INCUBATOR VIABILITY REPORT

THE LAST MILE FUND

JULY 2026

Sustainable Finance Coalition

Finance solutions for enduring naturescapes

conserve GLOBAL

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Photo Credit

Cover Photo by Stuart Slabbert - Zambia

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Details and Partners

The Coalition extends its appreciation to the members of The Last Mile Fund Incubator for their time and expert contribution to the Incubation process, Viability Report and Implementation Pathway. Incubator membership is by invitation and based on a member's willingness and availability. Each member of an Incubator represents a focal area and/or core skill set. The report's lead author is Lisa Freercks, with support and review from Candice Stevens and Ellané van Wyk (see Annexure A for further details).

Sustainable Finance Coalition

In partnership with

Conserve Global

DESIGN partners

Anchor Capital
Nedbank
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Executive Summary

Introduction

Nature and climate finance are increasingly recognised as essential to achieving biodiversity conservation, climate resilience and sustainable development objectives.

Despite growing innovation in nature finance, a significant implementation gap remains, with many finance solutions struggling to progress beyond pilot stages. As a result, substantial opportunities to mobilise capital towards nature-positive outcomes remain unrealised with a "missing middle" between grant funding and conventional investment capital persisting. **The Last Mile Fund (the Fund) has been conceived as a potential response to this challenge.**

Despite growing innovation in nature finance, a significant implementation gap remains, with many finance solutions struggling to progress beyond pilot stages.

The Last Mile Fund Incubator and Findings

The Sustainable Finance Coalition (the Coalition) and Conserve Global have partnered to assess the viability of a fund that can provide catalytic capital to nature finance solutions that have moved beyond concept stage but require a final tranche of flexible, patient and impact-oriented capital to reach implementation and scale.

The Last Mile Fund Incubator (the Incubator) took place between August 2025 and April 2026 and convened a multidisciplinary group of experts spanning finance, investment, conservation, legal, governance and community development disciplines.

Incubator Findings

Through a structured process of investigation and consultation, the Incubator considered a series of framing questions, the key findings of which are listed below and unpacked in more detail in the report:

- Geographic focus on **Sub-Saharan Africa**, prioritising opportunities operating within biodiversity-rich landscapes and capable of generating both conservation and community benefits.

- **Pooled capital** fund to enable the aggregation of philanthropic, concessional and impact-oriented capital, open-ended for capital to revolve and be redeployed. Scope for ring-fenced accounts to allow for selected investor **customisation** to layer objectives per investor and respective type of capital being invested (as opposed to per project).

- Fund to act as a catalytic investment vehicle that finances the **mechanisms, enterprises and financial structures** that enable sustainable flows of capital towards nature. It provides the 'last mile' of finance that enables the mechanism to be executed. Investment focus is on implementation-ready nature financing mechanisms that have the ability to **'go the distance'** (demonstrated proof of concept, clear scaling potential and the ability to generate measurable conservation, community and financial outcomes).

- Flexibility in financing instruments, with potential deployment through recoverable grants, concessional debt, revenue-based financing, equity and other catalytic finance mechanisms depending on the needs of the underlying opportunity.
- Strong governance, transparent decision-making and independent oversight were identified as critical success factors.
- The Fund should be supported by robust investment, impact and safeguard frameworks to ensure accountability, maintain investor confidence and uphold environmental and social integrity.
- Impact measurement systems capable of capturing both direct outcomes and the catalytic effects of mobilising additional finance and advancing project maturity.

Building Blocks

Building Blocks are critical success factors of a finance solution to move beyond Incubation into Implementation. The Incubator identified eight foundational Building Blocks required for successful implementation of the Last Mile Fund:

Figure 1: Building Blocks of The Last Mile Fund.

Conclusion

Based on these findings, the Incubator concluded that a catalytic investment vehicle focused on addressing the "missing middle" in nature finance is a viable and relevant finance solution.

A phased implementation pathway has been proposed, beginning with seed capital mobilisation and Fund governance set-up. Initial deployment will focus on building a track record and demonstrating proof of concept, creating a foundation for future capitalisation and participation by larger institutional investors.

Next Steps

The Coalition is leading an Implementation Task team in partnership with Conserve Global to execute the milestones laid out for the initial Fund set-up.

Seed capital has been secured and the Fund is actively engaging stakeholders to capitalise the Fund further with the view to deploying into an initial investment before end 2026.

Photo Credit: Stuart Slabbert – Suguta Community, Kenya

Part 1: Introduction

1.1. Co-originators

The Sustainable Finance Coalition

The Sustainable Finance Coalition (the Coalition) FINDS, DESIGNS and MOBILISES tailor-made Finance Solutions for nature. They are a driving force for the Incubation and Implementation of Finance Solutions at their point of impact, ensuring effective and enduring naturescapes across Africa through collective action.

For more information regarding the Coalition and its Finance Model, please refer to Annexure A.

Conserve Global

Conserve Global builds strong local institutions with robust governance, capacity and financial resilience. These deliver effective management of natural landscapes beyond national parks to unlock their enduring value for people.

The Coalition and Conserve Global have partnered in the exploration and implementation of The Last Mile Fund leveraging their complementary skill-sets and shared vision for increased flows of enduring finance for nature.

1.2. The Problem

The Nature Finance Implementation Gap

Despite growing recognition of the importance of biodiversity to economic prosperity, climate resilience and human well-being, finance flows remain significantly below what is required to halt and reverse biodiversity loss. Global assessments estimate the biodiversity financing gap to exceed US$711 billion annually, highlighting the need to mobilise substantially greater financial resources towards nature-positive outcomes.[1]

In response, a growing range of nature finance solutions has emerged, including biodiversity credits, carbon projects, conservation enterprises, outcomes-based financing mechanisms and blended finance structures. These solutions have demonstrated the potential to mobilise new finance flows for nature while generating environmental and social impact. However, many struggle to progress beyond proof-of-concept and pilot phases. **As a result, the challenge facing nature finance is increasingly not only one of innovation, but of implementation.**[2]

Photo Credit: Stuart Slabbert – Primary School, Zambia

[1] Deutz, A., Heal, G., Niu, R., et al. (2020). Financing Nature: Closing the Global Biodiversity Financing Gap. The Paulson Institute, The Nature Conservancy, and Cornell Atkinson Center for Sustainability.

[2] Van Raalte, D. and Ranger, N. (2023). Financing Nature-Based Solutions for Adaptation at Scale: Learning from Specialised Investment Managers and Nature Funds. Global Center on Adaptation and Environmental Change Institute, University of Oxford.

The Missing Middle

A key barrier to implementation is the existence of a financing gap between traditional grant funding and conventional investment capital. Grant funding plays an important role in supporting early-stage innovation and project development, but is often insufficient to support implementation and growth.

Conversely, commercial and institutional investors typically seek investment-ready opportunities that meet minimum ticket sizes, return expectations and risk thresholds.

Many nature finance solutions fall between these two categories: too advanced for grants, yet insufficiently mature for conventional investment.[3]

This "missing middle" is particularly pronounced in nature finance, where solutions often require time to demonstrate impact, establish governance arrangements, secure stakeholder buy-in and build operational track records.

The result is that many promising initiatives remain localised pilots, unable to realise their full impact potential or attract larger-scale capital.

The consequences extend beyond individual projects. Communities remain underserved, innovative finance solutions fail to scale and opportunities to mobilise additional capital towards biodiversity and climate objectives are ultimately lost.

1.3. The Opportunity

Catalytic Capital as a Recognised Response

Catalytic capital has emerged globally as a recognised response to financing gaps that conventional capital markets struggle to serve. By providing patient, flexible and impact-oriented capital, catalytic investors can help promising initiatives move beyond pilot stage, reduce barriers to investment and unlock larger flows of public and private finance.

Within nature finance, catalytic capital has the potential to play a particularly important role in supporting innovative finance solutions that require a final tranche of funding to advance implementation, demonstrate viability and reach scale.

Exploring a New Finance Solution

Addressing the biodiversity financing gap requires not only more capital, but also mechanisms capable of directing capital towards solutions that can generate meaningful environmental, social and financial outcomes.

With this in mind, the Coalition in partnership with Conserve Global, hosted a Last Mile Fund Incubator in the period August 2025 – April 2026 to investigate the viability of a dedicated catalytic investment vehicle as a finance solution to provide the last mile of finance needed to unlock and scale innovative nature finance solutions.

[3] International Finance Corporation (IFC), World Bank Group, Asian Development Bank, European Bank for Reconstruction and Development, and Inter-American Development Bank Group. (2025). The Role of Blended Finance in an Evolving Global Context. Washington, DC: IFC.

Part 2: Undertaking an Incubator for The Last Mile Fund

2.1. Background to Finance Solution Incubators

Finance Solution Incubators represent Step 1 of the Coalition's Finance Model DESIGN stage. Incubation allows for the viability of a specific Finance Solution idea or concept to be determined over an approximate 6-month time frame.

This viability determination is undertaken through a facilitated Incubator process that allows niche expert input in investigating Incubator Framing Questions (also referred to as key questions). The Building Blocks and an Implementation Pathway for the Finance Solution are determined in answering these Framing Questions. Following the Incubation phase, the Finance Solution can move to Steps 2 and 3 of the Coalition's Finance Model DESIGN Stage: Implementation and Adopt.

Successful Incubation is proven to speed up the delivery of a new Finance Solution and enhance the probability of successful Implementation. Incubation does not guarantee that a Finance Solution will amplify finance flows to scale. Still, it allows for the most efficient and effective development of the Finance Solution with the greatest chance of success.[4] Incubators aim to remain relatively small and niche to allow for fast and flexible innovation. They aim to build on existing partnerships and expertise and are convened and facilitated by the Coalition.

For more information on the Coalition's Incubator process and member selection, please refer to Annexure B.

Photo Credit: Justin Smith – FIND Workshop Honeyguide, Arusha, Tanzania

[4] For evidence of successful incubation, please refer to: https://www.researchgate.net/publication/356988283_THE_SUSTAINABLE_LANDSCAPE_FINANCE_COALITION_DRIVING_FINANCING_FOR_CONSERVATION_IN_SOUTH_AFRICA'S_CRITICAL_LANDSCAPES, https://sustainablefinancecoalition.org/coalition-media-statement/ and https://www.researchgate.net/publication/354447425_Sustainable_Landscape_Finance_Coalition_Incubators

2.2. The Last Mile Fund Incubator

Incubator Overview

The Last Mile Fund Incubator[5] (the Incubator) was launched in August 2025 and concluded its last meeting in early April 2026. Ten Incubator member meetings were held over this period with multiple smaller deep-dive sessions with selected members taking place in-between.

Meetings were facilitated by Coalition Head: Innovative Finance, Lisa Freercks. Incubator members and their focal areas (ranging across legal, financial, community development and conservation) are provided in Annexure C.

Members were selected to ensure that their expertise would be adequate to cover the investigation into the Framing Questions of the finance solution and to ensure multi-disciplinary engagements.

The Coalition gratefully acknowledges Incubator members for their contributions towards the success of the Incubation phase of the Last Mile Fund. Member organisations, for which logos are available, are listed below in alphabetical order after the Coalition and Conserve Global's logos:

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Incubator Aim

The aim of the Incubator was to investigate the viability of a finance solution capable of addressing the "missing middle" in nature finance through the provision of catalytic capital. By facilitating collaboration between multi-stakeholder organisations, the Incubator sought to determine whether a dedicated investment vehicle could effectively support innovative nature finance solutions that have demonstrated proof of concept but require additional capital to advance implementation, unlock further investment and achieve impact at scale.

The objective of the Incubator was to identify the Building Blocks and Implementation Pathway required for The Last Mile Fund to operate as a viable and impactful finance solution.

Framing Questions

The Incubator was structured around a series of Framing Questions designed to investigate the viability of The Last Mile Fund and identify the conditions required for implementation. A full list of the Framing Questions is provided in Annexure D.

These Framing Questions were assigned to relevant Incubator members based on their expertise and voluntary acceptance of tasks. Findings from the investigation of the Framing Questions were provided as feedback during recurring Incubator meetings, with salient summaries and key takeaways provided in Part 3 below.

[5] It is noted that at the start of the Incubator, the name for the finance solution was 'Catalytic Investment Fund' (CIF). Upon completion of the Incubator, it was agreed to re-name to 'The Last Mile Fund'. To avoid confusion, all reference in the Viability Report refers to 'The Last Mile Fund'.

Part 3: Finance Solutions Viability Findings

The Incubator investigated seven Framing Questions to determine the viability of The Last Mile Fund and identify the conditions required for successful implementation. The findings below reflect the key areas of consensus reached by Incubator members and provide the foundation for the Building Blocks presented later in this report.

3.1. Key Findings From the Incubator

1. Scope

A. Geographic Scope

The Incubator concluded that The Last Mile Fund should initially focus on Sub-Saharan Africa with preference to be given to opportunities operating in key biodiversity landscapes where catalytic capital can unlock both conservation and community benefits.

While the financing challenges being addressed are not unique to this area of Africa, members recognised that the region presents a significant opportunity to unlock nature-positive outcomes through catalytic finance. Sub-Saharan Africa is characterised by globally important biodiversity assets, growing interest in innovative nature finance mechanisms and substantial unmet demand for flexible capital.

An initial regional focus would enable the Fund to leverage the existing networks and expertise of the Coalition and Conserve Global while developing a track record before considering broader geographic expansion. The geographic scope should remain focused on where the Fund can most effectively contribute to nature conservation, climate resilience and community development outcomes.

Photo Credit: Justin Smith – FIND workshop Blue Ventures, Dar Es Salaam, Tanzania

B. Catalytic Finance Scope

Clarification of what constitutes "catalytic" finance within the context of The Last Mile Fund was important area of discussion. Members agreed that the Fund should finance the financial mechanisms that enable sustainable flows of capital towards nature; not conservation activities directly. It should provide the "last mile" of capital required to unlock implementation and scaling of nature finance solutions capable of generating measurable conservation and social outcomes.

Members proposed positioning The Last Mile Fund as a vehicle that supports finance solutions that can "go the distance" in delivering nature-positive outcomes for people and landscapes.

In developing this framework, members agreed that preference should be given to finance solutions that:

- Have progressed beyond concept stage
- Demonstrate proof of concept
- Possess a credible implementation pathway
- Require catalytic support to advance implementation or scale
- Have the potential to generate measurable environmental and social outcomes

For purposes of the Fund, Incubator members agreed that finance solutions included the **mechanisms, enterprises and financial structures** that enable sustainable flows of capital towards nature.

Examples considered throughout the Incubator included biodiversity credit projects, impact funds, conservation enterprises, sustainable value-chain initiatives, carbon projects and other innovative finance mechanisms capable of mobilising additional capital towards nature.

> Members proposed positioning The Last Mile Fund as a vehicle that supports finance solutions that can "go the distance" in delivering nature-positive outcomes for people and landscapes.

C. Structuring Scope

The Incubator recognised that the nature finance ecosystem is characterised by significant diversity in project maturity, revenue models and financing needs. As a result, Members concluded that the Fund should not be restricted to a single financing instrument. Rather, flexibility should be embedded within the Fund's design to enable deployment through a range of catalytic financing instruments where appropriate.

Potential instruments discussed included recoverable grants, concessional debt, revenue-based financing, equity, guarantees and other blended finance approaches. Adopting a phased approach to use of different mechanisms was deemed prudent. Flexibility was identified as a defining characteristic of the Fund and a prerequisite for addressing the varying needs of finance solutions operating within the ‘missing middle’.

2. Structure

The Incubator considered a range of structural options and concluded that a pooled capital fund provides the strongest foundation for implementation. A key consideration was that many promising nature finance solutions spend significant time and resources attempting to source capital independently.

Members recognised the value of establishing a dedicated capital aggregator capable of pooling patient capital and deploying it efficiently across a portfolio of opportunities.

The preferred structure is therefore a pooled fund capable of:

- Aggregating capital from multiple funders
- Deploying capital across a portfolio of investments
- Building a diversified impact portfolio
- Accommodating ring-fencing mechanisms where required by specific investors or funders

The Incubator further explored the composition of the Fund's capital stack and concluded that a phased capitalisation approach offers the most practical pathway to implementation.

Key Take-Aways Included:

Phase 1A:
Establish a revolving pool of donor and impact-first capital capable of aggregating impact and demonstrating proof of concept.

Phase 1B:
In parallel, engage concessional funders to layer additional capital into the Fund where appropriate.

Phase 2:
Pursue institutional capital participation once a track record, pipeline and evidence of de-risking have been established.

Potential capital providers discussed included philanthropy, corporate foundations, high-net-worth individuals, family offices, impact investors and concessional funders. Members recognised that institutional investors, such as pension funds, may become relevant at a later stage but would require evidence of liquidity, risk management and demonstrated performance.

The Incubator also agreed that the Fund should be open-ended in nature. This would allow capital to be recycled into new opportunities over time and maximise the long-term impact of the Fund.

> A phased capitalisation approach offers the most practical pathway to implementation.

3. Legal and Policy Frameworks

The Incubator concluded that legal structure should be determined by the Fund's purpose rather than the other way around. Members recognised that the Fund's objective of financing last-mile nature finance solutions should guide decisions regarding domiciliation, legal form, governance arrangements and tax considerations.

Several key principles emerged:

- The legal structure should facilitate efficient capital inflows and deployment across multiple jurisdictions
- The structure should accommodate different types of capital and investor requirements
- Regulatory complexity should be minimised where possible
- Legal arrangements should provide sufficient flexibility to allow the Fund to evolve as the market matures

Members repeatedly highlighted the importance of flexibility within contractual arrangements. Being a mechanism supporting rapidly evolving and often nascent nature finance solutions, the Fund should be designed in a manner that allows it to adapt milestones, methodologies and implementation approaches as lessons emerge from practice. It is noted that geographic scope will impact on legislative scope.

While the Incubator has identified key principles for legal structuring, the full legal and tax considerations will be assessed in detail during the implementation phase and structural constraints may emerge. Proper legal analysis is critical to ensure that the objectives of flexibility, scalability and efficiency are accommodated.

Photo Credit: Shem Compion – Tondwa, Zambia

4. Governance and Management Frameworks

Members agreed that investors will ultimately invest not only in the underlying opportunities, but in the Fund's governance structures, mandate, management capability and investment discipline. Trust in the Fund itself is therefore critical.

Several governance principles emerged:

- Clear separation of governance, management and oversight functions
- Independent expertise spanning conservation, finance, investment and legal disciplines
- Transparent investment decision-making processes
- Accountability for both impact and financial performance
- Independent verification and oversight mechanisms where appropriate

The importance of dedicated capacity was highlighted as well as independent decision-makers.

An initial governance framework is illustrated below:

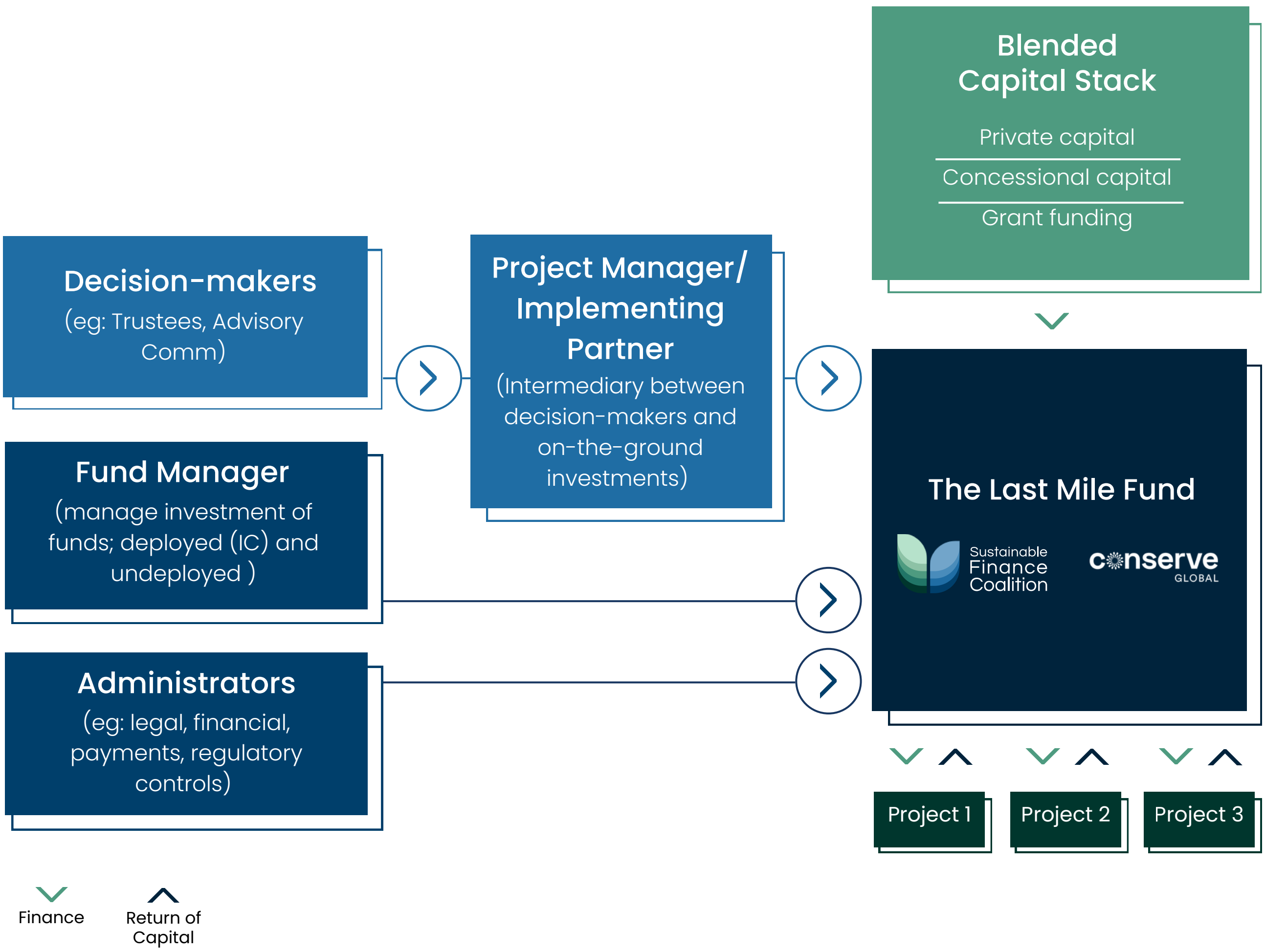

Figure 2: Roles and Role-players to The Last Mile Fund.

5. Selection of Investments

The Incubator concluded that investment selection should be driven by ability to be catalytic, provide additionality and have impact potential rather than financial returns alone. Selection would primarily be made on viability to be implemented with thematic and geographic focus areas layered on top of this. Central to investment selection is the Fund's definition of "catalytic" (refer 1B above).

Members agreed that priority should be given to finance solutions that:

- Are viable (have the ability 'to go the distance') and implementation-ready. The Coalition's Finance Model (refer Annexure A for more detail) is available as a tool to assess viability
- Require catalytic capital to unlock implementation or scale
- Can mobilise additional capital
- Demonstrate strong environmental and social outcomes
- Contribute to the broader objective of supporting nature for people

Figure 3: The Finance Model

The Incubator recognised that the ability to be catalytic is not simply about providing finance where none exists. Rather, it involves deploying capital where relatively modest investments can create leverage and unlock substantially larger environmental, social and financial outcomes over time.

Members also highlighted the importance of supporting project maturity. Investments should contribute not only to direct impact but also to advancing the readiness, resilience and investability of innovative finance solutions. Technical assistance and non-financial support were recognised as important complementary tools that may be required to maximise investment success.

6. Robust Social and Conservation Safeguards

The Incubator reached strong consensus that social and conservation safeguards should be treated as foundational elements of Fund design rather than compliance requirements.

At a minimum, investments should demonstrate:

- Free, Prior and Informed Consent (FPIC)
- Equitable benefit-sharing arrangements
- Recognition of rights and tenure considerations
- Appropriate governance structures
- Rights-based and self-determined approaches
- Accessible grievance mechanisms

Members emphasised that communities should be treated as partners in the delivery of impact and not merely as beneficiaries.

Environmental integrity was considered equally important. Investments should maintain ecosystem integrity, identify and manage environmental risks and demonstrate credible conservation outcomes.

Independent oversight with third-party verification and auditing mechanisms were identified as important tools for ensuring accountability and maintaining confidence in the integrity of Fund-supported investments.

7. Impact Measurement, Metrics and Verification

The Incubator recognised that the Fund's impact extends beyond individual projects and includes the catalytic effects of unlocking implementation and mobilising additional finance.

Members proposed that impact should be assessed through two complementary lenses:

- Headline Impact Metrics: These track the broader environmental, social and financial outcomes generated through the Fund's investments
- Project Maturity Indicators: These assess the developmental progress of supported finance solutions as they move from proof of concept toward implementation and scale

Key impact categories identified included:

- Environmental Impact: Ecosystem integrity maintained or enhanced; environmental risks identified and mitigated; appropriate environmental assessments undertaken
- Social Impact: Safeguards effectively implemented; positive community outcomes generated; rights-based approaches embedded
- Financial Impact: Capital unlocked and mobilised; project maturity advanced; long-term sustainability strengthened

Members agreed that existing frameworks should be leveraged as far as possible.

Verification should be undertaken independently wherever possible and should be proportionate to the scale and maturity of the investment opportunity.

Photo Credit: Stuart Slabbert – Kunene Highlands, Namibia

3.2. Building Blocks

The Incubator findings identified the following eight Building Blocks that are considered critical success factors for the successful establishment and operation of a fund such as The Last Mile Fund:

Figure 4: Building Blocks of The Last Mile Fund.

1. A Clearly Defined Scope Framework

A clearly defined scope framework is required to ensure that capital is deployed consistently and strategically. This includes defining the Fund's geographic focus, investment mandate, target beneficiaries and the types of finance solutions that fall within its catalytic investment thesis.

2. Access to Catalytic Capital Sources

The Fund's success depends on its ability to attract patient, flexible and impact-oriented capital. A blended capital stack comprising philanthropic, concessional and impact investment capital is likely to be required to support the Fund's catalytic mandate and long-term sustainability.

3. A Credible Investment Pipeline

The Fund requires access to a credible pipeline of investable nature finance solutions. Priority should be given to opportunities that have demonstrated proof of concept, possess a clear implementation pathway and require catalytic support to unlock implementation or scale.

4. Strong Governance and Management

Strong governance and professional management capability are essential to maintaining investor confidence and ensuring effective deployment of capital. Clear decision-making structures, independent oversight and appropriate investment expertise will be critical to the Fund's success.

5. A Clearly Articulated Impact Thesis

A clearly articulated impact thesis is required to guide investment selection and demonstrate how Fund investments contribute to environmental, social and financial outcomes. The impact thesis should also articulate the catalytic role of the Fund in unlocking additional finance for nature.

6. An Enabling Fund Structure

An enabling structure is required to efficiently aggregate capital and deploy a range of catalytic financing instruments. The preferred structure should balance flexibility, operational efficiency and long-term sustainability while accommodating the needs of different investors and investment opportunities.

7. An Enabling Legal Framework

The Fund requires a legal framework that supports capital mobilisation, regulatory compliance and efficient deployment of finance across multiple jurisdictions. Legal arrangements should also provide sufficient flexibility to support the evolution of the Fund and the broader nature finance market.

8. Alignment With Global Best-Practice

Alignment with recognised international best practice will strengthen the Fund's credibility and integrity. This includes adherence to recognised standards relating to governance, impact measurement, social safeguards, conservation safeguards and responsible investment practices.

Photo Credit: Stuart Slabbert – Kunene Highlands, Namibia

Part 4: Implementation Pathway

The implementation pathway proposed is a phased approach to allow the Fund to establish proof of concept, build a credible track record and progressively attract larger pools of capital. Implementation will be navigated by a Coalition-led Implementation Task Team in alignment with the Coalition Finance Model (refer Annexure A).

The following milestones have been established as key next steps to guide the Fund establishment:

- Secure seed capital
- Confirm the Fund's investment thesis and impact thesis
- Refine eligibility criteria and investment parameters
- Determine the preferred legal structure and jurisdiction
- Establish governance and decision-making arrangements
- Develop the Fund's impact framework and safeguards
- Identify initial pipeline opportunities
- Develop a detailed financial model and operating plan
- Initial deployment

With the vision for impact at scale, the Fund can move into further capitalisation efforts beyond this initial phase, to establish a larger pool of catalytic capital. This will enable the support of a targeted portfolio of nature finance solutions aligned with the Fund's investment thesis.

The Incubator recognised that institutional capital may become increasingly relevant once the Fund can demonstrate credible pipeline, proven governance systems, effective risk management, impact delivery and sustainable capital deployment.

Part 5: Conclusion and Next Steps

5.1. Viability Conclusion

The Incubator concluded that a catalytic fund to address the 'missing middle' in nature finance is a viable financial mechanism for moving into implementation. The Last Mile Fund analysis provides potential to unlock additional finance, accelerate finance solution implementation and contribute meaningfully to the growth of the broader nature finance ecosystem.

Complexities in design considerations are noted and will endeavour to be mitigated by careful phasing in execution and strategic collaboration with aligned stakeholders.

5.2. Next Steps for The Last Mile Fund

The Coalition is leading an Implementation Task team in partnership with Conserve Global to execute the milestones laid out for the initial Fund set-up.

Seed capital has been secured and the Fund is actively engaging stakeholders to capitalise the Fund further with the view to deploying into an initial investment before end 2026.

Photo Credit: Shem Compion – Tondwa, Zambia

Annexure A: The Sustainable Finance Coalition

Overview

The Sustainable Finance Coalition (the Coalition) FINDS, DESIGNS and MOBILISES tailor-made finance solutions for nature. We are a driving force for the Incubation and implementation of finance solutions at their point of impact, ensuring effective and enduring naturescapes across Africa through collective action.

Who We Are

Founded in 2019 by co-founding organisations Wilderness Foundation Africa and WWF-South Africa, the Coalition transitioned from this partnership to its legal entity in the first quarter of 2024. The Coalition's model focuses on unique and innovative finance solutions targeted at the point of conservation and social impact to allow new flows of finance to reach the right people in the right places to drive lasting change.

What We Do

The Coalition's Finance Model has three parts: FIND the right finance solution, DESIGN it through a strategic three-stage process, and MOBILISE a finance for nature ecosystem to take solutions to scale.

The Coalition's model entails tailor-making the right finance solution for the right place with the right people (FIND), then designing viable finance solutions for nature by Incubating, Implementing and seeing those solutions Adopted (DESIGN). The development of new finance solutions is facilitated in a strategic and dynamic manner whilst fostering innovation through Incubation. Finally, the Coalition focuses on building a Finance for Nature Ecosystem that replicates and transfers finance solutions through collective action (MOBILISE).

Figure 5: The Coalition Finance Model

Our Impact

With the support of our Finance for Nature Ecosystem, the Coalition walks a finance solution journey, where it has introduced an estimated USD 44 million of new finance to piloting and scaling finance solutions in conservation landscapes and green outcomes livelihoods since 2019.

The Coalition's current footprint is in 15 countries across the African continent. Following its Finance Model, the Coalition has translated four finance solution pilots into Adopt, the final Component in the DESIGN phase of the Coalition Finance Mode, where the finance solution is transferred to its long-term institutional home. A further three finance solutions are near to reaching the final stage, amplifying sustainable finance in naturescapes at the point of impact. Further to this, six finance strategies have been developed for multiple countries, focusing on Trans-frontier Conservation Areas, Protected Areas and Conservation and Sustainable Land Management.

Our Value and Commitments

The Coalition endeavours to work with individuals and organisations who align with our five core values and principles and to develop finance solutions for nature that embody these commitments.

Grounded in Nature

Impact that is full of real and tangible biodiversity and social outcomes. A collective connection, passion and love for nature, ensuring the impact we have is more than just sustainable but positive.

Based in Diversity, Inclusivity and Empathy

Equal value to conservation and finance voices. An all-hands-on-deck approach, ensuring all voices are in the room with a genuinely collaborative approach for collective action.

Affirmed in Honesty, Integrity and Respect

Acknowledging values across who we are and what we do. For our employees, our partners and in our solutions, we aim to ensure real human connection, a work life balance, and generation of viable and practical finance solutions.

Founded in Innovative, Solution-Oriented and Forerunner Thinking

A 'can do' attitude, that is solution orientated. Developing solutions in a respectful, optimistic, problem-solving approach, ensuring passion for innovation that pushes the boundaries for finance and nature.

Established in Rights-based, Equitable and Self-Determined Approaches

Equal and equitable access to finance and to nature. A rights-based approach to conservation and to finance, ensuring that local decision makers, actors and rights holders have the right to make their own decisions regarding their sustainable use of resources.

Annexure B: Incubator Process

Incubator Structure and Process

Incubators operate through the hosting of recurring meetings, one every three weeks, for a period of approximately six months. These meetings serve to address the following:

- Incubator Launch: Introduction of the process and members.
- Confirmation of Origins Document: This document provides a framework for the Incubator, its aim, objectives, and the Framing Questions to be investigated.
- Tasks assigned: Once the Origins Document has been finalised through member input, questions are assigned to members, and feedback is obtained and discussed during the following meetings.
- Working groups established: In most incubators, Working Groups are established to investigate related aspects, with incubator members assigned to these Working Groups based on their expertise.
- One-on-one or Working Group meetings are held in between recurring Incubator meetings to ensure effective engagement and feedback in the Incubator process.
- Member feedback on questions investigated is provided in written format before or during the Incubator meeting designated for discussing the question(s).
- Meeting etiquette maintained: All meetings are recorded and minuted, with actions/next steps shared with members.
- Outcome achieved: The result of the Incubator would be to confirm the Building Blocks and Implementation Pathway required for the Finance Solution to be implemented efficiently and be set for impact.

Incubator Member Selection

Incubator membership is by invitation and based on the member's willingness and availability. Selection criteria to identify appropriate incubator members are applied, taking the following into account:

- The number of members is dependent on the incubator requirements; member numbers, however, are always kept to a minimum with a soft maximum limit of 10 members. Limiting the number of incubator members allows for nimble and flexible investigations and meeting discussions.

- Each member of an incubator is required to represent a focal area and/or core skill set, such as legal, finance, investment, conservation or the like. This ensures that the experts investigate the Framing Questions, enabling the confirmation of the Finance Solution Building Blocks.

- In the case of multiple members from the same organisation, the organisation must appoint one member to represent it and provide feedback on the Incubator findings and discussions to the organisation. This limitation avoids duplication and unnecessary time investment by the same organisation.

- For all people and organisations, including Incubator members, the Coalition undergoes a 'FIND' process to find the right people with whom we can effectively work. The criteria established in our 'FIND' assessment include professional criteria and criteria related to values alignment. These criteria and the process undertaken assist us in ensuring that we work with the right people to drive sustainable finance for conservation and mitigate against any risks that would prevent us from achieving our goals.

Incubator Facilitation

The Coalition facilitates the 1-hour Incubator meetings every three weeks to explore the Framing Questions set out for the Finance Solution and define clear actions by members and/or working groups to take forward. Working groups are intended to investigate related questions and issues such as finance, metrics, social aspects, etc.

These working groups meet independently and provide feedback to the main incubator meetings, which are complemented by concrete, researched, and documented information. Framing Questions are assigned to members in an Actions Table after each recurring meeting, with members' findings added to a Findings Document (a living document throughout the period of the Incubator). The Findings Document is then translated into the Viability Report and Implementation Pathway upon the conclusion of the Incubator.

Annexure C: Incubator Members

Member Name	Focal Area	Organisation
David Bethell	Fund Administration	Anchor Capital
Lisa Freercks	Incubator Lead	Coalition
Emily Gammon	Legal	Webber Wentzel
Mike Grover	Conservation	Conserve Global
David Levinson	Fund Management	Nedgroup Investments
Cerin Maduray	Sustainable Finance	WWF-SA
Nicole Martens	Impact Investing	Independent
Andrew Parker	Conservation	Conserve Global
Samir Randera-Rees	Conservation	Independent
Stuart Slabbert	Conservation	Conserve Global
Candice Stevens	Sustainable Finance	Coalition
Ellané van Wyk	Sustainable Finance	Coalition

Annexure D: Incubator Framing Questions

Question 1: Scope and Definitions

What are the key elements of the financial mechanism's scope that need to be defined, for example:

Geographic Scope (The Conservation Vision)

- What should the geographic scope be, and should this be limited to Conserve Global landscapes (Conserve landscapes)?
- Are there geographies other than Conserve landscapes that can benefit from this CIF?
- Are there specific nature-based solutions and sustainable finance solutions that should benefit from the CIF, or does this remain open to any future solutions?
- What is the problem that CIF is solving for?

Catalytic Finance Scope

- How can the Coalition's Finance Model (FIND, DESIGN, MOBILISE) be used to guide the selection and scope of potential finance solutions?
- How does the CIF define the capital that it is providing? What is the "missing middle"? What examples can be provided?

Structuring Scope

- What are the considerations with regards phasing implementation of the CIF? For example, should there be a smaller pilot with a vision to scale or should it have a larger scope at the outset? (this will inform geography and the types of solutions that are focused on).
- Are there other scoping areas that need defining?

Question 2: Structure

What structure is required that could provide for catalytic finance into high-Integrity nature-based and sustainable finance solution projects while also creating measurable and verifiable environmental and social outcomes?

- What is the most appropriate structure?
- What are the tax implications for such a structure?
- Are funds moving into and out of the Fund local or offshore? What currency considerations are there? What considerations are needed to maximise investment income?
- How can the structure optimise the intersection of practicalities, costs and legal requirements for fund inflow and deployment?
- What is the mission and purpose of the structure? Can this be articulated to direct the design elements that flow from this?
- What is the Theory of Change for the financial mechanism and does the proposed structure allow for and facilitate this?
- Which key stakeholders are required for the structure determined above?
- What sources of capital does the CIF have to draw from?What are the parameters of this funding that need to direct scope and investment thesis of CIF (eg closed-end or open-end, life span, etc)?
- How can the Fund be structured to not exclude particular markets from investing?
- What type of capital (concessional, blended, first-loss, guarantee) will CIF use to make investments? Are minimum financial returns required?
- What learnings are available (from members and beyond) that can inform structuring design?

Question 3: Legal, Legislative and Policy Framework

- What is the legal mechanism that could be applied to the structure determined above?
- What is the legal jurisdiction of the entity to house the Fund? What are the jurisdictions across the geographies of potential investments (refer geographic scope above)? How can complex practicalities be minimised (or managed)?
- How can local legal engagement be managed to integrate with local legal structures?
- What legislation is needed to facilitate the structure?
- How can the objectives of the mechanism align with government legislation?
- Are there policies that enable or constrain the structure?
- Are regulatory licences required for the proposed fund structure?

Question 4: Governance and Management Framework

- What is the governance framework for the structure/mechanism elected? How will an investment committee be structured?
- What is the management framework for the structure/mechanism elected?
- How will the structure be administered? Which skills are needed? What costs are involved? Who pays for the administration?
- What is the role of the management team/committee? Do they act as intermediaries between funders, investors and implementers (or not)?
- How can local engagement be managed to integrate with local structures and be locally relevant across all spheres?

Question 5: Selection of Investments

- How can the Coalition's Finance Model (FIND, DESIGN, MOBILISE) be used to guide the selection and scope of potential finance solutions for CIF to be considering? Noted that viability of finance solutions can be tested in the Coalition's Finance Model.
- What criteria and impact frameworks exist to guide this process and what more need developing?
- How are beneficiaries identified to receive funding from the structure?
- Is there a strategy for sourcing, incubating and scaling a pipeline of investable deals?
- What non-financial support (e.g., capacity building, business planning) will be provided to early-stage investments? How will this technical assistance be funded?
- If the structure requires beneficiaries to report on outcomes, how can the structure facilitate and support this process so that beneficiaries are not over-burdened?
- What exit strategies need to be considered?

Question 6: Robust Social and Conservation Outcomes

- Are there robust social and conservation outcomes?
- What are some of the immediate social and environmental risks to be aware of?
- How can rights-based approaches be mainstreamed and inclusive of these actors?
- Are aspects including free, prior, and informed consent (FPIC), benefit-sharing, security of rights, clarity of responsibilities confirmed?
- Is there significant risk of unintended negative social consequences?
- Will the solution be viewed as equitable, and will there be fair access to the solution?

Question 7: Measurement, Metrics and Verification (what do you want to achieve?)

- What are the indicators of success?
- Does the balance between environmental and social metrics need consideration?
- What are the minimum metrics used to measure progress?
- Will international frameworks be used to guide CIF impact framework?
- What are the acceptable time frames for measurement and verification of metrices? Who will verify the outcomes?
- How will the verification process be managed and what time horizons are appropriate to set to ensure the impact of the structure is optimised?
- Are there risks to biodiversity created by the solution? If yes, how challenging would it be to create adequate safeguards?
- What are the risks and consequences of underperformance?