



FINANCIAL INFRASTRUCTURE AND CAPACITY BUILDING IN BIOECONOMY FINANCE

GIB MEETING

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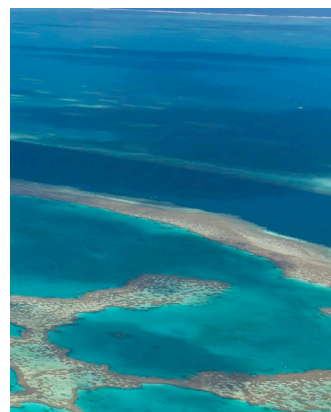


CLIMATE
POLICY
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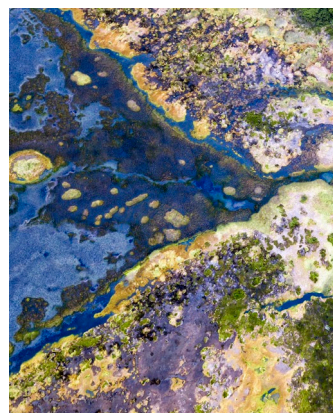
Why is bioeconomy important?



Currently valued at USD 4 trillion and projected to reach USD 30 trillion by 2050.



Growing efforts to assess the economic value of nature and price it into markets.

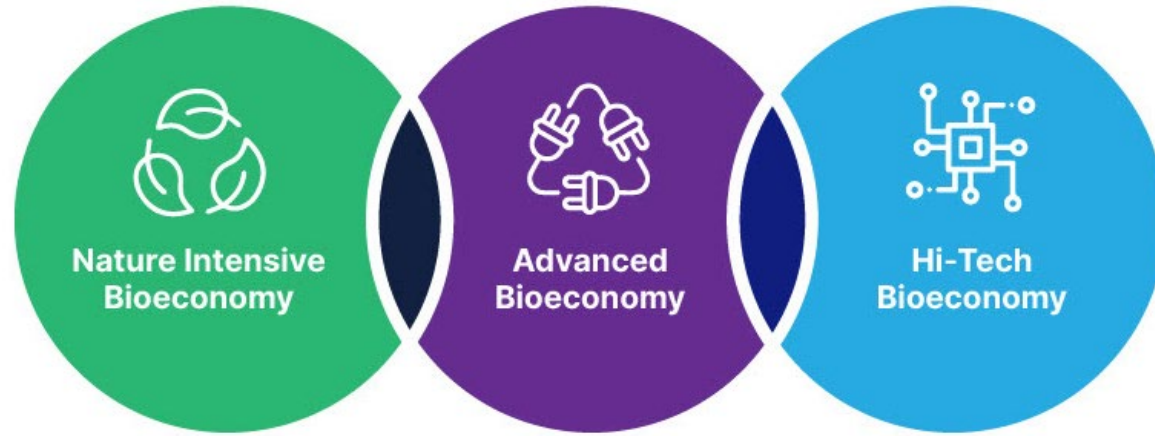


Governments are developing national bioeconomy strategies and plans.



Critical to a just and sustainable transition, particularly in nature-rich countries.

The components of bioeconomy



- Linked to various industries including agriculture, forestry, fisheries, food and bioenergy, comprise unprocessed nature products as well as eco-tourism
- Driven by biotechnology and biomanufacturing, includes high-performance bioplastics, bio-based nanomaterials, and custom organisms for industrial use
- Evolved from traditional bioeconomic practices to create value-added, Lab-based bioproducts (biofuels, biochemicals, biomaterials) using advanced techniques

A diversity of financing instruments exist

NATURE CREDITS

- Include carbon and biodiversity credits
- Can both augment revenues and provide long-term income security that de-risks and lowers the cost of capital

DEBT SWAPS

- Sustainability-linked financing instruments, especially in corporate and sovereign debt markets
- Can attract investors interested in impact and the potential of bio-products in sustainability-focused markets

GUARANTEES

- Blended public-private instruments
- Highlight the importance of development finance institutions (DFIs) in advancing the bioeconomy in low- to middle-income countries

A case study in financial innovation

- **Amazon Food&Forest Financing Initiative** empowers local businesses and fortifies sustainable value chains in the Brazilian Amazon.
- Through a blended credit facility, Impact Bank and The Nature Conservancy are working to extend credit lines and fair loans to local MSMEs complemented by a technical assistance facility.
- Target Impact:
 - Avoid **20 million tons of CO2** equivalent emissions
 - Conserve **5 million** hectares of rainforest
 - ~USD **60 million** in forest-based sales agreements
 - Inject USD **20 million** as working capital into local economies
 - Improve well-being of over **50,000 people**



Developing enabling conditions

- **Financing:**
 - Lock in principles, measurement, strategies, and trading conditions into the range of existing financing instruments
 - Action to reduce, offset, or repurpose perverse environmental and fossil fuel subsidies
- **Pricing Nature:**
 - Improve risk analysis, explicit pricing, and regulatory developments
 - Apply anti-money laundering rules to address nature crimes
- **Trade Rules:**
 - Create enabling trade and investment conditions, advanced by regional and international agreements
 - Address the distortive effects of industrial subsidies restricting low- and middle-income countries to advance within the bioeconomy value chain



Thank you

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