

**MoMo4C**  
Mobilising More for Climate

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# MOMO4C PAPER

BUSINESS CASE DEVELOPMENT IN FRONTIER  
MARKETS TO SUPPORT CLIMATE RESILIENT  
LANDSCAPES

**November 2022**





# COLOPHON

Report written by Wolfs Company in cooperation with IUCN NL



Part of  
Grant Thornton



Cover photo:

- Cacao, Alain Intraina via Getty Images
- Tree planting in Uganda Dennis Wegewijs via Getty Images

Colophon photo: Women in village in Cameroon

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# BLUE PRINT FOR BUSINESS CASE DEVELOPMENT IN FRONTIER MARKETS TO SUPPORT CLIMATE RESILIENT LANDSCAPES

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To address the effects and causes of climate change and achieve broader goals for inclusive sustainable development, it is important to improve the resilience of landscapes with a unique and high biodiversity. Climate change has major consequences for people and nature. Many of the more vulnerable countries in the tropics lack the financial and other resources to adapt to climate change effects.

Mobilising More for Climate (MoMo4C) is a five-year programme (2019 – 2024) of IUCN NL, WWF Netherlands and Tropenbos International and implementing partners that are based in landscapes in Cameroon, Ghana, Indonesia, Uganda and Zambia. The programme is funded by the Dutch Ministry of Foreign Affairs. The programme applies an integrated landscape approach: it aims to develop green business propositions that tackle the impacts and causes of climate change by bringing together entrepreneurs, companies, policymakers, investors, civil society organisations and local entrepreneurs at the landscape level.

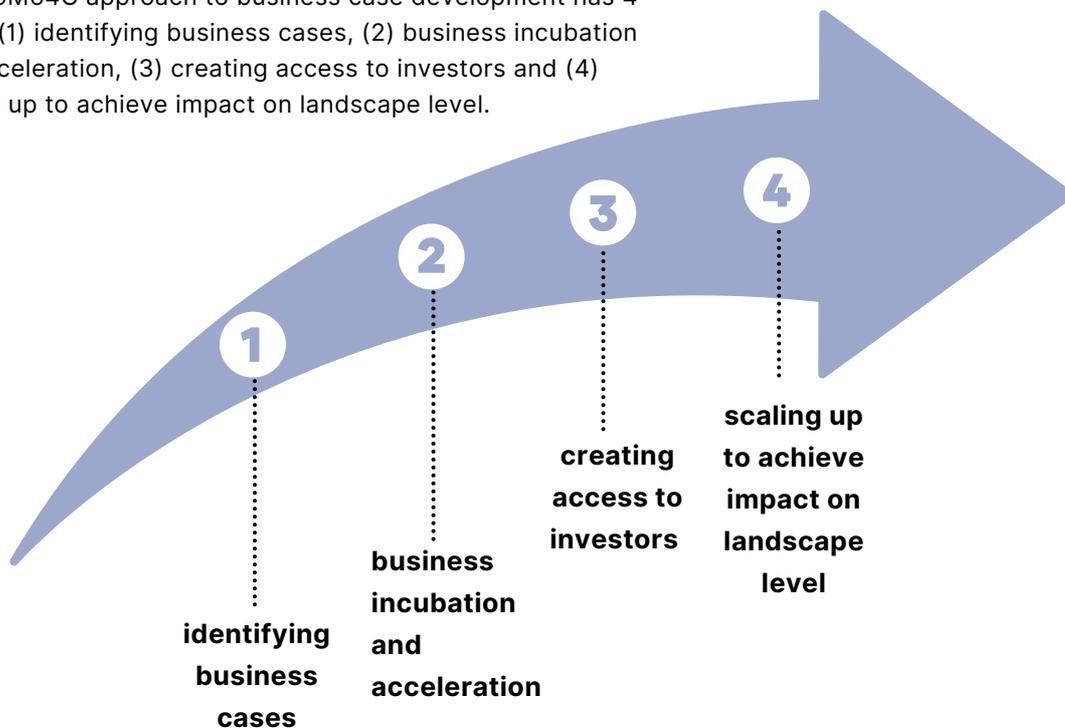
Through bottom-up development of these business cases, the goal of the programme is to attract new or redirect existing green investments to rural, biodiverse areas that have poor access to finance. These investments boost inclusive, climate resilient and sustainable landscape development. This paper presents the key lessons learned based on the successes and challenges of the first two years of the MoMo4C programme with regard to the identification, incubation and acceleration of green business cases in the selected landscapes.



Photo: Cameroon landscape

# 1. IDENTIFYING BUSINESS CASES TO IMPROVE LANDSCAPE-WIDE CLIMATE RESILIENCE

The MoMo4C approach to business case development has 4 steps: (1) identifying business cases, (2) business incubation and acceleration, (3) creating access to investors and (4) scaling up to achieve impact on landscape level.



The MoMo4C programme aims to develop business propositions for nature-based solutions and other ecosystem-based approaches that increase landscape climate resilience. Examples of such approaches include sustainable water management, ecosystem restoration and climate-smart and nature-inclusive agriculture (see box 1 for examples) as well as strengthening access of companies to value chains and services that support such ecosystem-based approaches.

In order to develop business cases, it is crucial to create the enabling environment for green investments. This is achieved through multi-stakeholder collaborations with communities, governments, investors and companies to develop joint strategies to develop climate solutions. It also requires building capacity among local civil society organisations, entrepreneurs and investors on climate resilience and anchoring climate adaptation and mitigation initiatives in local and national policies.

To identify the actual business cases, the MoMo4C implementing partners organised local business competitions in 2021 and 2022, in which entrepreneurs in the landscapes were invited to pitch green business ideas. The business competitions were broadly advertised through local media and generated more than 100 business proposals. The business proposals submitted were then evaluated by local, independent expert panels on commercial viability and contribution to locally developed landscape climate action plans and local livelihood improvement.

This bottom-up approach has led to a selection of promising green business cases in the programme's focal landscapes, although most ideas still require further incubation. In general, financial literacy, commercial awareness and ecosystem management in the selected landscapes is found to be underdeveloped. Developing investable business plans, term sheets and market access requires time and effort and in many cases, this process will extend beyond the running-time of MoMo4C. For the remainder of the programme, the search for green business cases will expand beyond the landscapes to identify proven and mature business propositions that also benefit actors and the natural environment in the focal areas of the programme.

### Box 1 – Examples of climate smart business cases

**Rubber agroforestry business:** “Juring Raya” is an association of rubber farmer groups in the Ketapang District of West Kalimantan, Indonesia. Through investing in rubber agroforestry gardens and post-harvest treatment of the rubber, the association provides an alternative for 121 smallholder farmers in four villages to the monoculture production of oil palm. The association has the potential to produce 43,5 tons of rubber slabs per month. As a result, farmers receive a better price for their products motivating them to implement better practices and thus ecosystem functions are improved: ground water is better regulated, the improved water storage capacity of the landscape reduces flooding and habitat for species biodiversity is conserved.

**Sustainable alternative to charcoal:** Tai Pana is a limited company active in the Mole landscape, Ghana. The Mole landscape suffers from unsustainable charcoal production, which puts pressure on the scarce vegetation in the dry savannah landscape. Tai Pana has the potential to produce 10.000 Mt of briquettes per year from residual agricultural materials, such as rice husk, that are usually left to decompose in farmland. By providing a sustainable alternative to charcoal, pressures on local vegetation are reduced and emissions avoided. In addition, the production process is much cleaner, thereby reducing health risks for charcoal producers.



## 2. SUPPORTING BUSINESS CASES TO BECOME INVESTMENT-READY

After the identification of promising business cases in the competitions, the programme supports entrepreneurs to further develop their business ideas into investable business plans. The type of support depends on the development phase of the business:

- Incubation of early-stage business ideas that have not yet developed a viable business model. These entrepreneurs receive technical assistance to build impactful business plans with solid value propositions.
- Acceleration of existing businesses with developed business models that have the potential to grow with additional investment. These businesses are supported by creating the enabling conditions to attract investors, such as improving marketing, business planning and providing access to a network of potential investors.

The focus on remote, biodiversity-rich landscapes in countries with low levels of economic development implies challenges for business incubation and acceleration. In general, the entrepreneurs that are identified through the competitions require substantial business incubation support to build financial literacy, commercial skills and environmental awareness.

By partnering with local organisations that focus on business incubation and acceleration in capacity building trajectories, the programme attracts the right expertise to support entrepreneurs. This also provides an opportunity to leverage the programme's resources and to continue the development of green business cases beyond the duration of MoMo4C (see box 2 for an example).

### **Box 2 – Partnering with the Ghana Enterprise Agency to support green entrepreneurs**

In Ghana, the business competitions and capacity building trajectories are organised in partnership with local government offices of the Ghana Enterprise Agency. This joint work to increase financial literacy and business management skills, is already enabling entrepreneurs in the landscape to access financing. The Ghana Enterprise Agency has expressed the desire to continue business competitions beyond MoMo4C.

### **3. CREATING ACCESS TO PUBLIC AND PRIVATE INVESTORS**

Connecting green business cases to investors in remote landscapes is subject to certain challenges. First of all, financial institutions and (institutional) investors are scarcely present in remote landscapes and smallholder entrepreneurs often operate outside of the established financial systems in the informal economy. Secondly, for the local investors that are present, e.g. micro- and agricultural finance providers, the proposed green business cases are often new concepts that are not well understood and are perceived as having high financial risks with low financial returns.

To improve access to finance, MoMo4C involves local financial institutions in landscape investment planning, thereby building awareness and understanding of green business cases among local investment officers. In addition, the programme builds a network of public and private investors to link to the entrepreneurs that are being supported.

To successfully match business cases to potential investors, it is important to distinguish the level of maturity of the business case. While early-stage business ideas initially and primarily require small philanthropic grants or public subsidies to further incubate, more established businesses can be linked to early commercial investors and eventually to more mainstream or institutional investors. In the earlier phases, blended finance approaches can be applied to de-risk private investors. For business cases that might never become commercially viable with private capital alone, but that do contribute to landscape resilience, blended finance approaches can also be applied to leverage public funds with private investment.

In addition, the financial needs of the business are important to consider when matching businesses with investors. Where smallholders should be linked to investors that engage in microfinance on the one hand, cooperatives, community enterprises and larger companies should be linked to investors that handle higher minimum “ticket sizes”. By aggregating smallholder businesses in cooperatives, community-based enterprises or similar models, the gap in scale between small-holders and investors can be closed.

### **Box 3 – Different approaches to create access to finance (ECOTRUST Uganda)**

In the Murchison landscape, ECOTRUST Uganda has developed investment strategies for different types of business cases. For over 2000 smallholder farmers involved in sustainable agroforestry in an area spanning over 2000 hectares, aggregation was achieved through a carbon finance scheme. Farmers that plant and protect trees on their land generate carbon credits, which are being traded for finance in a carbon fund. ECOTRUST Uganda, as the fund manager, distributes carbon finance as a performance-based payment to individual farmers. The contracting system is such that the growers are able to receive early-stage payments from the planting point (ex-ante) as a demonstration of commitment and then on-going periodic payments up to when they can start earning from the trees through other tree-based micro-enterprises like apiary, medicines and fruits' value chains.

For associations of smallholder businesses or larger enterprises in the landscape, ECOTRUST Uganda supports the development of robust business plans, provides small funds as start-up capital and tries to connect the businesses to investors and off-takers in the value chain. By combining different sources of funding, business cases move from mostly public funding and donor grants in the incubation stage, to a larger share of private finance to accelerate business growth.

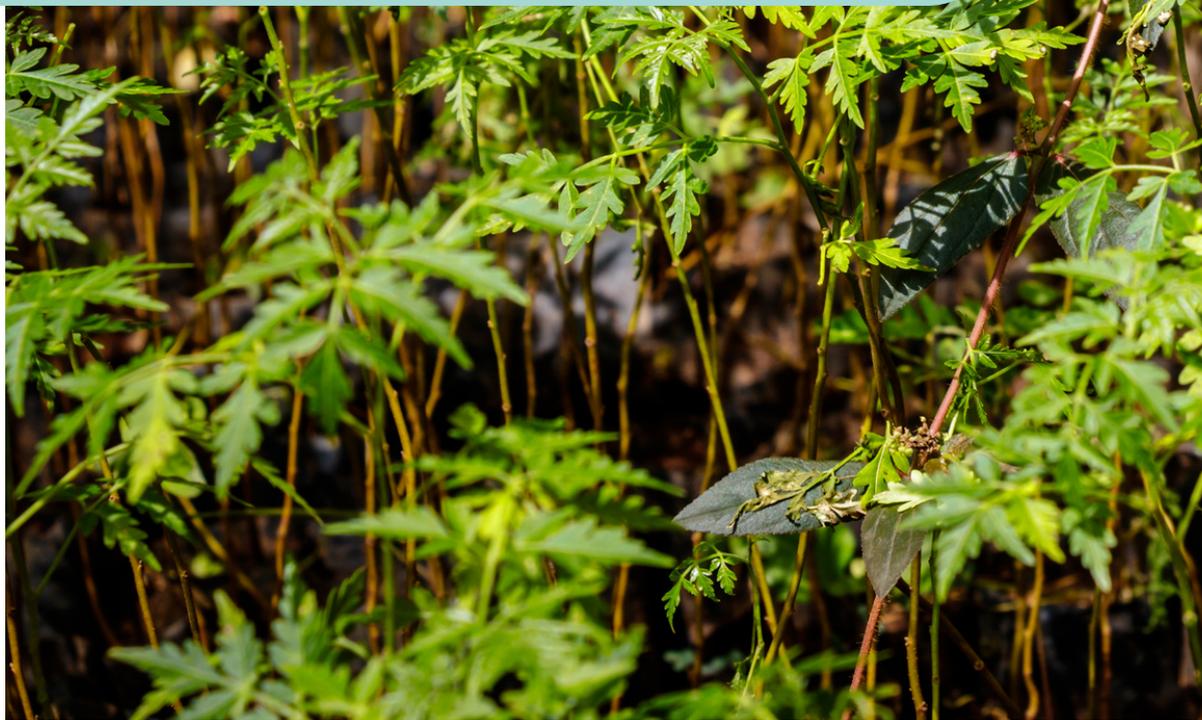


Photo: Young trees in Uganda,  
Dennis Wegewijs Getty Images

## 4. SCALING TO LANDSCAPE LEVEL INVESTMENTS

The ultimate goal of developing business cases is to scale and create a substantial and lasting positive climate impact on the landscape level and to local livelihoods. This can be achieved through coordinated replication, aggregation and growth of individual enterprises that address climate risks. Although many of the supported business cases in MoMo4C require time to move from business ideas to proven concepts and ultimately landscape wide enterprises or initiatives, there are already a few business cases that are changing landscapes (see box 4 for an example).

To stimulate the replication and aggregation of innovative green business cases, the MoMo4C alliance works together with communities, cooperatives and wholesalers that have access to large numbers of small-holder farmers. By providing training and building capacity on a large scale, these groups can improve business practices and target investors together. On the landscape level, MoMo4C is working to coordinate the alignment of different sources of finance towards sustainable land-use. This enables matching public and private funding to invest in aggregated models for sustainable business cases.

### **Box 4 – Aggregating of small-holder farmers in the shea value chain in Ghana**

By involving over 3000 women in cooperatives in the shea value chain around the Mole National Park, A Rocha Ghana has been able to build capacity on sustainable production and business operations among local producers. Through aggregation, stable agreements with large international buyers were possible. This has improved product quality and the financial sustainability of the business model. Through an agreement for matched funding from the Green Climate Fund with private finance sources (1:1 ratio) a total investment of 1.1 million USD was secured. As a result, over 3,400 hectares of savannah landscape in the buffer zone around Mole National Park are now managed sustainably with the potential to scale up further.



Photo via Daryl Bosu

## CONCLUSION

The ambition to mobilise public and private finance for climate resilience and biodiversity in rural landscapes in developing countries inherently implies tackling many challenges. By identifying business cases that address the causes and impacts of climate change through a top-down and bottom-up approach, the MoMo4C programme ensures that international and national climate finance reaches the local communities who need it the most. This requires creating the enabling conditions for investment, incubation and acceleration of green business cases.

During the first two years of implementation, it became clear that capacity building on business case development, financial literacy and climate resilience among stakeholders in the landscape are crucial first steps to develop business propositions and match these with investors. By working with local financial stakeholders and business associations, it is ensured that the local economic infrastructure is developed. The programme demonstrates that the development of new transformative financial mechanisms based on business aggregation can create access to climate finance.

The MoMo4C program will continue to build capacity and develop new financial structures to match business cases with public and private investments. By testing these new approaches in challenging contexts and sharing lessons learned, the MoMo4c alliance contributes to a blueprint for landscape finance that can be replicated in other landscapes around the world.



## FURTHER READING

- <https://www.momo4climate.org/>
- [https://www.tropenbos.org/projects/mobilizing+more+for+climate+\(momo4c\)](https://www.tropenbos.org/projects/mobilizing+more+for+climate+(momo4c))
- <https://www.iucn.nl/en/our-work/funding-nature-conservation/>
- [Landscape Investment Finance Tool](#)