

## PROJECT SUMMARY

Through this project, the MIF intends to support the Nagoya Protocol<sup>1</sup>, a key element to the United Nations Convention on Biological Diversity through the EcoEnterprises Biodiversity Fund, an impact investing pioneer in the region. The intended result of the project is to provide growth financing to up to 18 sustainable and biodiversity-focused companies by helping them to grow, consolidate their business, and scale their operations and impact results. The businesses will be in countries in the region that have identified Access and Benefit Sharing (ABS) on genetic resources related to biodiversity as a national priority. The Project will help to preserve natural resources and to create the conditions necessary for sustainable and inclusive economic growth and prosperity.

EcoEnterprises Biodiversity Fund, targeted to be an US\$ 80mm fund, will offer tailored growth capital to compelling innovative business models whose success relies on: (i) creating long-term livelihoods by increasing productivity and facilitating resilience in rural communities, while encouraging sustainable use and conservation of natural resources; (ii) preserving vulnerable ecosystems and biodiverse working landscapes, and (iii) mitigating climate risks with special attention to fair economic benefits to local value chains.

The Fund will target biodiversity-focused companies with an initial capital requirement between US\$ 2mm and US\$ 6mm, established revenue streams, a market-validated product offering, and a proven business model. The Fund will help those companies scale, offering flexible growth capital tailored to their specific needs, using mezzanine structures with quasi-equity upsides (royalty streams, warrants, convertible notes), equity and senior, subordinated and/or other tailored debt.

The Fund will work with the Union for Ethical Biobusiness (UEBT) through technical advisory help to showcase, shepherd and invest in Small and Medium Size Enterprises (SME) sourcing from nature-based products and interested in aligning their businesses models with the Nagoya Protocol. The MIF will commit up to US\$ 5mm in equity investment. The GEF, in the final stage of its approval process, plans to provide through the MIF, US\$ 10mm in equity investment to the Fund<sup>2</sup>. As the anchor investor, MIF will have a key role in structuring the Fund in accordance with IDB environmental and sustainable development objectives, and its investment will offer private and other investors' confidence in the Fund's implementation. In addition to the MIF and GEF other potential investors include, subject to each of their internal approvals The Nature Conservancy, the European Investment Bank, the Agence Française de Développement, the Dutch Development Bank (FMO) and Hivos-Triodos Fonds.

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<sup>1</sup> The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS) to the Convention on Biological Diversity is a supplementary agreement to the Convention on Biological Diversity (CBD). It provides a transparent legal framework for the effective implementation of one of the three objectives of the CBD. The Nagoya Protocol on ABS was adopted on 29 October 2010 in Nagoya, Japan and entered into force on 12 October 2014. Its objective is the fair and equitable sharing of benefits arising from the utilization of genetic resources, thereby contributing to the conservation and sustainable use of biodiversity.

<sup>2</sup> MIF will request Donors Committee approval by short procedure of the GEF funded equity portion of this Project, once final CEO endorsement/approval from GEF is received.