

# *CPIC Blueprint Development Guide*

Findings from consultation &  
suggested guide structure

7<sup>th</sup> June 2017

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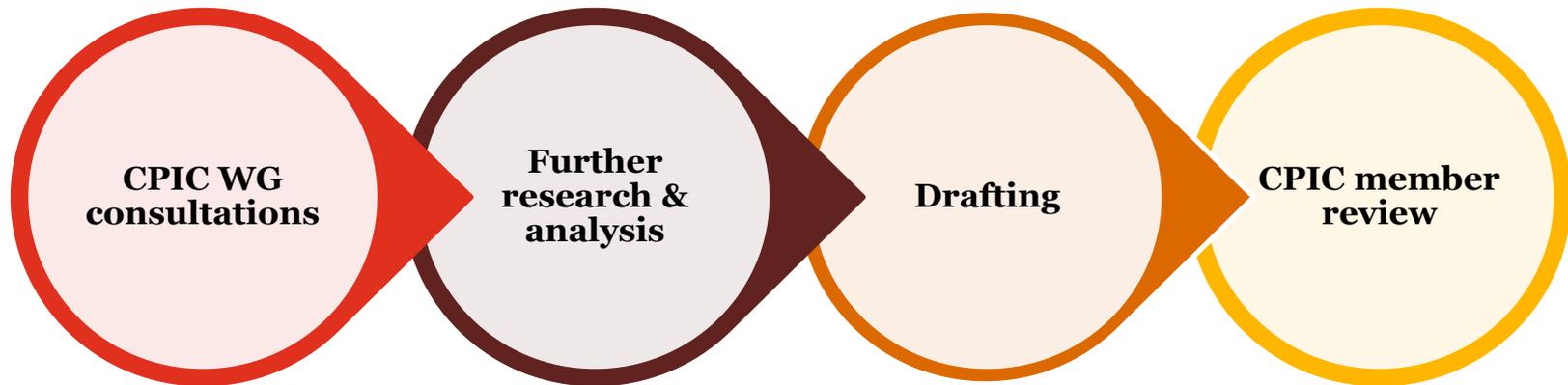
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# 1. *Our scope of work*

**Overall aim:** to achieve a consistent and effective approach to developing conservation investment blueprints across CPIC.

**Process:**



**Output:** a ‘Guide’ to developing conservation investment blueprints. The primary audience are CPIC members and observers, the secondary audience is the broader investment and project development community.

## *Proposed plan for delivering the Guide*

<b>Month</b>	<b>Tasks</b>
<i>May</i>	<ul style="list-style-type: none"><li>• Conduct consultations</li><li>• Further background research and analysis</li></ul>
<i>June</i>	<ul style="list-style-type: none"><li>• Finalise structure of the Guide at June 7<sup>th</sup> New York Meeting</li><li>• Further background research and analysis</li><li>• Begin drafting the Guide</li></ul>
<i>July</i>	<ul style="list-style-type: none"><li>• Continue drafting</li></ul>
<i>August</i>	<ul style="list-style-type: none"><li>• Finalise first draft</li><li>• Send out for review</li><li>• Integrate review comments</li></ul>
<i>September - December</i>	<ul style="list-style-type: none"><li>• Develop communications &amp; website materials</li><li>• Launch and present the Guide at appropriate events</li></ul>

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## ***2. Key themes from the consultation***

We received feedback on the following topics:

- i) The objectives of the blueprints process
- ii) Key elements the Guide should contain
- iii) Challenges anticipated in developing blueprints

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## ***i) Objectives***



Communicate the nature of the lending/investment opportunity in conservation investments to a broader audience



Support the shift from individual investments to aggregating into portfolios and eventually asset classes



Improve our collective understanding of the partnership structures necessary to help make aggregation possible



Serve as a tool for engaging with policymakers on the enabling environment required for successful conservation investments

## *ii) Key elements the Guide should contain*

### *Making it practical*

- Step-by-step process within CPIC
- Guidance on development of business models, investment models and asset identification
- Include glossary of key terms and concepts for accessibility

### *Connecting with reality*

- Use case studies to demonstrate how to develop business/investment models
- Encourage learning from failures of previous models
- Show approaches to risk identification and mitigation
- The importance of the enabling environment

### *Financing*

- Guidance on options for the 'blending' of capital sources and the sequencing of different financial instruments
- Need to include investment exit strategies
- Options for aggregating investments to the asset class level

### *Metrics*

- Guidance on developing KPIs and metrics close to the market
- How these can connect with the broader climate and development agenda (e.g. SDGs and Post-COP 21)?

### *iii) Key challenges anticipated*

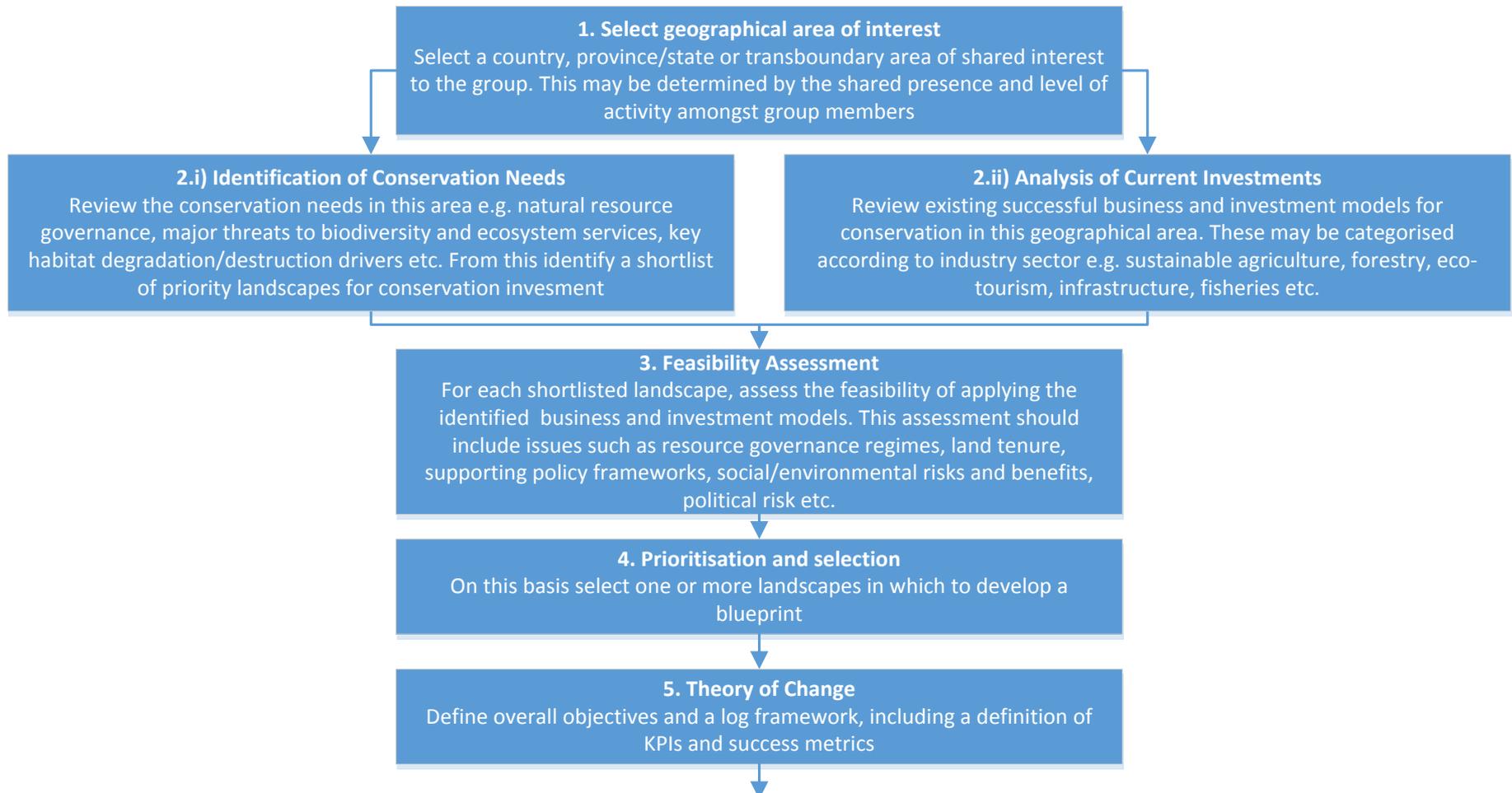
<b>Challenge</b>	<b>Potential solutions</b>
<p><b>1. In some sectors, high quality and proven case studies of successfully conservation investments are rare or absent</b></p>	<ul style="list-style-type: none"> <li>• WGs should be upfront and transparent if these examples are not available</li> <li>• Consider sponsoring pilot projects in CPIC priority sectors</li> <li>• Select blueprints that build on known experience</li> </ul>
<p><b>2. Few examples of packaging individual investments into portfolios at an asset class level</b></p>	<ul style="list-style-type: none"> <li>• Illustrating a pathway to achieving this, by taking real individual investment examples and building a model of how they can be replicated to the portfolio/asset class level</li> </ul>
<p><b>3. A difficult balance to achieve between making the Guide accessible to a broad audience, yet not too generic</b></p>	<ul style="list-style-type: none"> <li>• Having a ‘glossary’ of finance sector terminology can help achieve language precision whilst retaining accessibility to a broader audience</li> </ul>
<p><b>4. Many issues we will encounter in developing blueprints will be common amongst Working Groups - we want to make sure we collaborate on these</b></p>	<ul style="list-style-type: none"> <li>• Set up coordination calls between the Working Groups to identify these issues and agree a common approach</li> <li>• Organize workshops on these issues e.g, financial structuring (‘financeathons’), developing cost-effective metrics etc.</li> </ul>

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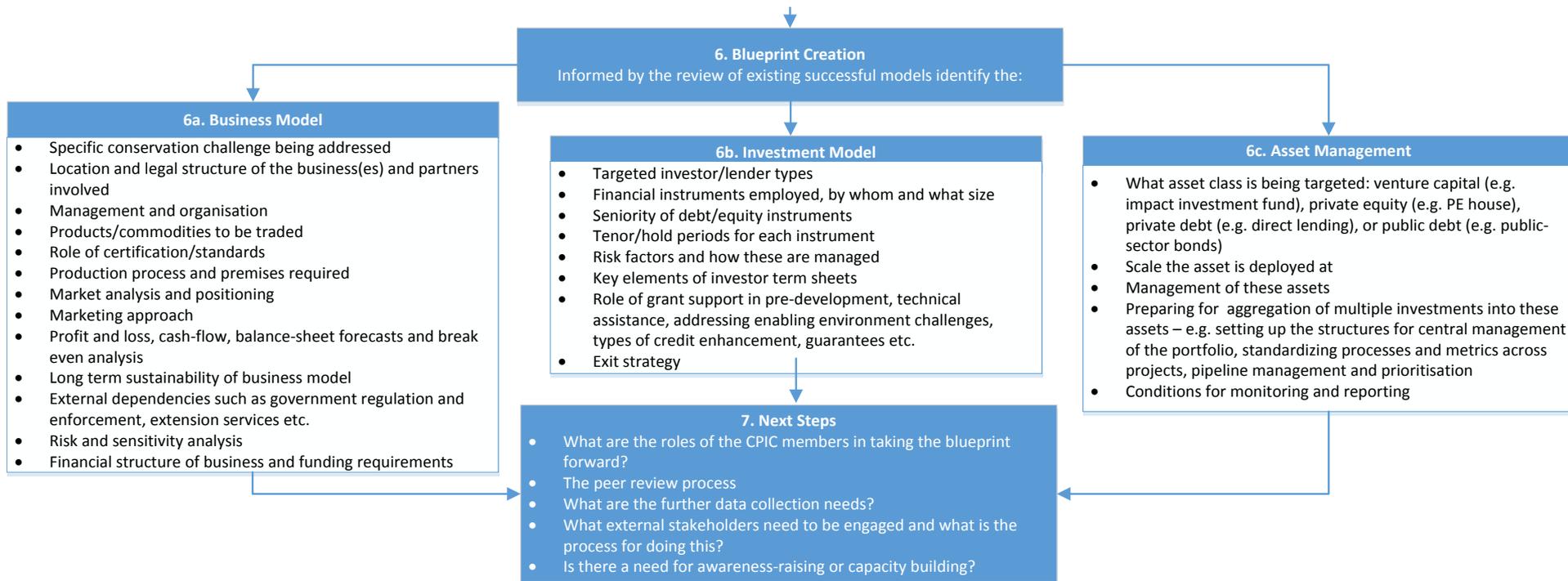
## ***3. Proposed Guide structure***

1. Background and introduction
2. Guide objectives
3. Step-by-Step process to developing a blueprint – (see next slide)
4. Next steps
5. Annex 1: Glossary of common terms and concepts

# ***Suggested Step-by-Step process to Blueprint development (1 of 2)***



# Suggested Step-by-Step process to Blueprint development (2 of 2)



## 4. *Selecting external interviewees*

Additional Asset Managers e.g.

**BLACKROCK®**

Private equity houses e.g.

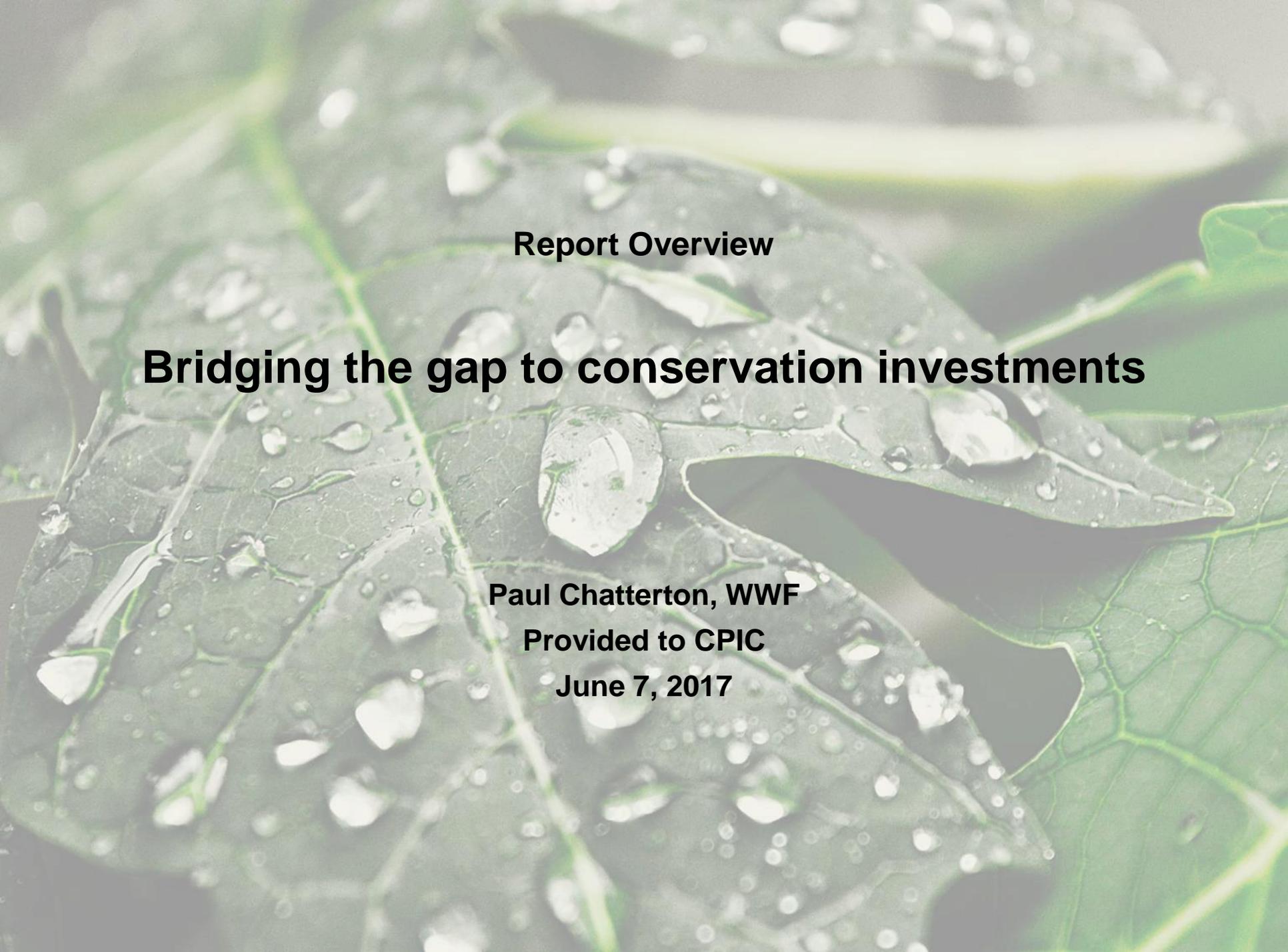
**CVC**  
Capital Partners

Bonds: e.g.



Timber Investment Management  
Organizations e.g.





**Report Overview**

**Bridging the gap to conservation investments**

**Paul Chatterton, WWF**

**Provided to CPIC**

**June 7, 2017**

# Report overview

## Purpose

Support the development and implementation of new environmental finance opportunities, specifically related to pro-biodiversity, sustainable landscape & conservation projects.

## Audience

Primary audience: Conservation organisations wishing to leverage additional private finance

Secondary audience: Groups wishing to collaborate with conservation organisations on investments / projects

## Components

- Overview and characterisation of investors
- Steps /considerations when structuring investment opportunities
- Case studies

# Case studies

Presenting different structures through which conservation organisations have attracted financing to projects / landscapes. Focus on examples that have several years of track record, successes as well as “failures”

- Investment Fund (EcoEnterprises – TNC / Verde Ventures - CI)
- Bond (Forest Investment Bond – Wildlife Works Kasigau Corridor Project)
- Company (Ibis Rice - WCS)
- Incubator / accelerator (Forest Trends)
- Dedicated credit line (WWF / RSPB)

Additional examples are under consideration – suggestions welcome!

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## ***5. Q&A - prompts for discussion***

- i. Should we be prescriptive on a set of specific conditions which are required for a blueprint to succeed? E.g. enabling regulatory environment, concession/licence models etc.
- ii. Should there be two versions of the blueprint guide (internal/external)?
- iii. What should the 'next steps' look like once a blueprint is developed?

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