



PROGRAMME  
**SUSTAINABLE ECONOMY**  
**2013-2022**



**80**  
CONTRACTED  
PARTNERS

**185**  
PROJECTS

**127**<sup>CHF</sup>  
MILLION  
BUDGET

## In a nutshell

The Sustainable Economy programme was born of a desire to secure lasting impact and underpin the conservation achievements of MAVA and its partners by addressing the underlying causes of biodiversity loss. Its creation also reflected André Hoffmann's personal interest in using the power of the private sector to deliver positive societal change through transforming unsustainable economic models and mindsets.

When the programme was set up in 2013, we found ourselves in a new space with little activity, limited knowledge, and only a few partners with whom we could work. Lacking sufficient evidence of what would work, we opted for an experimental approach and learning by doing. We made grants in various areas such as resource use, energy, trade, and finance, both within and outside MAVA's traditional geographies. In addition to our normal partner scouting, we also experimented with accessing the wisdom of the many through crowdsourcing collective intelligence and decision-making.

Three years into the programme, with a deeper understanding, we focused our attention on valuing natural capital and changing finance, as well as on promoting circularity as a design and operating principle for the economy.

To adapt, adjust, and seize new opportunities in a rapidly evolving environment, we had to be flexible, both in our grant-making and in running the programme, including by outsourcing some responsibilities and team roles to partner organisations.



Initially, we put our emphasis on policy change to scale impact. Later, we adopted a more systemic approach, recognising that impact comes not through a linear process but through many, often unpredictable changes. We supported these by nurturing new ideas and creativity, as well as the energy and willingness to act.

While we worked on our overarching thematic areas throughout the life of the programme, we reduced our efforts where we felt we could no longer add value, for example, when nature-based solutions became a crowded space. At the same time, we increased our engagement where we saw significant opportunities emerge, such as in finance for nature. Growing confidence also helped us step outside our geographic comfort zones and support work in China and across Africa.

## APPROACH AND ACHIEVEMENTS

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Over the last decade, our understanding of sustainability and appreciation of nature's role in the creation of prosperity has grown enormously, far beyond our initial expectations when we set up the programme. Maintaining a healthy planet has moved from being a distraction and a cost to be avoided to being recognised as critical for financial and economic stability and lasting prosperity.

Niche approaches and ideas such as Green Economy, Natural Capital, and Circular Economy have become prominent topics in political and societal debate. The Sustainable Economy programme influenced this journey. And while direct attribution is a futile endeavour in a complex world, we know that some partners have shaped the evolving discourse.

Some of these 'shaping' organisations, such as Carbon Tracker, Green Economy Coalition, Capitals Coalition, and Ellen MacArthur Foundation, were small and nascent upon first receiving MAVA support, while others, such as NatureFinance, were developed through the programme itself.

This early-stage support allowed these organisations to make a step change, expanding and deepening their technical insight, improving organisational structures and operational processes, and leveraging new support. MAVA was an anchor funder for these partners, acting as a frontrunner and inspiration for the donor community.

### Economics and finance for nature

We engaged in economics and finance for nature on three levels:

- changing mindsets and the economic narrative to include and properly value nature;
- employing a systems approach to make finance respond to the state of nature;
- exploring how to deploy nature-based infrastructure and solutions, and demonstrating their economic and societal value.



#### 1. CHANGING MINDSETS

Over the last decade, understanding of the valuation, pricing, and 'trade' of nature, has undergone remarkable development, conceptually and practically. The seemingly insurmountable divide between those who refused to see that nature matters, and those who objected to any kind of market mechanism as part of the solution to nature loss, has been replaced by constructive dialogue and a willingness to find solutions. Events such as the African Forum for Green Economy and Global Natural Capital Forum brought natural capital and green economy stakeholders together to create a shared understanding that successful transition to a nature-positive economy relies not only on renewable energy and technical innovation but also on the proper valuation of natural and social capital.

This new understanding has taken hold to the point where, in the context of CBD negotiations on the Kunming-Montreal Global Biodiversity Framework, Capitals Coalition and other groups were able to mobilise more than 1,100 companies worldwide to call on governments to adopt policies to reverse nature loss in the coming decade.

The programme contributed to the growth of communities of practice working on natural capital and green economies, including through the establishment of new networks such as [Business for Nature](#) and the [Africa Natural Capital Community of Practice](#). Facilitated dialogues and synergies between these different networks has given rise to a new era in public discourse in which nature and the importance of healthy ecosystems now feature prominently. This was especially the case during debates about how to stimulate economic recovery from the pandemic.

The Covid crisis elevated the pursuit of resilient economies and ecosystems from being a national endeavour to one that has become a truly common effort across regions. Natural capital approaches are now supported by governments, international organisations, businesses, and civil society in approximately 70 countries. Many actors involved in these processes have drawn inspiration, knowledge, or even direct support from MAVA partner activities.

## 2. CHANGING THE FINANCE SYSTEM

In parallel to the changing narrative around nature in public discourse, nature-related financial risk, and the connections between nature loss, climate change, and financial stability have taken centre stage in next generation sustainable finance and sit at the heart of models for economic transformation.

The work of [Carbon Tracker](#) and subsequently [Planet Tracker](#) made carbon budgets and stranded assets (resulting from exceeding environmental limits) part of mainstream financial language. Partners also helped establish the link between environmental health and financial and economic performance, including clarifying the role of central banks. And Finance for Biodiversity (which later became [Nature Finance](#)) played a significant role in shaping development of the [Taskforce on Nature-related Financial Disclosures](#) (TNFD).

In the early days of the Covid-induced sovereign debt crisis, the concept of nature performance bonds was launched. This became a broader effort on sustainability linked sovereign debt, including the establishment of a [collective action Hub](#). And attempts to measure nature in public spending during Covid grew into a pioneering [method](#) for measuring alignment of financial flows with nature-positive outcomes. A first of its kind, this tool is shaping collective thinking.

Nature Finance also established the [Task Force on Nature Markets](#) and coined a new narrative on nature markets that is being picked up ever more widely. Addressing governance of biodiversity credit markets in particular, will be critical in avoiding the pitfalls that have befallen carbon markets.



### 3. FACILITATING NATURE-BASED INFRASTRUCTURE AND SOLUTIONS

Transition towards sustainable and nature-based infrastructure has accelerated, with increased resource mobilisation, policy improvements, and implementation of more sustainable infrastructure.

Governments, communities, financial institutions, and investors now have a broader and better understanding of the impacts and opportunities of sustainable and nature-based infrastructure. Our partners have developed tools for [measuring sustainability and resilience](#), and for interpreting this in terms of [financial performance](#). They also delivered training for actors along the infrastructure project development pipeline, and developed a specific planning methodology for deploying nature-based solutions in the Mediterranean region.

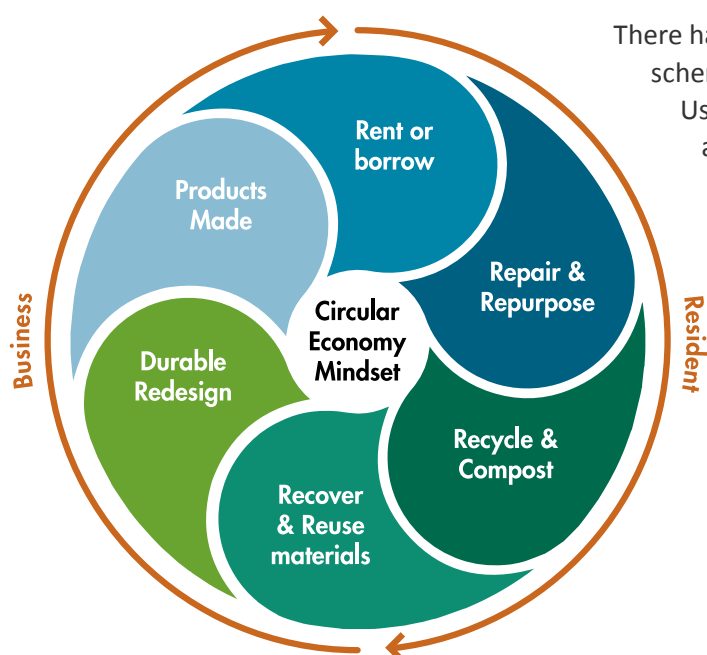
Through continued engagement, new thinking, and solid proposals, our main partners have contributed to policy changes and mainstreamed sustainable and nature-based infrastructure with city networks, industry associations, policy engagement groups, and financial institutions.

### 4. CIRCULAR ECONOMY

The Circular Economy has matured from a little-known, primarily European concept into a multi-faceted global framework for addressing environmental, climatic, economic, and societal issues. Our partners have contributed to regional and global alliances as members or founders, and helped make the pursuit of circularity an undisputed priority for key fora, countries, and institutions that shape and govern the global economy.

Ellen MacArthur Foundation's (EMF) policy toolkit has helped drive the development of national Circular Economy roadmaps, and the inclusion of circularity in government policy agendas. EMF's presence in China and its relationships with institutions advising on policy contributed to China's integration of Circular Economy in its 14th five-year plan as a delivery mechanism for achieving an ecological society and combating climate change.

Across all regions, a wealth of new and relevant data, circular solutions, and case studies have been made accessible online for governments, changemakers, and city administrations, now and for years to come. These include important insights of the role of circularity in reducing greenhouse gas emissions in key sectors. As of today, 79 countries have committed to a circular economy through their Nationally Determined Contributions (NDCs) under the Paris Agreement.



There has been an upswing in the development of new policy schemes, especially in the EU. These include the Single-Use Plastic and the EU Circular Economy Action Plan, and related foundational policies such as Extended Producer Responsibility, the Ecodesign Policy, and the EU Chemical Strategy for Sustainability. All of these are the result of research, private sector and civil society engagement, and activism.

The global movement against plastic pollution was largely supported by the [Plastic Solutions Fund](#) of which MAVA was a founding member. After many bans of single use plastic items worldwide, and an EMF-orchestrated global commitment by the private sector, negotiations for a global UN treaty on plastic pollution are now underway.

Hundreds of companies are now measuring their operational circularity through newly developed metrics. And companies collaborating in national plastic pacts are working to increase reuse models and phase out problematic substances.

Cities sit at the centre of circular solutions and lead the charge at the vanguard of transition. Inspired and supported by partners, they have formed alliances such as the African Circular Cities Initiative or built programmes and knowledge partnerships within networks such as C40 and ICLEI. And zero waste cities are spreading quickly across Europe and Asia.

Circular economy teaching and learning at university level is booming, and appetite for circular design learning growing fast. The African Leadership University, educating the African business leaders of tomorrow, has fully embraced circular thinking and is becoming a leading university on the topic in Africa. And start up and incubators such as Impact Hub have included circularity in their programmes. Altogether, we see huge progress in areas critical for driving wider change. Scientific evidence, practical knowledge, inspirational leadership, and instrumental policies, are all shaping a new way of thinking about production and consumption and sustainable economy.

## LOOKING AHEAD

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In a very short time, we have come a long way, and yet a lot remains to be done. There is broader acceptance that our economies need to change, and more willingness amongst many stakeholders to provide constructive input and find practical solutions. We have arrived at a point where the question is no longer 'if' but 'how', and 'how fast'.

Change happens all the time. The real challenge is the need for speed and depth. We need to find the right incentives and intervention points that drive transformation at the heart of business and policy. Inspired by carbon markets, we are witnessing a 'gold rush' in pursuit of new nature market potential. The right governance and regulations are needed to ensure transparency and accountability. And adequate, decision grade data must be made available, ideally on an open-source basis. This would provide market development opportunities and allow independent monitoring and verification of the state of natural capital.

The question of equity is also paramount. Solutions must be inclusive and collaborative. A new social contract must leave no one behind, and ensure access to jobs, education, and benefit-sharing. Continuing the work

Our partners are committed to continuing the strategic work we have begun together and have funding to do so. At the same time, in a constantly evolving context, and one that is very different to that in which the programme began, progressing the agenda requires working differently, and developing new partnerships and theories of change. The Outcome Action Plans have forged some strong bilateral relationships in the Natural Capital space, and working groups on circular cities and non-toxic materials. Most importantly, many personal and professional relationships and collaborations will continue independently of any particular organisation or programme.



### Learnings

Backing good ideas and the right people at an early stage has paid dividends. Our support has allowed organisations to develop, grow, and leverage more funding.

When successful, smaller organisations generally have a very good cost/impact ratio, and are agile, adaptive, and open to new ideas and collaboration. It is always worthwhile scanning for new 'shoots'. And this is particularly true in the dynamic and still developing field of sustainable economy.

In pursuing our mission, we started out with a strong bias toward supporting civil society organisations. Later, we brought specialist consultancies and individual experts into the mix, and learnt that these actors are often quicker to mobilise resources and act. Now, adding impact investing would complement

the mix of financing tools and allow new commercial enterprises to enter the changemaker ecosystem. No one type of funding is more valuable than another. But in a rapidly changing environment, making a typical three-year grant in support of a detailed workplan is not the way to go. For us, bundling different types of funding together within a larger commitment proved to be a good approach. This meant combining core funding, a few larger grants, and a small grants programme, while also leaving most of our committed funding unallocated, only to be paid out later, based on progress and learning. Without a proven pathway to impact, this approach provided the flexibility we needed to make the right interventions when opportunities arose.

We ran the programme with a partially distributed team, with some team members outsourced and working in partner organisations. This gave us access to the expertise of entire organisations, far more than that which one person working in house could hope to provide. While having partners in the team meant we ran the risk of being heavily influenced by their ways of thinking, we found the benefits in terms of efficiency and effectiveness outweighed the risks.

While none of our OAPs drove deep collaboration across all partners, some relationships did become very strong and of great mutual benefit. Providing the space for people to form such relationships, from which genuine collaboration is born, is an excellent investment.

Developing and refining the Sustainable Economy Programme proved to be a journey of experimentation, discovery, and impact. And as we close our doors, we are profoundly grateful to all of our partners for their dedication, insight, and learning, and last but certainly not least, for the friendship and common purpose that we have shared over the years.