



Terms of Reference

**Business Models for Restoration in the Context of Forest
Landscape Restoration in South America**

Consultancy

South American Forest and Restoration Alliance

WWF Chile

April 2018

Background

WWF seeks to address the problems of biodiversity loss and climate change through the ambitious goal of the Bonn Challenge to restore 350 million ha of forest by 2030. Underlying the Bonn Challenge and WWF's goals is the [forest landscape restoration \(FLR\) approach](#), which aims to restore ecological integrity and at the same time improve human well-being through multifunctional landscapes as a way to respond to these trends and achieve other international commitments including the CBD [Aichi Target 15](#), the UNFCCC [REDD+ goal](#), the [Rio+20 Land Degradation Neutrality goal](#) and the UN Sustainable Development Goals.

Scaling up restoration to this level is difficult, experience is limited, and understanding of the argument for restoration is still permeating most sectors. Finance was also seen as a challenge, but current thought is that finance is increasingly available, from multiple sources, including climate funds, multi-lateral banks and even in the private sector. What is lacking is the connection to bankable restoration projects; projects that can demonstrate a return on investment whether it is direct economic return or quantifiable benefits in terms of ecosystem services. For some geographies, projects associated with high interest consumer commodities like cacao or coffee have been very effective at making the connection with FLR and developing business cases to promote productive restoration models. Likewise, certification systems and legal mechanisms have also been effective at motivating forest restoration. However, new models are needed to catalyze restoration of landscapes at scale.

Forest Landscape Restoration (FLR) considers ecosystem function and operates at a different scale than ecological restoration, which itself may in fact be a component of a FLR effort. However, FLR uses a variety of tools and strategies to achieve its goals, including pure ecological restoration and the use of close to nature productive systems, such as agroforestry. These productive models have the advantage of providing a wide range of returns from environmentally positive changes to land management activities. However, well developed FLR business models are few, especially outside tropical landscapes. Greater development and synthesis of models that link ecosystem services, biodiversity conservation, and sustainable local livelihoods are needed to increase landscape resilience and replicate initiatives at scale.

Purpose:

Synthesize and develop bankable models of forest restoration for priority forest landscapes in South America.

Objectives

1. Synthesize available information for restoration models for Argentina, Brazil, Chile and Colombia (one per country) using native species to provide a financial argument and viable methodologies.

2. Evaluate the restoration models, including long-term and short-term cost-benefit analyses, based on the best available information, over business as usual (degrading) activities. This analysis will also evaluate the impacts to the local economy (i.e., how many local jobs are created and over what time period), and any additional environmental impacts that the different options could cause.
3. Provide recommendations for financial options, potentially both public and private, to support the restoration activities. These could include but are not limited to private foundations, carbon finance, green bonds, payments for ecosystem services from upstream companies, national and international public funds, and other major sources. This could also include a look at various financial models including microfinance, leasing, soft loans, crowdfunding or web-based platforms.

Geography of interest

Atlantic Forest (Argentina/Brazil), Valdivian Temperate Rainforest (Chile), Northern Amazon (Colombia).

Results/Deliverables

Business case 2-pagers for each restoration model designed for external circulation providing a visually attractive overview of the model and their economic, social and environmental arguments.

A consolidated internal report containing the information gathered to fundament the business models, potentially including:

- Introduction to business development in the context of restoration in the geographies of interest, focused on principles for successful models in working with small property owners.
- Description of the state of the art in the restoration alternatives.
- Business development steps and implementation cycle models for the restoration alternatives.
- Cash flow and economic projections.
- Implementation methodologies including safeguards and monitoring framework.
- General summary of recommendations for financing the restoration models.
- Gap analysis and risk assessment.
- Recommendations for upscaling business models.

Methodology

The analysis shall be based on a desktop analysis of available documents, virtual interviews with WWF staff and key informants and relevant other data on a set number of cases defined in conjunction with WWF, likely one per country. Consultation meetings in order to foster ongoing

feedback shall be conducted regularly with WWF. WWF offices will provide focus and information on specific models and guidance to orient their development.

The scope of tasks is not necessarily exhaustive. The Consultant should propose a detailed plan of work to address the task based to the Consultant's own professional judgment and knowledge. The proposal should include specific methodology to pursue the objectives and include a timeline and itemization of expenses.

Relevant Fields of Expertise

- Management of natural resources, forestry/agriculture; nature conservation, landscape management.
- Forest and/or Agricultural economics and business analysis.
- Business plan development.
- Project development and design; project monitoring and evaluation;
- Landscape ecology planning, regional development.
- Value-chain analysis.

Fluency in English and knowledge of Spanish and Portuguese languages is a prerequisite; all products shall be elaborated in English.

Period of Engagement and Funding

The consultant will be engaged for a period of 3-4 months with a budget not to exceed US \$10,000.

Procedure

Please submit proposals to Trevor Walter, South American Forest and Restoration Alliance Coordinator by May 6th.
trevor.walter@wwf.cl