



Greening Guatemala: The Ecosystem Restoration Fund

Empowering Local Efforts

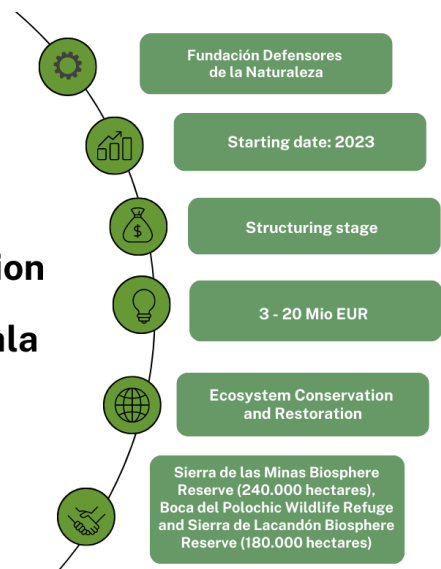
Ecosystem restoration plays a vital role in tackling the pressing climate and biodiversity crises, making it an indispensable component of sustainable development. However, current annual funding dedicated to this crucial activity falls significantly short, estimated to cover only 13 to 17% of the required financing (WRI, 2017).

To effectively confront this issue, it becomes imperative to augment the available funding by implementing financial mechanisms that harness resources from diverse sources. The restoration challenge lies in strategically directing resources to the areas with the greatest urgency while ensuring maximum impact

Establishing a local fund can serve as an instrumental solution by facilitating the allocation of resources to the most pressing needs on the ground. By empowering local stakeholders, such a fund can efficiently address the restoration challenge and ensure optimal utilization of resources.



Restoration Fund Guatemala



Catalising Ecosystem Restoration

The Defensores de la Naturaleza Foundation (FDN), with the support of OroVerde, is embarking on an innovative initiative to establish a trust fund as a long-term financing strategy for ecosystem conservation and restoration. This endeavor falls under the ForestValues Project, a part of the International Climate Initiative (IKI).

The establishment of the Fund will empower the Defensores de la Naturaleza Foundation to enhance its operations, expand its reach, and generate a more significant local impact. The Fund will enable FDN to continue and to carry out its crucial work with greater autonomy and scalability, ensuring the long-term sustainable ecosystems and generating environmental, social and economic benefits.

Advantages

Establishing a dedicated fund through local institutions offers numerous advantages over alternative financing methods like project funding or specific-purpose donations.

These advantages contribute to a more meaningful and efficient impact on ecosystem protection and restoration, and include the following:

Leveraging local presence and previous experience:

The organisation's familiarity with local conditions and needs can greatly enhance the effectiveness of restoration planning.

Promotion of a sustainable vision:

A local organisation is better positioned to cultivate a sustainable outlook and strategically work towards environmental objectives.

Cost-effectiveness:

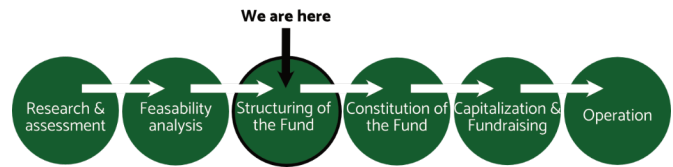
Sharing overhead costs and eliminating redundancies across organizations leads to effectiveness

General Structure

The fund is structured into an endowment fund, a sinking fund, and a revolving fund. It comprises different thematic subsections, each with distinct guidelines, financing sources, and areas of implementation.

To ensure effective governance, the structure includes a Fundraising Committee, a Technical Committee, and an Investment Committee. For maintaining transparency in the utilisation of resources, auditing mechanisms will be used.

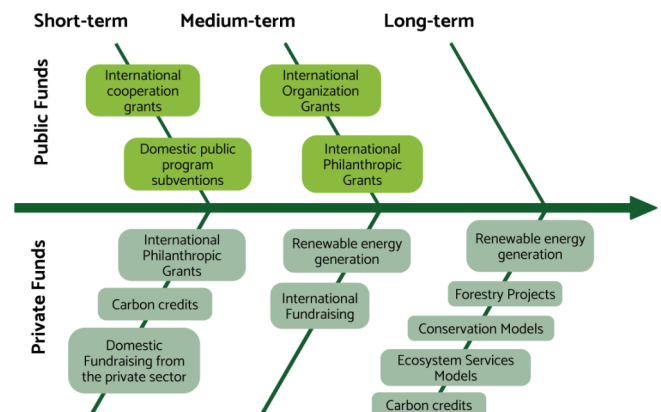
Process



The fund needs short, medium, and long-term capitalisation from both public and private resources (blended finance approach).

Initial capital can potentially be sourced from public grants, carbon credit sales, international organisation funds, and donations from Guatemala's private sector. The search for initial funding is still ongoing.

In the medium- and long-term revenue streams will be created from renewable energy generation (photovoltaic), forestry projects, conservation models, ecosystem services models and carbon credits. At present, the FDN is crafting a comprehensive long-term fundraising plan while establishing transparent auditing measures to facilitate an increase in their funding.



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