



## What is the Landscape Resilience Fund?

The Landscape Resilience Fund (LRF) is an impact-driven, independent foundation that mobilises private and public climate finance for landscapes and SMEs working with vulnerable smallholders. The LRF was co-developed by South Pole and the World Wide Fund for Nature (WWF) to create a scalable way to support meaningful climate adaptation in rural landscapes.

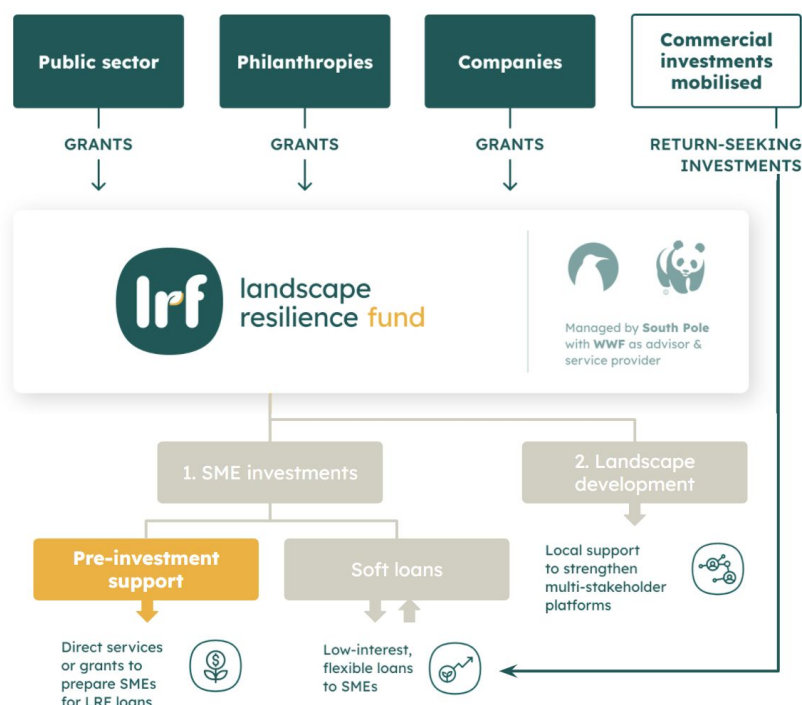
**The mission of the LRF is to enable the most vulnerable people in rural landscapes to effectively adapt to climate change.**

The LRF links landscape-level development and conservation activities with finance (term loans) for SMEs that work with smallholder farmers in vulnerable landscapes. Enabled by the Global Environment Facility (GEF) the LRF additionally provides pre-investment support where required to build the capacity of SMEs.

## How the pre-investment support works

If an SME is considered highly innovative with potential for growth, but there are elements of its business that mean it is not ready for an LRF loan, it can be considered for pre-investment support (see highlighted box in diagram below). Pre-investment has 3 purposes:

- To ready the SME's business model and internal capacity for expansion;
- To enhance or better monitor the SME's socio-economic and environmental benefits;
- To match the SME with other potential private investors.



**Through the pre-investment support, the LRF provides (reimbursable) grants or direct services to prepare SMEs for future LRF loans or financing from other investors.**

## Types of activities financed through LRF pre-investment support

Categories	Types of activities	Best practice examples the LRF is looking to support
<b>Commercial aspects</b>	Development of the business model & market opportunities	<ul style="list-style-type: none"> <li>• Demonstrate the end-to-end value-add of the business to customers, suppliers, and other immediate stakeholders</li> <li>• Assess key markets and identify opportunities and risks</li> <li>• Establish or improve offtake contracts for agriculture or forest products</li> <li>• Design or improve marketing strategy</li> </ul>
	Presentation of the business, financial records and financial modeling	<ul style="list-style-type: none"> <li>• Develop financial model with appropriate inputs and assumptions</li> <li>• Financial stress testing to determine ability to service debt or attract equity from external investors</li> <li>• Improve the company pitch deck and presentation of financial records as a basis for external investments/debt</li> </ul>
	Development and documentation of sound management processes	<ul style="list-style-type: none"> <li>• Evaluate SME team's composition and experience to design and implement an action plan</li> <li>• Develop SME governance structures that would be aligned with the requirements of an investor/lender</li> <li>• Improve bookkeeping processes and controls</li> <li>• Improve business model to align the use of proceeds with impact objectives</li> </ul>
<b>Climate resilience</b>	Building of training programmes for farmers to strengthen their adaptive capacity	<ul style="list-style-type: none"> <li>• Develop or enhance training programmes of the business to smallholder farmers to increase climate resilience (e.g. via agricultural practices)</li> <li>• Build the capacity of the business to adaptation and climate resilience in its commercial operations and business strategy</li> </ul>
	Improvement of anticipated impact of climate adaptation technologies and measures	<ul style="list-style-type: none"> <li>• Develop the baseline of current exposure, sensitivity and adaptive capacity to climate risk, and develop scenarios for the future</li> <li>• Assess adaptive capacities and opportunities</li> <li>• Design indicators to measure impact and set targets</li> </ul>
<b>Environmental and Social Management System</b>	Development of policies and procedures for environmental and social risk management	<ul style="list-style-type: none"> <li>• Design an Environmental and Social Management System (ESMS) and ensure its implementation</li> </ul>
<b>Other SDG impacts</b>	Improvement of social and environmental co-benefits	<ul style="list-style-type: none"> <li>• Conduct a gender analysis and design and implement a gender action plan</li> <li>• Determine baseline and opportunities for climate change mitigation</li> <li>• Determine baseline and opportunities for biodiversity</li> </ul>

### Are you an SME looking for pre-investment support?

If you are an SME working in developing countries on sustainable land management or products and services targeted at climate resilience, and you are seeking support to access finance, please contact us at [contact@landscaperesiliencefund.org](mailto:contact@landscaperesiliencefund.org).



Fund Manager



Supported by



WWF partners with the LRF for climate resilience and biodiversity

