USFS Conservation Finance Toolkit: Readiness Criteria for Conservation Finance

Conservation finance is the practice of raising, managing, and deploying capital for conservation outcomes. Investments in conservation fall into two buckets: those that *do* and *do not* generate a financial return/profit. Current innovation in conservation finance is focused on the engagement of private capital in investment opportunities that generate financial returns through the alignment of environmental, social, and financial outcomes.

The checklist below provides an initial screen to help determine whether a FS project is ripe for conservation finance. If your project does not check all of the boxes below it may not be a good fit for conservation finance; alternately, it may indicate there is more work to be done before moving forward with an idea.

✔	Checklist for Conservation Finance Readiness	
	Landscape/ Project	Defined ecological/social challenge and need for action (i.e. declines in water quality, natural disturbances, increasing visitation, etc.)
		NEPA decisions signed, projects planned and “shovel ready” (i.e. NEPA record of decision published and individual project plan complete)
		>$3M in funding required to address challenge (if <$3M required, consider philanthropic sources instead)
	Business Case	Market demand (i.e. regulatory drivers, municipal targets, costs incurred, sustainability commitments)
		Potential for ecological/social AND financial outcomes (i.e. timber revenue, market credits, avoided costs, tourism spending, etc.)
		Beneficiaries willing and able to pay (i.e. entities benefit from outcomes and can enter contracts)
	Capacity	FS positioned to be a value added partner (i.e. staffing, plan revision timing, local leadership, regional support, etc.)
		Local capacity to implement on-the-ground project (i.e. dedicated project managers, contractors available)
		Collaborative capacity and socio-political support (i.e. partners, elected officials, community buy-in)
	Data	Ability to predict and monitor project outcomes (i.e. baseline analysis complete, monitoring process/expertise available)