



Photo © Ami Vitale/TNC

Investing in Communities: Kenya Livestock to Markets

The Challenge: Overgrazing has become an increasingly serious issue in the northern rangelands of Kenya. Growing cattle populations and herd sizes combined with volatile weather patterns have placed increasing pressure on natural resources, resulting in an escalating incidence of erosion and poor soil quality, diminishing both cattle productivity and habitat for wildlife including elephants and rhinos.

The Solution: With financing from The Nature Conservancy (TNC), the Northern Rangelands Trust in Kenya (NRT) has been able to create a for profit subsidiary (NRT Trading) to develop the Livestock to Markets Program. NRT Trading supports local cattle herding communities who agree to adhere by improved grazing practices. These communities are then responsible for managing the territories over which they graze their livestock, creating a local ‘conservancy’ model. Since 2006, NRT has used grant capital to buy cattle directly from these local conservancies at reasonable prices, fatten the cattle on nutrient-rich grasses and sell them directly into Nairobi at higher grades and prices than the herders could otherwise have obtained. The value created through this transaction is thereby shared between NRT and the local communities, generating financial, social and conservation outcomes.

Investment Vehicle: TNC will provide up to \$7M in capital to enable Livestock to Markets to increase annual purchases from 1,000 to 10,000 cattle. TNC’s financing will also provide funding to the local conservancies to cover sustainable ranching operations as well as social outcomes like local education and healthcare. The financing is structured as a concessional loan with extended repayment terms so that NRT Trading may focus on its environmental and social outcomes.

Key Features:

- » Up to \$7M in capital for NRT Trading has been provided to TNC by a single impact investor.
- » TNC’s financing will advance conservation by linking disbursements to implementation of sustainable conservation practices and reporting.
- » The financing will have a repayment term of 7 years.

Current Deal Status: The first disbursement of TNC’s investment has been made.

About NatureVest: The Nature Conservancy launched its impact capital strategy in 2010 with support from the Robertson Foundation that continues today, and built a global network with subsequent support from the Jeremy and Hannelore Grantham Environmental Trust. In early 2014, with founding sponsorship from JPMorgan Chase & Co., NatureVest was launched as a concerted effort to change the way we invest in nature. The Livestock to Markets program links closely with multiple existing TNC global strategies including Sustainable Agriculture and Indigenous and Communal Conservation, both of which are key priorities of the TNC Africa Program. The Conservancy has more than one million members across 35 countries globally with whom we actively work to conserve the lands and waters upon which life depends. To date, the Conservancy has protected more than 48 million hectares of land, more than 8,000 kilometers of rivers and is the largest marine conservation organization in the world.

This information is only general in nature. It is not intended as an offer of securities or other investment vehicles and is not investment advice. Consult with your own tax and legal counsel regarding any financial investments.