

Investing in the Natural Capital: ERC-FI, the Digital Tool that Supports the Farmers who Restore Ecosystems

*No silver bullet can save our planet...
But ecosystem restoration comes pretty close.*



The Ecosystem Restoration Communities Financial Instrument (or ERC-FI) will facilitate, predict, assess, and report on the local progress made by farming communities toward the restoration of vulnerable ecosystems.

The Ecosystem Restoration Foundation (ERF), the Center for Corporate Responsibility and Sustainability (CCRS), and the Green Bridge Association (GBA) are jointly developing this new financial instrument.



The Ecosystem Restoration Foundation — A not-for-profit organization that is registered in The Netherlands and supports the global Ecosystem Restoration Communities (ERC) movement.

ERC has a Public Good Organization status (ANBI), is overseen by a voluntary Supervisory Board, and is supported by an Advisory Council of experts. With more than 80 communities in over 30 countries, the ERC movement empowers local people with resources, support, and knowledge exchange to restore ecosystems. These communities serve as Living Laboratories for developing and sharing regenerative practices. The Foundation supports the movement through a knowledge platform, monitoring and evaluation framework, education, and communications.



The Center for Corporate Responsibility and Sustainability

**— An established research
institute with strong connections
to Swiss research universities.**

The independent CCRS develops with the private sector practical solutions at the local and global levels. Its flagship project, esg2go, is a sustainability rating tool with CSR reporting frameworks and a GHG calculator. Its AI-enhanced engine proposes steps that SMEs may take to improve sustainability footprints. CCRS helps businesses meet the objectives of the UN Agenda 2030 (UN SDG 8).

The Green Bridge Association

**— A new educational association
that promotes research and
exchanges on sustainability and
innovation.**

Led by Philippe C. Forêt, Hans Martin Galliker, and Fred Yang 杨宗强, GBA connects change-makers and focuses on transformation tools. With its partners in China, India, The Netherlands, and Switzerland, GBA leads projects on research methods, climate anxiety, cultural landscapes, and inclusive education.



ERC global partners



Ecosystem restoration projects are often underfunded.

Some reasons:

Investing in ecosystem restoration is seen as high risk.

Community-based initiatives often have limited or no access to potential financing partners.

The focus on carbon in the offset market has resulted in unintended negative impacts on both the environment and local communities, such as failed monoculture tree-planting projects and community displacement.



We are convinced that local communities hold the key to lasting change. The Ecosystem Restoration Communities have achieved systemic change from the village up.

Our experience now encompasses more than 80 communities in 30 countries across six continents. We live a time of severe environmental and climate crises. Around the world, people are picking up the tools to repair what is broken.



The achievements of ERC

In **Guatemala**, a village stopped with slash and burn agriculture in 2017. It then switched to highly productive agroforestry systems. Today, 500 villages are implementing regenerative practices.



In **Egypt**, a local farm has started to regenerate soil. Now 80 farms across the Sinai desert are learning how to replicate this regenerative approach.



In **Italy**, a group of young people has returned to their villages. They have introduced nature-based practices in agriculture. The impacts and trust they have generated has inspired 11 more farms.



The ERC-FI instrument will deliver data, outcomes, and scenarios to three constituencies:

- **COMMUNITIES:** The voluntary offset market will be leveraged to fund holistic community-based restoration measures that contribute to a healthier environment for all.
- **EXPERTS and RESEARCHERS:** Offsets will be calculated by our predictive model, which assesses the impacts we expect from on-site interventions.
- **INVESTORS:** Investors will receive reports on offsets made in carbon-sequestration, hydrological cycles, biodiversity, and social impacts.



The Financial Instrument of the Ecosystem Restoration Communities (ERC-FI) will channel corporate funding to community-led ecosystem restoration initiatives.

The ecosystem restoration approach of ERC promotes outcomes that are relevant to the restoration initiatives of local communities, while avoiding counterproductive and reductionist outcomes.



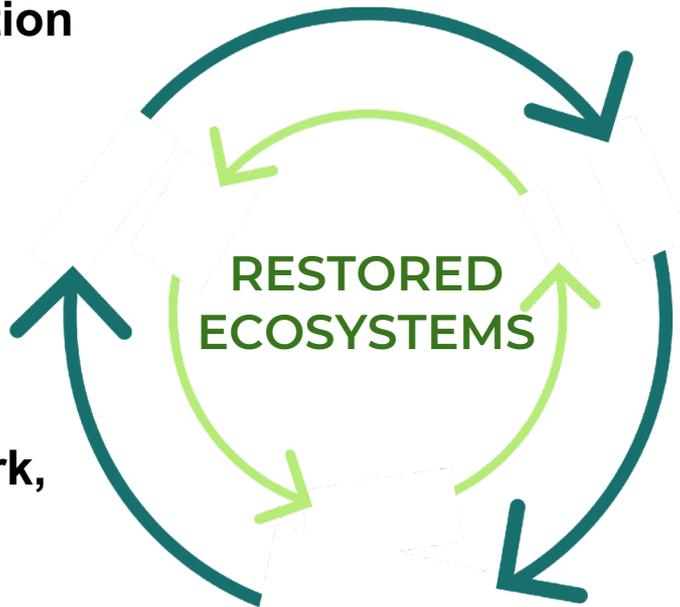
The ERC-FI concept

Benefits to the Ecosystem Restoration Communities

Adequate financing to improve community resilience:

- Water and food security
- Climate change mitigation
- Creation of local livelihoods

Knowledge, fieldwork, and stewardship



Benefits to business

- Credits to comply with CSRD and other legislation
- Ecosystem services such as raw material provision
- Impact stories and positive branding

Private sector capital

Benefits to the planet and humanity

- Increased soil fertility and biodiversity
- Reinstalled watercycles
- Carbon sequestration
- Improved livelihoods



ERC-FI disrupts the logic of the offset credit market.

... ON EXISTING OFFSET CREDIT MARKET COSTING

Offset credits come with significant costs. ERC-FI reduces costs and uses new methods to document impact. ERC-FI is designed for use by local communities and farmers.

... ON EXISTING OFFSET STANDARDS

ERC-FI develop the best standards for ecosystem restoration. These standards guide the interventions made by local farmers and community interventions

... ON EXISTING OUTCOME FOCUS

Long-term impact is what our farming communities. are interested in. ERC-FI records and reports data on the progress of holistic ecosystem restoration. The focus of ERC-FI is not on outcomes such as carbon sequestration.



The technicalities of ERC-FI

The ERC-FI financial instrument combines:

- A comprehensive dataset

- An AI-based and self-learning prediction model

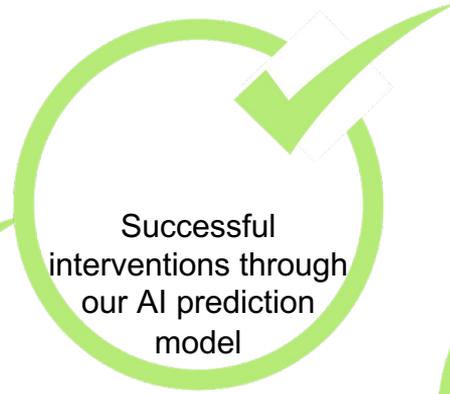
- A blockchain-based financial transfer system

- A reporting and certification scheme

ERC-FI supports both natural and agricultural ecosystem restoration initiatives.

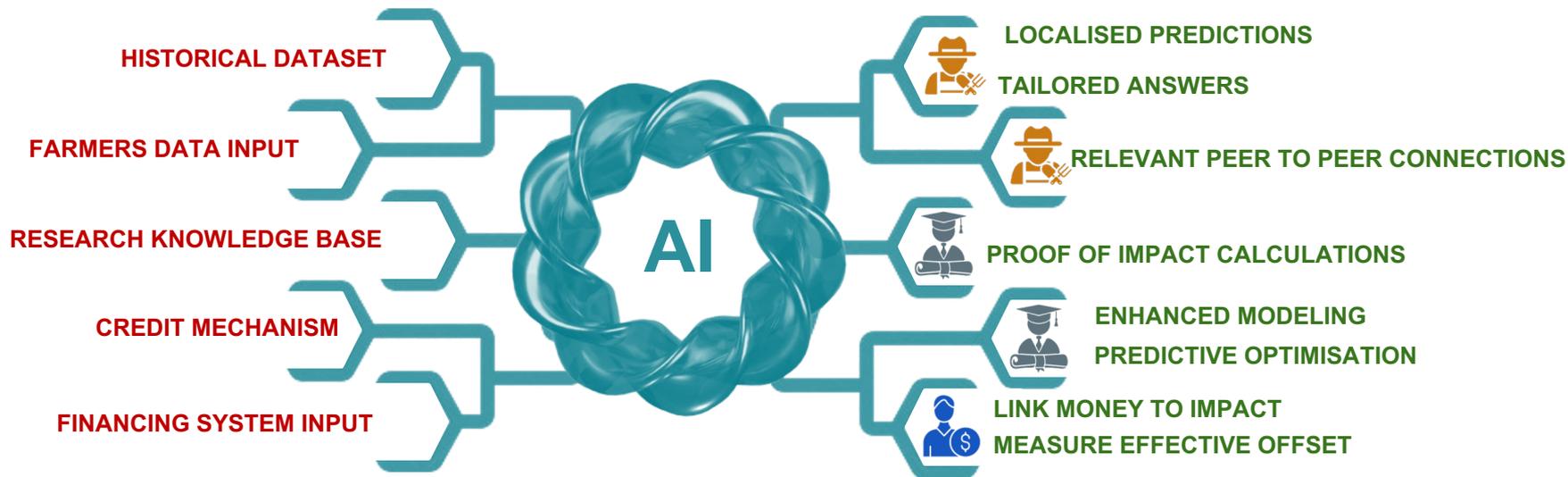


ERC-FI services



Using AI for increased and scalable benefits

kyolabs



The AI engine of ERC-FI will be operated on AI Fairness principles that ensure reliability, accountability, and enhanced performance.



Project development

PHASE I

PHASE II

Project preparation

Consortium building
Feasibility research
Concept development
Proposal for funding phase II

Technical development

The database
The AI prediction model
The financial transfer system
The reporting and certification scheme

Pilot & Verification

Iteration I with 5 ERCs and 3 corporates to test overall functionality and delivery capacity of required data
Iteration II with 50-90 ERCs and a group of first adopters in business to test compliance and off-setting needs as well as the instrument qualities

Implementation & Marketing

Public launch
Attendance at global summits and conferences

Sep 25

Sep 26

Sep 27

Sep 28/29



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