



USAID
FROM THE AMERICAN PEOPLE

THE MISUNDERSTOOD MIDDLE:

The role of intermediate firms and investors
in support of conservation enterprises

March 31, 2021

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Webinar Mad Libs Exercise



Name: _____

Operating Unit: _____

Activity: _____

I work on (or have worked on) an a conservation enterprise that

[produces X goods or services] **to conserve** [biodiversity focal interest] _____.

We bring our goods / services to the supply chain by _____.

To scale our enterprise, we've succeeded in _____. We've managed to have these successes because _____.

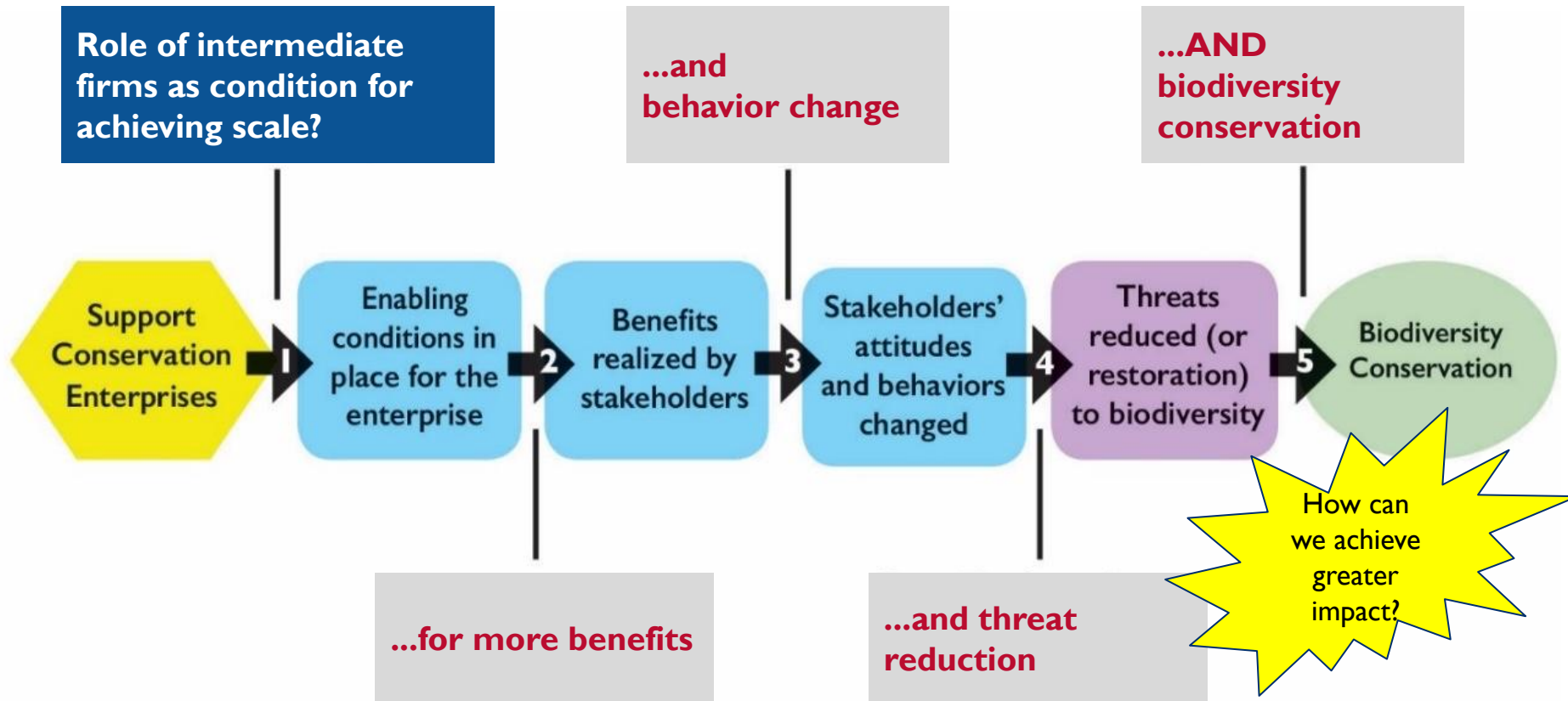
However, we have also had challenges in scaling our enterprise, such as _____.

Moving forward, USAID can better support intermediate firms by _____.

I still have these questions about how to support intermediate firms: _____.



USAID'S CONSERVATION ENTERPRISES THEORY OF CHANGE: Learning Questions Examine Assumptions in the TOC



TODAY'S AGENDA

- Introduction (10 min)
- Interview with experts (30 min)
- Questions & Discussion (20 min)



TODAY'S EXPERTS



Ann Koontz
Relief International



Dietmar Stoian
World Agroforestry (ICRAF)

Topics for Ann and Dietmar

- **How do you define** "intermediate firms" and "responsible investors"?
- **What role do they play** in supporting individual and community-level enterprises to achieve development and conservation outcomes?
- In what ways do intermediate firms and responsible investors **interact with conservation enterprises?**
- What conditions and interactions enable **scaling positive outcomes**, and how can they be leveraged?
- What are the principal **challenges?**



How do you define "intermediate firms" and "responsible investors"?

Intermediate firm: Supply chain actors between the individual or community-level producers / service providers and the ultimate consumers (In other words, the midstream segments of the supply chain)

Responsible investor: Investors who, while seeking financial returns, are concerned with the environmental and social performance of their investments (measured through Environment, Social and Governance (ESG) criteria)



EXAMPLES

- **Bottom up:** "second tier" ag, forestry, marine, tourism enterprises, often community-led (e.g., Himalayan Bio Trade, FORESCOM)
- **Top down:** "lead firms" that set the terms of trade when purchasing from community enterprises, (e.g., Nestlé, Starbucks, Phillips SeaFood)
- **Financing:** "impact investors", "social lenders", and other responsible finance providers



What role do they play in supporting individual and community-level enterprises to achieve development and conservation outcomes?

- Reinforce conservation as mission-critical
- Aggregate products / services from individuals or communities
- Provide market links that reinforce conservation
- Provide value add products / services
- Provide financing and capacity building



Webinar Mad Libs Exercise

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Activity: _____

I work on (or have worked on) an a conservation enterprise that _____
to conserve _____.

DO
NOW

We bring our goods / services to the supply chain by [describe value chain relationships] .

To scale our enterprise, we've succeeded in _____. We've managed to
have these successes because _____.

However, we have also had challenges in scaling our enterprise, such as
_____.

Moving forward, USAID can better support intermediate firms by _____.

I still have these questions about how to support intermediate firms: _____.



In what ways do intermediate firms and responsible investors **interact with conservation enterprises?**

- Contract farming and fishing
- Long-term business relationships
- Often involving certifications and other sustainability standards
- Beyond simple transactions: technical and financial assistance and capacity development
- Impact investments / social lending



What conditions and interactions enable **scaling positive outcomes**, and how can they be leveraged?

- Shared vision and mission that includes conservation
- Enough biodiversity that can be brought into the effort
- Sufficiently high sustainable harvesting levels
- Supply chain consolidation of functions that add value
- Long-term and trusting relationships
- Adequate mechanisms for sharing info, benefits and risks
- Responsible finance



Webinar Mad Libs Exercise

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Operating Unit: _____

Activity: _____

I work on (or have worked on) an a conservation enterprise that _____
to conserve _____.

We bring our goods / services to the supply chain by _____.

**To scale our enterprise, we've succeeded in [achievements]_____. We've managed
to have these successes because [enabling conditions]_____.**

However, we have also had challenges in scaling our enterprise, such as

_____.

Moving forward, USAID can better support intermediate firms by _____.

I still have these questions about how to support intermediate firms: _____.



What are the challenges?

- Finding win-win outcomes: conservation and development; community-based enterprises and intermediate firms
- Combining ongoing biodiversity monitoring with business skills of intermediate firms
- Protecting land, marine, and resource use rights
- Creating awareness among consumers to increase demand for products



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We bring our goods / services to the supply chain by _____.

To scale our enterprise, we've succeeded in _____. We've managed to
have these successes because _____.

However, we have also had challenges in scaling our enterprise, such as

[describe challenges] _____.

Moving forward, USAID can better support intermediate firms by _____.

I still have these questions about how to support intermediate firms: _____.

DO
NOW



Enabling factors that support scale

- Business organization and associations
- Coordinate and facilitate supply chain actors
 - Ensuring uniform quality and supply dependability and seasonality
 - Linking with major aggregators
 - Linking with service providers
 - Facilitating information sharing
- Political leverage for enabling conditions
- Leverage responsible investments
 - De-risking for smallholders
 - Matching supply and demand



Webinar Mad Libs Exercise

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I work on (or have worked on) an a conservation enterprise that _____
to conserve _____.

We bring our goods / services to the supply chain by _____.

To scale our enterprise, we've succeeded in _____. We've managed to
have these successes because _____.

However, we have also had challenges in scaling our enterprise, such as
_____.

Moving forward, USAID can better support intermediate firms by [add text]_____.
I still have these questions about how to support intermediate firms: [add text]_____.

DO
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GROUP DISCUSSION

- How can USAID support intermediate firms and engage with responsible investors?
- Are there additional information needs?

USAID BIODIVERSITY
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TOOLS AND RESOURCES

- [CE Learning Group Site](#)
- [CE Learning Agenda](#)
- [CE MEL Framework](#)



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Conservation Enterprises

Conservation enterprises approaches are defined by a development hypothesis (theory of change) that if income is increased through conservation enterprises, then participants will discontinue environmentally unsustainable activities, leading to reductions to threats to the environment.



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THANK YOU!

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