



Southern Bahia Nature Fund Project



 **DIÁLOGO
FLORESTAL**
Forum Florestal da Bahia

 **NEW
GENERATION
PLANTATIONS** platform
FOR PEOPLE, PLANET AND PROSPERITY

Southern Bahia contains some of the most biodiverse areas of rainforest in the world. Through the Southern Bahia Nature Fund, Forum Florestal and NGP are joining forces with a private investor to help the Atlantic Forest make a comeback in the region.

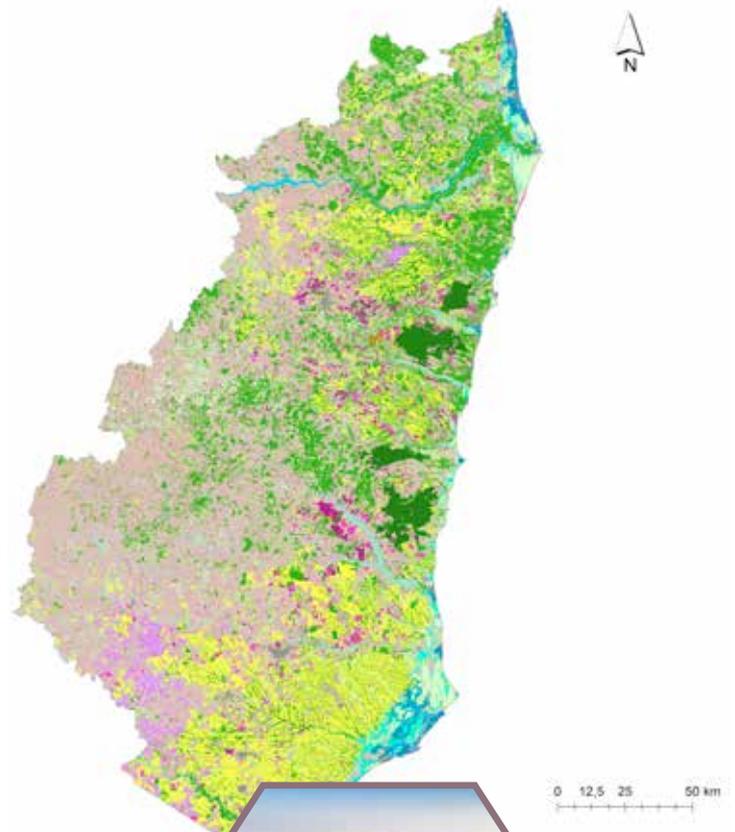
Southern Bahia

The Atlantic Forest stretches from northeast Brazil southward along the Brazilian Atlantic coastline and inland into northeast Argentina and eastern Paraguay. It once covered an area of over a million square kilometres. But over the centuries, the trees were cut down in their billions, and during the second half of the 20th century, the pace and scale of deforestation grew rapidly. Five hundred years after the first European settlers arrived, just 7% of Brazil's Atlantic Forest remained.

The Southern Bahia Nature Fund (SBNF) will cover almost 33,000km² in 23 municipalities in the south of Bahia state, where the main economic activities are the cultivation of cocoa, eucalyptus and coffee, in addition to livestock and tourism.

The region is home to 1.1 million people. It's an area of socioeconomic deprivation, particularly in rural areas, with the per capita income of R\$356.05 and Human Development Index (HDI) score of 0.61 being well below the national average for Brazil.

The area contains some of the most important remnants of the Atlantic Forest. Nine public protected areas, including four national parks, and 29 private conservation areas have been set up to safeguard these forests and their rich biodiversity.



Project Promoters

Forum Florestal da Bahia (FFBA) is a multi-stakeholder platform convening local and indigenous communities, local and regional government agencies, academia and the private sector in a land-based dialogue. FFBA has three main focuses:

- Sustainable forest mosaics and water
- Relationship of indigenous peoples, traditional communities, rural villages, and isolated communities with natural resources
- Identifying good practices in forestry, agriculture activities, tourism, urbanization and other activities.

What We Want The SBNF To Do

The primary goal for SBNF is help restore and expand the Atlantic Rainforest in Southern Bahia.

We want the SBNF to support projects such as forest restoration, agroforestry, sustainable land use and climate-resilient food production. This could include restoring riparian forest, environmental training, and sustainable timber production.

Local communities are fundamental to the success of the fund and will be involved in selecting and reviewing the projects which will be supported.

New Generation Plantations (NGP) is providing technical assistance and sustainable land management advice, based on a long-term WWF knowledge-sharing platform on sustainable plantation management. NGP has four key principles:

Maintain ecosystem integrity

- Protect and enhance high conservation values
- Be developed through effective stakeholder involvement processes
- Contribute to economic growth and employment.

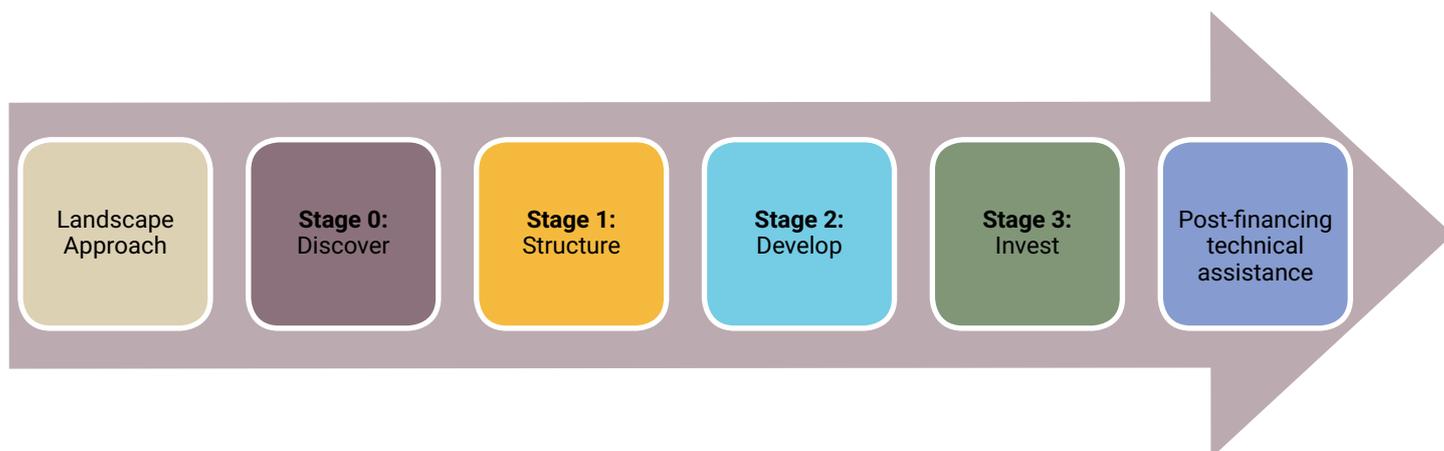
Sustainable land-use issues are complex and there are no "silver bullets". We will aim to work at a landscape scale and with a systems approach to support sustainable land use.

We want SBNF to find, nurture and grow projects that can make a real difference at scale. SBNF will help connect the best projects with external investors and amplify the positive impact across Bahia and Brazil



How We Think The SBNF Will Work

We want the SBNF to support any project that will make a difference at scale – whether they are just starting out (Stage 0) or already seeking investment (Stage 3). The fund will build capacity to help develop investible, bankable projects and to implement them effectively. We understand that some projects may require more nurturing and more technical support than others



Stage 0: Discover

FFBA will seek ideas for projects through consultations with landscape stakeholders to identify and analyse risks and solutions. FFBA will be looking for nature-friendly business cases that create shared value for local communities – for example by improving wellbeing, economic prospects, livelihoods and inclusion of women, children and vulnerable groups.

Project ideas will be submitted to the investment selection committee – a multi-stakeholder group that will help decide which projects to support and develop, and how.

Stage 1: Structure

This stage is about building the capacity of communities, businesses, individuals and other organizations to structure their projects. We'll provide a range of business planning and management tools and technical assistance to help develop the project from an initial business plan to a final proposal to be presented to an investment committee. The fund will provide grants of up to €20,000 per project to support this stage of the process, and we expect to fund around 20 projects per year.

Stage 2: Develop

This stage will support the full development of projects that are assessed and selected for their potential deliver the impacts we want to achieve. Development support comes in the form of grants of up to €200,000 per project, and around four projects per year will be funded.

Typical support could include:

- Technical assistance
- Creating a detailed project design
- Preparing a thorough financial structure (based on different funding mechanisms)
- Preparing a detailed business plan
- Securing sites and permissions.

Stage 3: Invest

Investors are showing a growing interest in sustainable projects – but they want to see a return on their investment. SBNF aims to make projects attractive to commercial investors, both by providing grants and support during the project development, and by providing technical assistance during the delivery stage. This decreases the risk and increases the value of the project to external investors.

Risk Analysis and Due Diligence

There is always an element of risk in supporting and developing projects, but SBNF will maintain an up-to-date risk register to ensure the fund is not exposed to unnecessary risks.

We've identified five main risk areas:

- Health and safety
- Environmental
- Social and cultural
- Image and reputation
- Legal

We'll work with stakeholders to identify risks and put controls in place to minimise their impact.

The project pipeline offers a risk-adjusted and step-wise approach. Projects deemed higher risk can still benefit from technical advice and Stage 1 financial support. Each stage will receive support for a maximum of one year.

Monitoring and Success Indicators

Projects will be regularly monitored to minimise risk, increase positive impact and ensure good value for money. We'll work with each project to develop a set of indicators to monitor progress towards our overall goal of restoring and expanding the Atlantic Rainforest in Southern Bahia. These indicators will be chosen from a list developed by our stakeholders and aligned with the 17 UN Sustainable Development Goals.



One More Step In Our Long Journey

Restoring and expanding the Atlantic Rainforest is a complex task – it's not enough just to plant more trees. With challenges of poverty, land tenure and unsustainable consumption, there are no quick fixes.

SBNF will take a landscape approach, working from community level up to develop a more sustainable future. By working with a wide range of stakeholders, sharing knowledge, and building partnerships, we aim to develop a pipeline of successful projects that have the biggest positive impact. This is one more step in our collective long journey.

 **SUSTAINABLE DEVELOPMENT GOALS**



Forum Florestal da Bahia

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www.newgenerationplantations.org

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Disclaimer: The information presented in this publication has been sourced from a range of sources and is presented solely to help participants of SBNF.