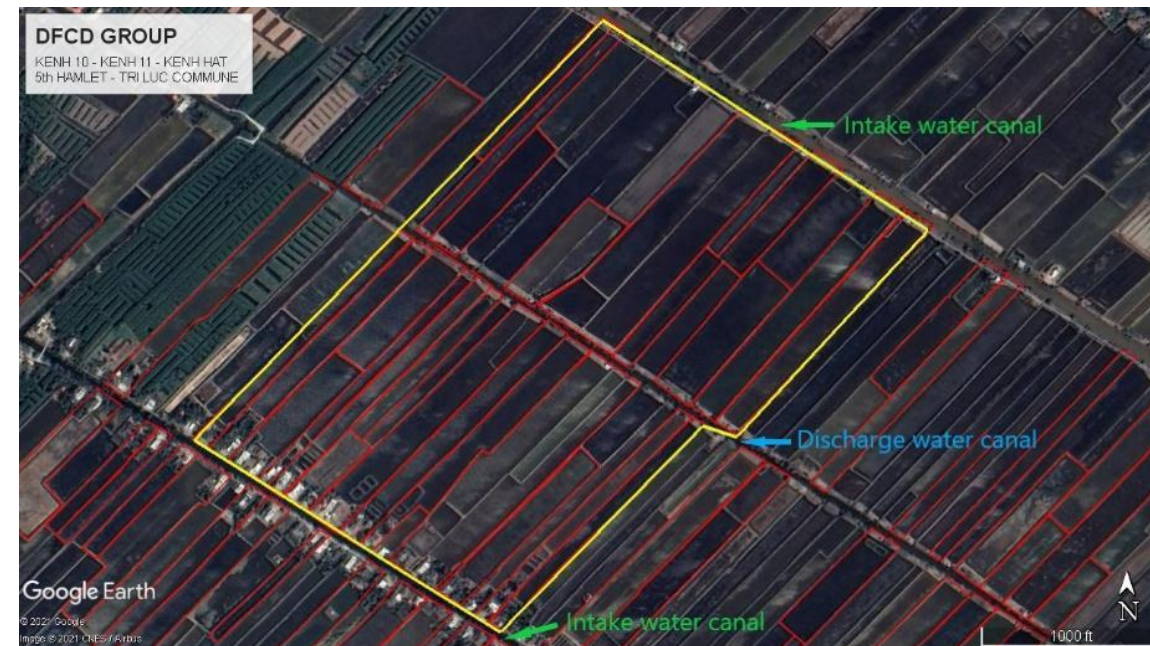
### Allocate designated canals for clean-water intake supply & other canals for used-water discharge

- Avoiding risk of pollution
- Avoiding risk of disease contamination from the effluents of nearby intensive ponds

### Avoid pumping from the aquifer

- Protecting the depleted aquifer
- Addressing one of the root causes of land subsidence in the Mekong Delta

*Tri Luc commune (Ca Mau province)*



# 3. Bankability: Income generation

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Operate a viable income-generating project to benefit farmers and to attract private financing

- Generating incremental income for farmers
- Reducing risk of crop losses
- Attracting private capital looking for returns, ensuring scalability potential of the project

*Estimated Operating income of farmers at scale-up Stage 3*

**Integrated Rice and Shrimp Responsible Farming versus conventional rice monoculture farm**

- |                                     |                       |
|-------------------------------------|-----------------------|
| ▪ Revenues (A):                     | increased by 194%     |
| ▪ Costs (B):                        | increased by 99%      |
| ▪ Operating Income (A-B):           | multiplied by 285%    |
| ▪ Operating Income Margin (A-B /A): | increased from 51-67% |

## 4. Partnership with the private sector



- The Project Developer is **Minh Phu Seafood Corp**, the largest shrimp processor and exporter in Vietnam with a turnover of USD 500 million per year
- The off-taker of the rice production is **Tan Vuong Food**, a rice processor partner of Minh Phu Seafood



*24-3-21: the CEO of Minh Phu Seafood Corp and WWF presenting the project to the Ministry of Agriculture Provincial Department*

# 5. Contributing to Government plans



- The project is in line with national plans for agriculture, environmental and climate resilience
- Meetings took place with Provincial Departments of Ministries of Agriculture, Natural Resources & Environment, and with the Vice-Chairman of the Province
- Project has been supported by the Third Conference on Climate Resilient and Sustainable Development of Mekong Delta, on 12-3-21 attended by the President of Vietnam Mr Nguyen Xuan Phuc and several key ministers



## 6. Social engagement

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Provide incentives, training & assistance to local communities and apply ESSF safeguards policies

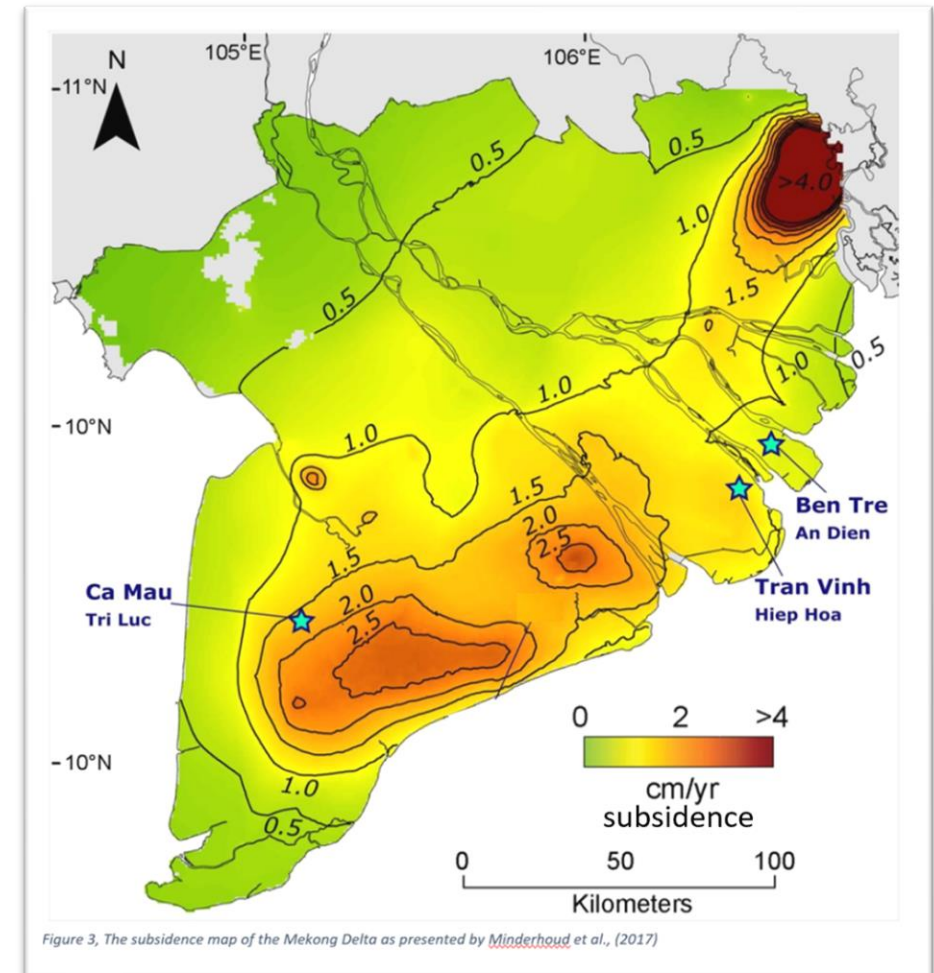
- Mobilizing farmers through local cooperatives
- Diversifying livelihoods and improving labour skills through training
- Safeguarding equal access opportunities, with balance of gender, youth & minority groups



# Location of the project



- The project will be located in the saline-influenced zones of the Mekong Delta
- The project should start with **3 pilots of 30-50 hectares each**, running from August 2021 to July 2022
- Assuming that the pilot outcomes are successful, the project should be **replicated at scale** across the coastal provinces of Vietnam starting Q3 2022 to cover an estimated 30 000 ha by 2028

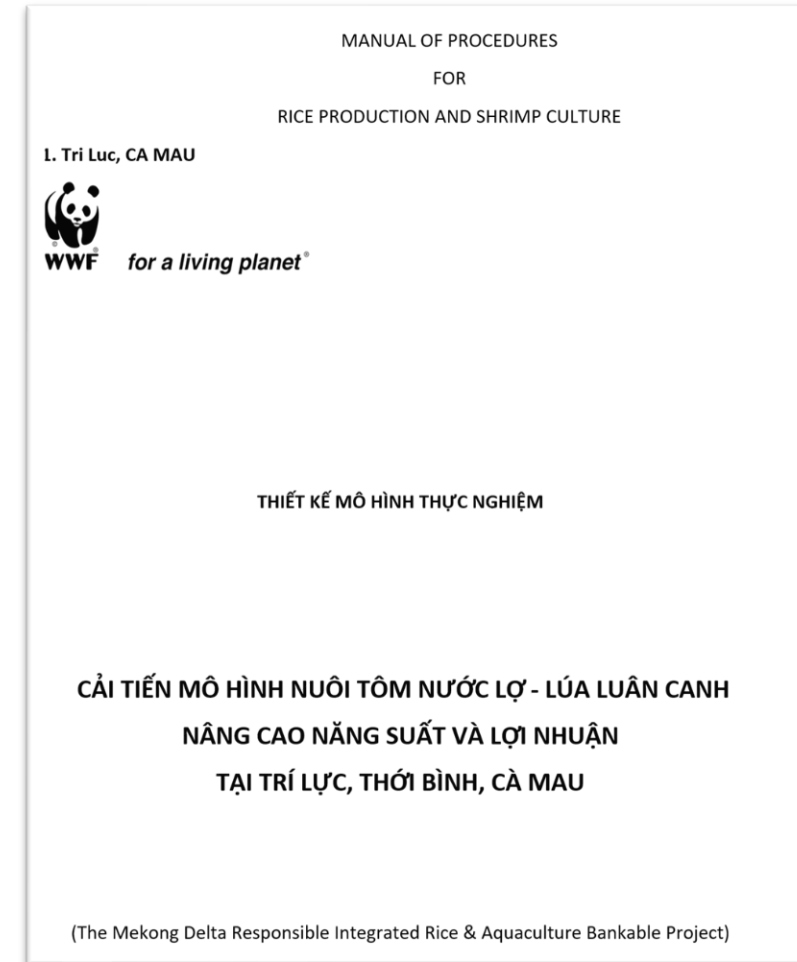


# Role of cooperatives



- Participating farmers will be aggregated in local cooperatives
- The cooperatives will be the **spokesmen of the farmers**
- The cooperatives will **distribute key inputs** to farmers: shrimp post-larvae, rice seedlings, organic fertilizers, pumps, pipes
- The cooperatives will **provide training and technical assistance** to the farmers during Stage 2 and Stage 3

*Training manual for cooperatives  
(76 pages covering daily production activities)*



# From: Conventional rise and aquaculture production

- × Intensive farming
- × Fragmented farming
- × Complex supply-chain
- × High exposure to shrimp diseases
- × Unstable revenues
- × Contributing to the loss of physical resilience of the Mekong Delta
- × High risks from climate change, saline intrusion, droughts

# To: Integrated rice & shrimp responsible farming



- ✓ Responsible farming
- ✓ Gathering individuals in cooperatives
- ✓ Short supply-chain
- ✓ Reducing risks of crop loss
- ✓ Resilient revenues
- ✓ Restoring physical resilience by building with nature
- ✓ Adapting to climate change and de-risking the Mekong Delta Landscape



A serene photograph of a white egret perched on a thin branch of a tree in a swampy forest. The water is calm, reflecting the trees and the bird. The scene is dimly lit, suggesting early morning or late afternoon. The text "Thank you" is overlaid in the center in a clean, white font.

Thank you



**Marie Andrée Liere**

Adaptation Specialist, Landscape Resilience Fund

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# Landscape Resilience Fund

Investing for Climate Adaptation and Resilience in Land Use Finance

September 13, 2022

**Marie Andrée Liere**  
Adaptation Specialist



landscape  
resilience fund

Fund Manager



Advisor and Service Provider

WWF partners  
with the LRF for  
climate resilience  
and biodiversity



Supported by



Anchor Investor

**CHANEL**

# Climate adaptation remains grossly underfinanced

## One of the 4 goals of COP 26:

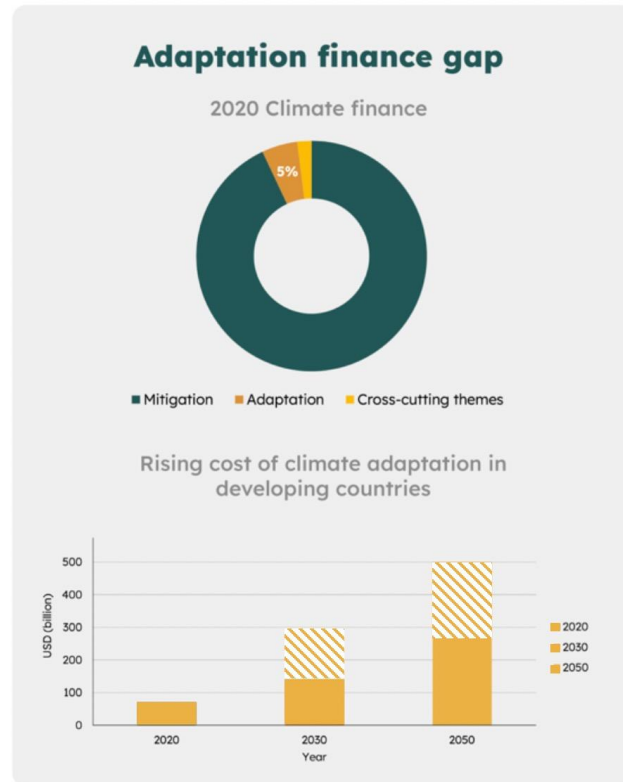
*"Urgently adapt to protect communities and natural habitats."*

## COP 27 in Egypt:

*"The adaptation COP"*

## UN Secretary-General António Guterres response to the IPCC Report:

*"As climate impacts worsen – and they will – scaling up investments will be essential for survival... Delay means death."*



# The vital role of SMEs

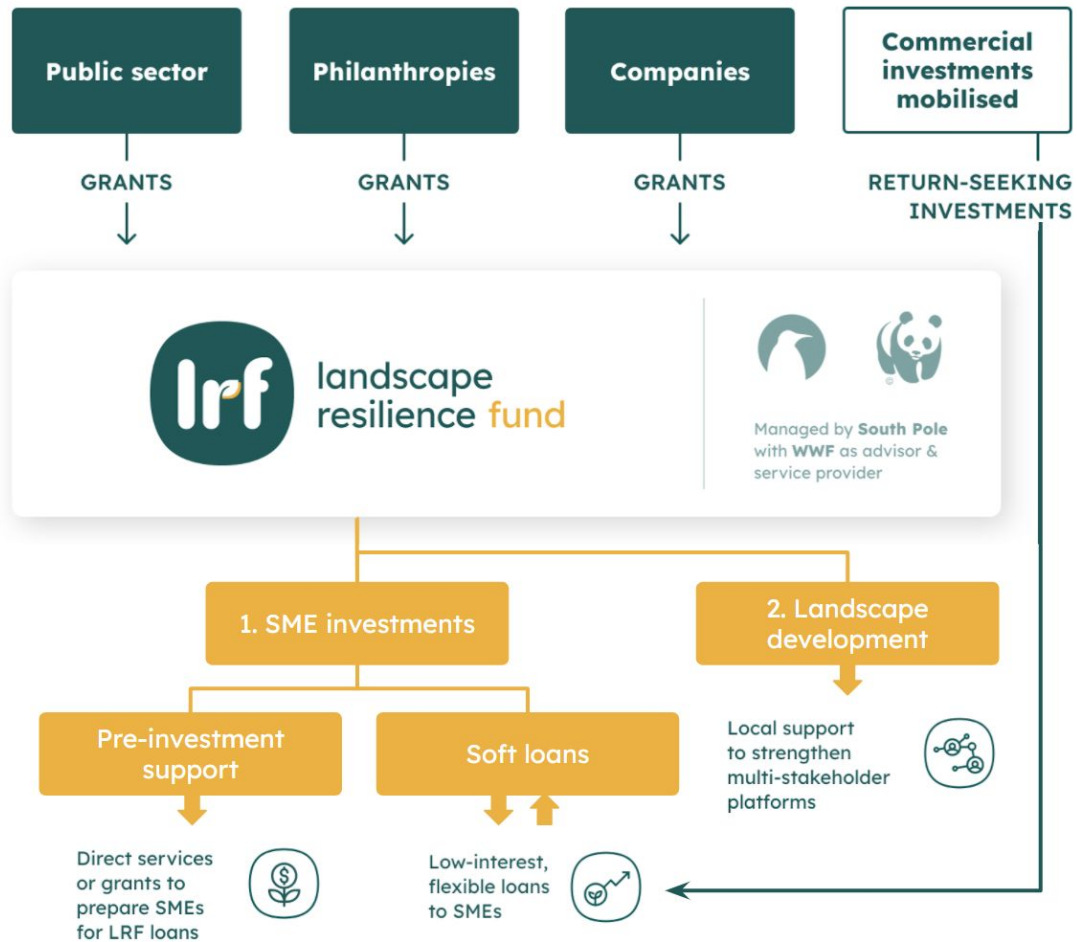
**Communities least responsible for climate change are dealing with the intensifying impact of climate change.**

Smallholder farmers producing **80%** of food in developing countries are the most vulnerable to climate change and loss of biodiversity.

**The latest IPCC report states** *‘worldwide climate resilient development action is more urgent than previously assessed.’*

As the **economic backbone of rural landscapes**, local SMEs can serve as a cornerstone for effective climate resilience, by supporting smallholder farmers - such as cocoa growers - to adapt their farming practices and provide a secure income through the purchase of products.





# The two pillars of the LRF

## 1. Landscape development



- Local support, led by LRF local landscape coordinator, to strengthen multi-stakeholder platforms
- Promote participatory planning with local community
- Understand regional priorities and opportunities

Funded through grants

## 2. Supporting climate-resilient SMEs



Capacity building for SMEs:

- Financial and business planning
- Improved market access through offtake agreements
- Environmental and social management systems

Soft loans provided to SMEs:

- Small capital expenditure investments
- Scaling or replication of innovative pilot projects
- Working capital

Revolving fund structure means repaid loans are reinvested in other SMEs

# How the LRF is different



## **Integrated landscape approach**

Learning from experiences of rural communities & integrating local stakeholders



## **Hands-on support to the SMEs**

Creating self-sustainable businesses



## **Mobilizes additional investment**

\$1 : \$3



## **A global best practice framework**

LRF's support goes beyond traditional technical assistance



# LRF's Opportunity for Impact

By 2026, with \$100m mobilised, the Landscape Resilience Fund (LRF) will achieve the following measurable outcomes:

**500,000** people

living in landscapes vulnerable to climate change will have increased resilience and strengthened livelihoods.

This includes increased and diversified **income and new jobs** created. 50% of the people impacted will be **women**.

**200,000** hectares under sustainable land management.

Increased biodiversity from **10,000–20,000** additional hectares under conservation.

Reduction of **2,080,000** metric tonnes of CO<sub>2</sub>.

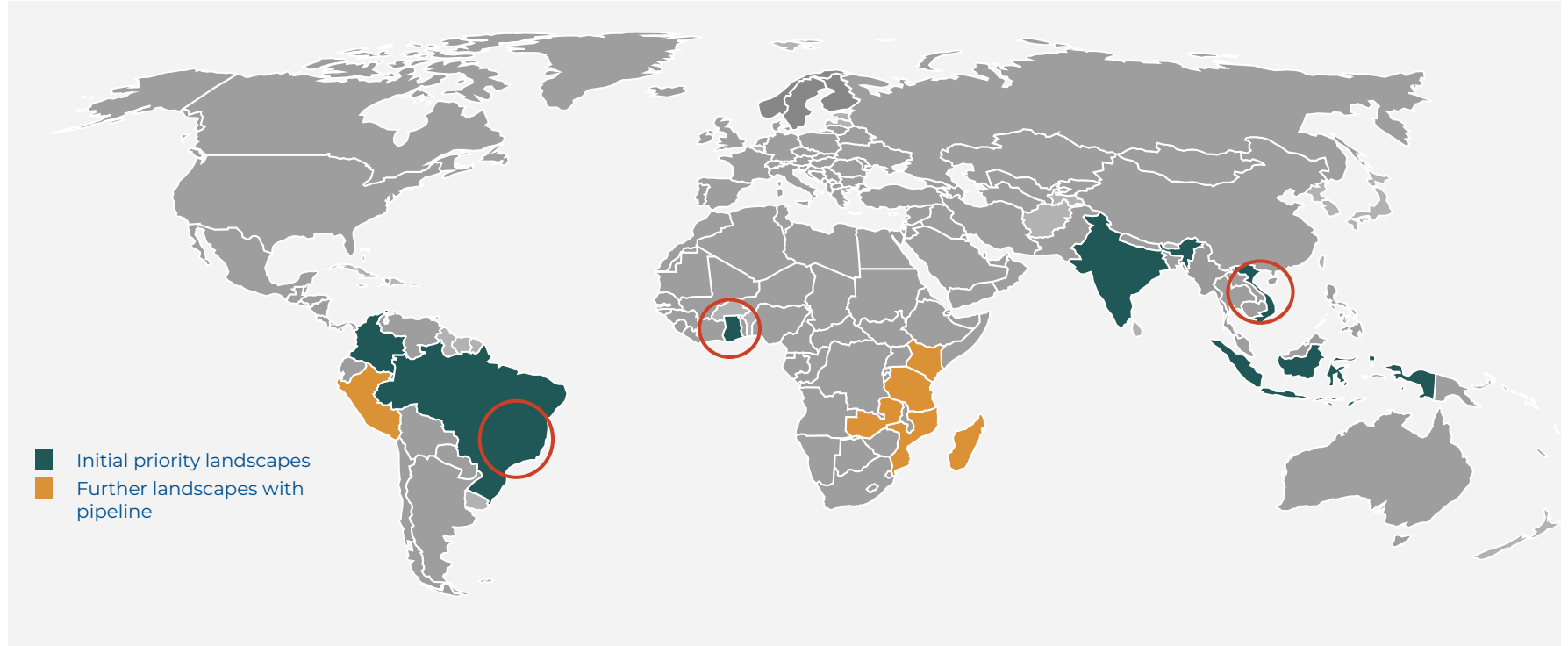
**\$1m→\$3m**

Every \$1m investment from the LRF could unlock up to \$3m additional finance from commercial investors, for climate-resilient SMEs.

 **Long-term impact:** the LRF model is replicated to unlock finance at scale for long-term climate resilience

# Geographic focus of the LRF

Sub-Saharan Africa, South and Southeast Asia, Latin America



# How does the LRF look in practice?

## First LRF investment in Ghana: Koa Impact

- LRF has made its first SME investment into **Koa Impact Ghana**. Koa produces juice and juice-related products from (otherwise discarded) cocoa fruit pulp. Koa buys the pulp from smallholders, creating value from a previously wasted natural resource.
- Koa's business model **increases smallholder farmers' income by 20-30%**; reduces food waste by 40% and uses a highly-efficient solar-powered processing method.
- The LRF has invested to support Koa's efforts to scale its operations in Kakum and in other landscapes in Ghana.

### Expected Impact by 2026 as a result of LRF investment

- **Increase the incomes** of ~10,000 smallholder farmers;
- Deliver enhanced knowledge and skills to farmers to **improve their business, farming practice and resilience** to climate change;
- Overall improved and resilient landscape.



# Contact us



landscape  
resilience fund



**Marie Andrée Liere**

**Adaptation Specialist**



[m.liere@landscaperesiliencefund.org](mailto:m.liere@landscaperesiliencefund.org)



# Contact us



landscape  
resilience fund



+41 43501 35 50



[contact@landscaperesiliencefund.org](mailto:contact@landscaperesiliencefund.org)



<https://landscaperesiliencefund.org>





**Sophie Trémolet**

Europe Freshwater Director, The Nature Conservancy

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**Thank you**

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