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Investing in nature: how SNV's DFCD projects strengthen biodiversity

October 2024



1. Introduction

SNV recognizes biodiversity restoration and conservation as vital to sustainable development, and we believe engaging private actors is essential to achieving these goals. Through the [Dutch Fund for Climate and Development's \(DFCD\)](#) Origination Facility, we focus on nature as a key component of climate resilience and food security. From 2024, biodiversity became a core theme within the Origination Facility, with SNV identifying and supporting scalable business opportunities that benefit ecosystems and communities. This brief outlines our approach and aims to inspire greater private sector engagement in biodiversity protection and climate resilience.

2. The challenge

Awareness of biodiversity loss as a twin crisis to climate change has surged in recent years. The vital connection between protecting nature and combating climate change is now widely recognized. The [IPCC's AR6 WG2 report](#) emphasizes the essential role of safeguarding biodiversity for climate-resilient development. Similarly, [UNEP's 'State of Finance for Nature' report](#) underscores the need for investment in Nature-Based Solutions (NbS), which address various societal challenges, including climate adaptation, mitigation, and poverty alleviation. With SNV's focus on socioeconomic development, integrating biodiversity and nature into our projects aligns with our development goals.

Our commitment

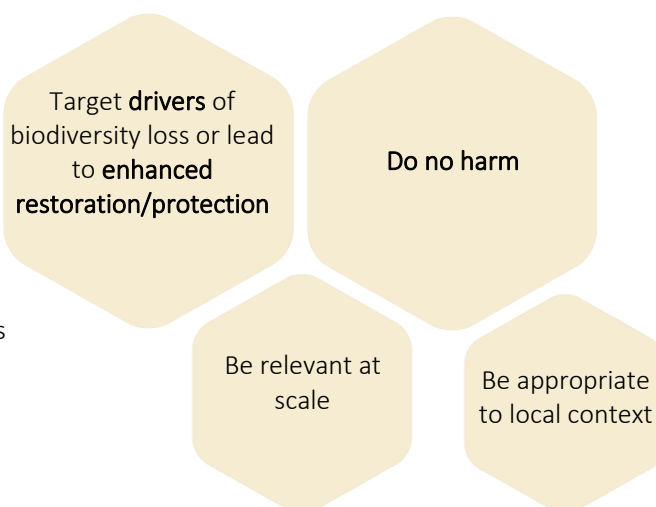
By 2027, we aim for at least 25%, and ideally 50%, of DFCD Origination Facility investments to enhance biodiversity.

These projects will target agro-biodiversity, species conservation, and ecosystem diversity, while adhering to strict safeguards to ensure no harm to biodiversity.

For the business cases supported by SNV through the DFCD Origination Facility, preventing biodiversity loss may present risks and costs, such as regulatory restrictions, supply chain disruptions and traceability demands, but it also offers opportunities, including new markets in eco-products and enhanced value propositions and contribution to building climate resilience. The [World Economic Forum estimates](#) that nature-positive policies and investments could create 395 million jobs by 2030. To achieve these impacts and mitigate risks and costs, SNV aims to identify and enhance business cases with strong biodiversity benefits, improving their commercial viability to attract more investment.

3. Understanding and measuring impact

To ensure our activities contribute to the protection, enhancement, and sustainable use of ecosystems, species, or genetic resources, we apply five key criteria to assess the significance of biodiversity interventions. Projects must:



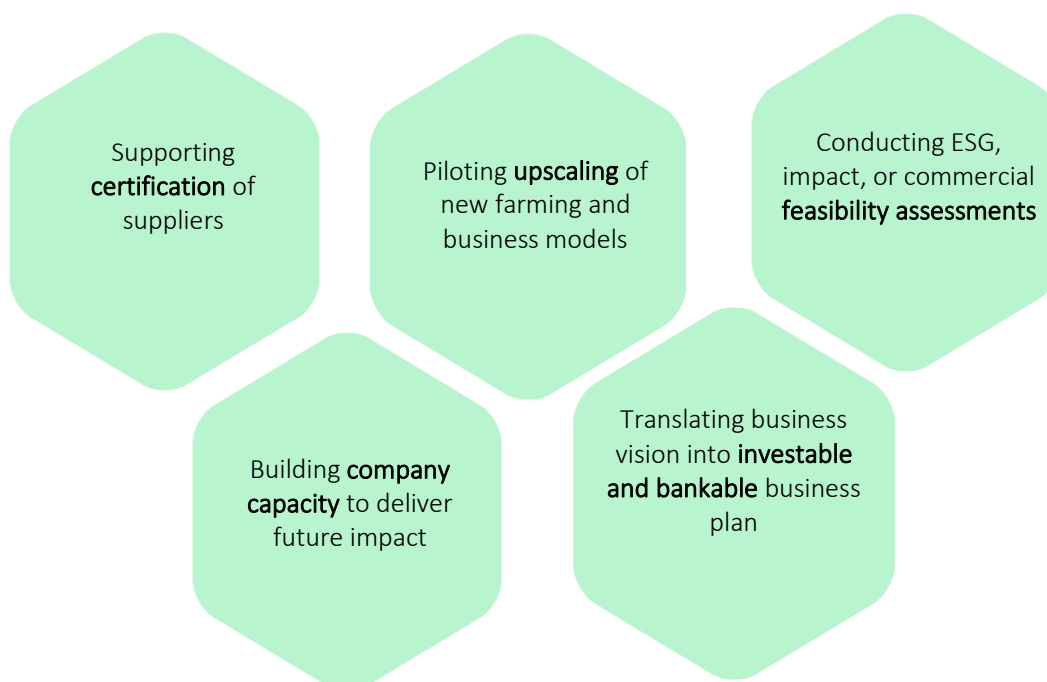
The impact on biodiversity is highly context-specific, influenced by the type of business, its activities, and the surrounding landscape and ecosystems. We employ a variety of tools to identify local drivers of biodiversity loss and evaluate how effectively a company addresses these pressures. This includes using a [Landscape Approach](#) to map climate and biodiversity risks for vulnerable communities and to estimate how proposed investments mitigate these risks. Areas of high conservation value / key biodiversity areas with the landscape of focus are also mapped. Additionally, this approach builds the capacity and systems of companies to ensure sustainable delivery. We also assess how local ecosystem degradation worsens climate vulnerability.

4. Putting this into practice

In Phase 2 of the DFCD (2024-2027), SNV is intensifying its focus on businesses that positively impact biodiversity. These include investments utilizing Nature-Based Solutions (NbS) aligned with global standards such as the IUCN Global Standard for NbS and UNEP guidance. This may include businesses whose activities and investments are contributing to the following:

- Direct support to **conservation and restoration**
- Enhancing **on-farm biodiversity** through, for instance set-aside, integrated pest management, zero tillage, integrated agroforestry, and zero deforestation
- **Reduced environmental pollution** through reduced or better application of chemical inputs and establishment of riparian buffer zones.
- Development of **sustainable livelihoods** in communities surrounding key-biodiversity areas to reduce drivers of encroachment or unsustainable use of resources.
- **Regenerative or conservation agriculture** that protects and restores soil.

To enable businesses to develop and realise their investment plans and contribute to biodiversity, SNV's origination support has included:



5. Examples of businesses we have supported demonstrate the potential for biodiversity impact



Ispahani (Bangladesh): integrated farm supplier and food processing group developing biodiversity friendly agri-inputs

Development, testing and last-mile distribution of new locally specific climate-resilient seeds and formulations of environmentally friendly inputs such as biopesticides and biofertilizers, reducing biodiversity loss from run-off and leaching.



Camimex (Vietnam): Shrimp processor and trader expanding mangrove-shrimp models

Scaling of an innovative nature-based aquaculture model, near protected coastal mangrove forests, that leads to restored mangrove forests, reduced encroachment, and improved natural habitats on and off-farm.



John Vents Industries (Nigeria): Cocoa processor and trader enhancing agroforestry

Expanding Rainforest Alliance-certified agroforestry practices, integrating indigenous and fruit tree species into cocoa farms. This approach improves biodiversity, enhances soil health, and allows farmers to diversify incomes. By restoring over 750 hectares of cocoa estates in southwestern Nigeria, JVI supports a zero-deforestation model, preserving high conservation value areas and protecting riparian zones.

6. Moving forward: reporting on and learning from our commitment

In addition to supporting more businesses that enhance biodiversity, SNV is committed to monitoring, evaluating, and communicating the biodiversity impacts of our projects at landscape level (See the Origination Facility's [landscape approach](#)). We have integrated biodiversity metrics into our evaluation systems and will assess impacts using the five key criteria outlined above.

Through this approach, SNV aims to contribute to a global understanding of how private investments can drive biodiversity restoration, scale up action, and close the biodiversity finance gap.

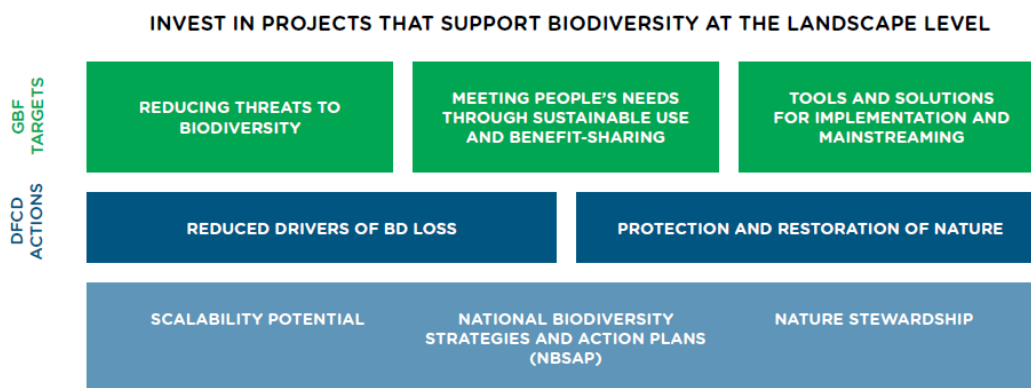


Figure 1: DFCD OF's biodiversity impact logic for projects that support and strengthen biodiversity. This approach expands on OECD Rio Marker for Biodiversity by breaking down key activities (in blue) which can be used as proxies for significant biodiversity impact within a landscape.



Pictured: The sustainable shrimp farming area in the mangrove forest of a household in cooperation with Camimex in Ngoc Hien district, Ca Mau province.

About the Dutch Fund for Climate and Development (DFCD)

The DFCD is a consortium of FMO, Climate Fund Managers (CFM), Worldwide Fund for Nature Netherlands (WWF) and SNV) managing a fund for scalable climate solutions. The fund, managed on behalf of the Dutch Ministry of Foreign Affairs, enables investments in projects aimed at climate adaptation and mitigation in developing countries. SNV and WWF-NL collectively manage the DFCD's Origination Facility, which identifies promising climate-focused projects and helps them develop into scalable, bankable solutions. For more information, visit <https://thedfcd.com/>.

About SNV

SNV is a global development partner with a mission to strengthen capacities and catalyse partnerships in the countries we are rooted in. By doing so, we aim to transform the agri-food, energy, and water systems to enable sustainable and more equitable lives for all. For more information, visit <https://www.snv.org/>.

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