Statement of Purpose:

The purpose of the Coalition for Private Investment in Conservation is to deliver a material increase in private, return-seeking investment in conservation. There are several barriers and challenges preventing private investment in conservation at scale, which can be overcome with the strengthening of several enabling conditions, including:

- increasing the availability of expertise in building finance vehicles for investment, including through de-risking, blended finance, cash-flow analysis, and business planning;
- developing replicable, scalable “blueprints” for delivering risk-adjusted returns from specific types of investment in natural capital, to increase deal flow;
- sharing lessons and information around successful transactions that are replicable and scalable in order to facilitate replication, aggregation and standardization of a pipeline of conservation investments.

To deliver the above, we agree that a collaborative effort is necessary so conservation project developers, NGOs, public stakeholders, private actors and the investment community can bring their respective strengths and expertise to the table. This effort should show the following characteristics:

- Builds on existing structures and initiatives
- Encourages reciprocal learning and lesson-sharing
- Supported by a minimal administrative structure
- Focused on delivering investment through the establishment of the enabling conditions listed above
- Utilizes an “opt-in” model for partners to contribute and lead bodies of work

Proposed Structure:

The Coalition partners and associated organisations will facilitate scaling of conservation investment by:

1. Creating models (“blueprints”) for the successful delivery of investable priority conservation projects. Briefly, a blueprint describes the structures of cash flows, enabling conditions on the ground to facilitate project development, and roles of participants and outputs, for a specific investment sector in a particular economic and ecological context. See Annex for more details.
2. Connect pipeline providers of such projects with deal structuring support as well as other resources that enable investment, such as local and regional finance expertise, policy, delivery capacity, or science/research-based insights.
3. Convene conservation project delivery parties (NGOs, governments, corporates, entrepreneurs, others) with investors (philanthropic, bilateral aid, concessionary, and commercial capital providers) to execute on investable deals and determine the resources required to scale and repeat investment.
4. Share information within the field to accelerate adoption of blueprints and build project developer capacity and investor pipeline to foster the transition from discrete projects to investable products at scale.

The Coalition is about helping the “doers” develop investable conservation projects and bring them to the marketplace in order to support more investment, faster, and in more places. It will bring value to conservation project delivery parties and investors by engaging partners who are knowledgeable in different aspects of the conservation or investing business.
The Coalition will build on the expertise and existing priorities of its partners. Partners will provide specific services where they have capacity and expertise, while other services could be contracted out to qualified service providers, if needed.

In addition to the Hub function, we envision multiple “spokes” corresponding to different investment sectors. We have identified the following four priority investment sectors as the space within which to define specific investment blueprints:

- forest landscape restoration
- sustainable agricultural intensification
- sustainable coastal fisheries
- coastal resilience
- watershed management

Within these broad sectors, initial work will focus on more specific and concrete opportunities as brought forth by Coalition members. Ideas put forward so far include: the financing of fish stock stabilization and alternative coastal livelihoods in South East Asia; scaling up of sustainable intensification of cattle production in Amazonia; innovative watershed management projects in both the developed (e.g., Australia, US) and developing world (e.g., China and Africa).

Over time the Coalition members will develop or enhance existing multiple blueprints within each priority sector, expanding the ecological and economic contexts within which they will work. The multiple blueprints would provide discrete investment opportunities and, over time, a basis for aggregation and standardization, as well as the potential to support investment strategies that can transform sectors.

**Shared Outcomes and 2016 Work Plan:**

Following the launch of the Coalition with a Statement of Intent at the World Conservation Congress on September 2nd, the Coalition will set initial outcome goals and define priority areas for conservation investment blueprints and develop the pipeline over the remainder of 2016. We anticipate convening a workshop of interested partners in the autumn of 2016 to build the investment hypotheses around specific blueprints. During this session, and over the remainder of 2016 the Coalition will:

- Confirm priority areas for blueprint development
- Create working groups for individual blueprint development on an opt-in basis
- Identify needs for advisory services to support blueprint development, deal structuring and aggregation, as well as potential service providers both among Coalition members and among third parties
- Identify a set of key analyses and white papers to be developed by the partners to further the objectives of the Coalition
- Secure additional commitments from partners of financial and non-financial resources to the core partnership, the working groups and other products
- Develop a communications and outreach plan for the Coalition
- Develop a resourcing strategy for the Coalition
- Agree on a governance model, including a Secretariat function for the Coalition

The Coalition will describe this initial focus by the end of 2016 or shortly thereafter. We anticipate that the Coalition partners will proceed with multiple blueprint development simultaneously, and provide investment support over time in an iterative fashion, with further work on replication, aggregation and standardization coming in a latter phase.
Coalition members recognize the essential importance of enabling policy conditions for private investment in conservation. Given the diverse nature of the Coalition members, spanning private banks, NGOs, government agencies and multilateral organizations, we do not anticipate that the Coalition, per se, will engage in advocacy around specific policy issues. Individual members may choose to do so in their own right, and the Coalition or its members may choose to undertake research on enabling policies. This stance on policy issues should be discussed and amended or confirmed by the Coalition members when they meet.

**Partnership Commitments:**

To be vibrant and effective, the Coalition will seek to attract financial and non-financial resources from core Coalition partners. While some partners will make commitments by September 2, further opportunities will exist to follow-up with the remaining interested parties to detail investment priorities and needs with broad support. The Coalition will seek to secure platform partnership commitments by the end of 2016.

**Governance Model:**

We intend to keep the governance of the Coalition as simple and efficient as possible. Our working hypothesis is that a core leadership group – with commitments in place by the close of 2016 – will serve as a simple executive committee. All Coalition partners will be part of a larger advisory body. A modest Secretariat would staff the core platform development and coordinate working groups to develop blueprints and pipelines, as well as other targeted capabilities such as a transaction knowledge clearinghouse, research and development, and convening. We intend to deliver these functions through partners with established capabilities. In the interim, secretariat functions will be provided in-kind by the initiating partners.
Annex: Potential components of an investment blueprint

Investment blueprints will consist of the following information.

1. Conservation needs assessment and mapping
   • Description of conservation need
   • Scale and scope of activities required to address conservation need
   • Delivery capacity required, including in local governance structures, small and medium-sized business and civil society capacity development, and support to local and regional finance agencies and government bodies
   • Metrics to assess impacts and outcomes

2. Financial activity
   • Description of cash flows and value creation over time

3. Investment model
   • Assessment of preferred forms of investment capital to support financial activity
   • Model capital structure describing the priority and participation of different forms of capital
   • Terms of capital at-risk: first-loss, subordinated investment, concessionary, commercial
   • Terms of grant support: pre-development, capacity building, reporting and monitoring, capital structure

4. Place-based and functional capacity required
   • Origination: transaction identification and data gathering to map cash flows
   • Investment structuring: terms to deliver investment capital and grant support, as needed
   • Investment underwriting and closing: assessment of investment viability and terms for capital deployment
   • Asset management: oversight of conservation activity and financial performance, including monitoring and reporting