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Deshkan Ziibi
Conservation Impact Bond



Deshkan Ziibi Conservation Impact Bond: Co-creating a new approach to financing conservation Climate Leader

What?

The Deshkan Ziibi Conservation Impact Bond (DZCIB) is a multi-partner initiative in the Carolinian region of Canada. Initiated by Carolinian Canada, an environmental charity, the project brings together First Nations communities, conservation organisations, multinational corporations, impact investors, government and academic researchers.

The DZCIB partners are VERGE Capital, Deshkan Ziibiing (Chippewas of the Thames First Nation), the Carolinian Canada Coalition, Thames Talbot Land Trust and the Ivey Business School. These partners co-created an approach to conservation financing with a bond structure that is designed to grow an ethical, nature-based, green economy, while honouring Indigenous stewardship. Launched in March 2020, the DZCIB is the pilot project of a

broader programme that is ultimately intended to accelerate conservation.

The conservation impact bond uses a pay-for-success financial model to fund a portfolio of local conservation projects run by DZCIB's habitat partners. In this model, investors provide upfront capital, habitat partners implement habitat restoration projects, and outcome payers pay project costs plus a profit margin once the agreed outcomes have been achieved. Carolinian Canada facilitates the process and the flow of funds.

Underpinning the work is an evaluation framework designed by the academic research partner, Ivey Business School. The design and metrics for the bond have been made available for free through a creative commons licence.

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We can't address the climate crisis without both reconciliation [with First Nations communities] and nature-based solutions. It's one of the most cost-effective ways forward, not only in mitigating climate change through sequestration but also through building resilience, adaptability, reducing risk for communities and at the same time protecting resources like water and air.

Michelle Kanter, Executive Director, Carolinian Canada

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Why?

For the DZCIB partners, investing in natural capital enables humanity to be more resilient. The richer the natural world and its gene bank, the more options we have for addressing current and future crises related to climate change. The DZCIB approach is also seen as a way to start addressing the harms colonial economic systems have caused to people and nature in the Carolinian ecoregion of Canada.

Although small, local organisations were working on separate conservation efforts, the DZCIB partners recognised the need both for urgently scaling up conservation work and for more capital to finance this. It was also clear to Carolinian Canada that existing, western-centric, conservation approaches were not achieving the needed results.

With the conservation impact bond, the DZCIB aimed to consciously bring together Indigenous approaches to nature and impact financial mechanisms. By moving away from conventional funding models towards a more collaborative approach, the DZCIB team aimed to expand impact by: bringing in new investors, facilitating conservation partnerships on a broader scale and working equitably with First Nations communities.

The pilot project was developed as a proof of concept to show how this model of conservation could work and generate results. The partners hope that the DZCIB will inspire others to adopt similar models, adapted for other local contexts.



Deshkan Ziibi Conservation Impact Bond Leadership Team (2021), The Deshkan Ziibi Conservation Impact Bond Project: On Conservation Finance, Decolonization, and Community-Based Participatory Research, Western University, London, Canada, DOI: <https://doi.org/10.5206/101121ipib>, 114 pages.

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The bond is more than an exchange of cash flows. It's an exchange of knowledge, but it's also the building of relationships where everybody at the same table starts talking to each other.

Diane-Laure Arjaliès, Associate Professor, Ivey Business School

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How?

The DZCIB team worked collaboratively to develop and implement the conservation impact bond model:

- › The first conversations were hosted by Deshkan Zibiing with Carolinian Canada. Together, they looked at the challenges for addressing habitat loss in the area and agreed to work together on a conservation finance tool. At this stage, other partners including investors were brought into the conversations too.
- › Out of these conversations the leadership team was formed. This represents First Nations communities, impact investors, habitat partners, Ivey Business School as the academic partner and Carolinian Canada as the project facilitator. Over 18 months, the partners developed the DZCIB strategy, drawing on their different perspectives, approaches and values. A key approach in developing the DZCIB was a ‘Two-Eyed Seeing’ perspective that combines Indigenous and western ways of understanding the natural world.
- › Ivey Business School led work to develop an impact evaluation framework. The first step was a literature review, considering research from disciplines such as climate science, conservation science, psychology and financial accounting. Ivey and Carolinian Canada also held consultations with key groups of stakeholders, including the outcome payers, to make sure the framework represented these diverse perspectives, while aligning with international standards for reconciliation, conservation and business.
- › The evaluation framework has five pillars, centred around the theme of connection: connecting healthy habitats, connecting opportunities, connecting knowledge, connecting our bodies and connecting our hearts and minds. The five evaluation pillars help the DZCIB team understand how the land is being restored and how the relationships between people and ecosystems are being strengthened.
- › The partners came together to develop a theory of change, a Healthy Landscape Portfolio of projects and develop impact metrics to support the evaluation framework. Each evaluation pillar has a range of possible impact metrics that can be applied, as agreed with the outcome payers – which can be a mixture of government organisations, charities and corporations. This ensures that the metrics can be adapted to different social and environmental contexts and to the interests of different outcome payers while maintaining consistency through the five pillars.
- › A third-party evaluator evaluates the project against the agreed metrics and develops a report that is shared with the outcome payers.
- › It was important to the DZCIB team that the design and metrics should be as transparent and universal as possible so that the model could be replicated by others. In this way, the goal of the DZCIB is not just to improve conservation outcomes in one region of Canada but to enable broader systemic change.

www.storymaps.arcgis.com/stories/98aadb8de8d0425c9955adc005d2cfae

www.online.flippingbook.com/view/751128259

<https://caroliniancanada.ca/cib>



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