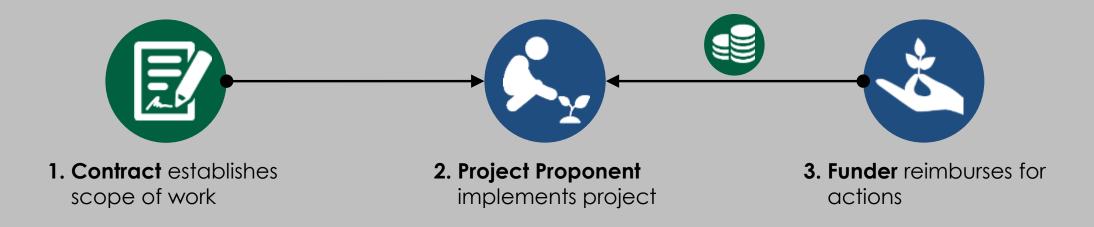
Pay-for-Success Strategies for Government and Philanthropic Funders to Buy Ecosystem Outcomes and Overcome Demand Uncertainties in New Markets

ACES 2016

Traditional Grant Funding



Pay for Success Contracting





1. PFS Contract Mechanism

defines terms of payment



2. Producers

implement conservation project



3. Conservation Outcomes

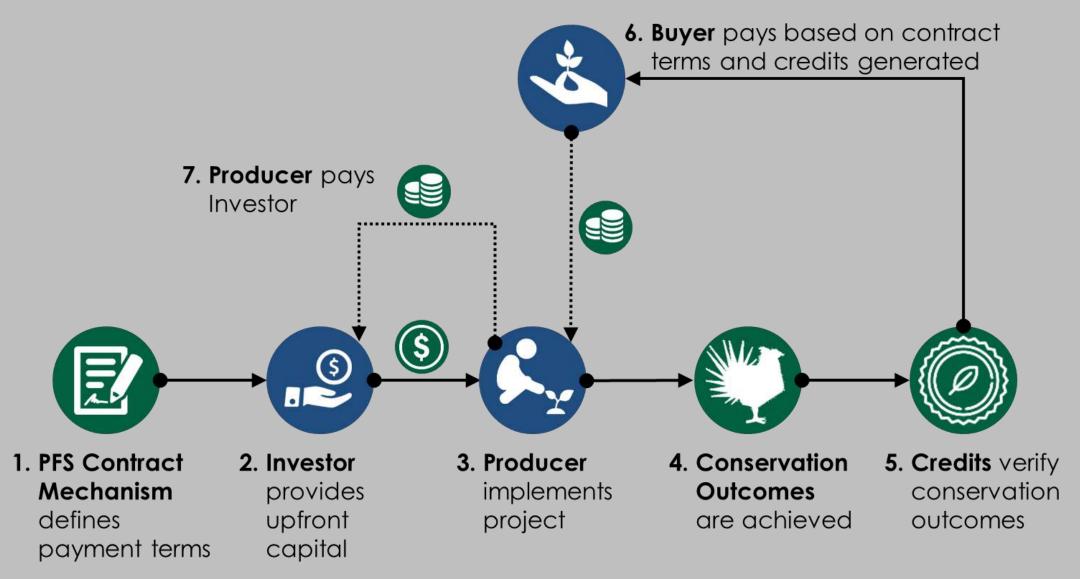
are verified



4. Buyer

pays based on conservation outcomes achieved

Full Delivery Contracting with Upfront Capital Investor



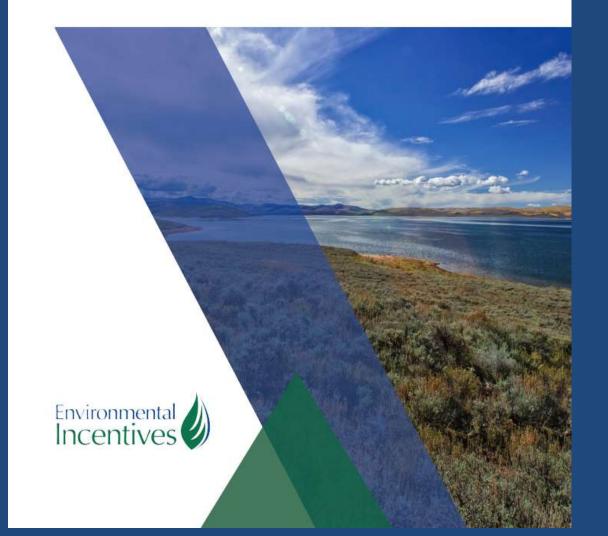


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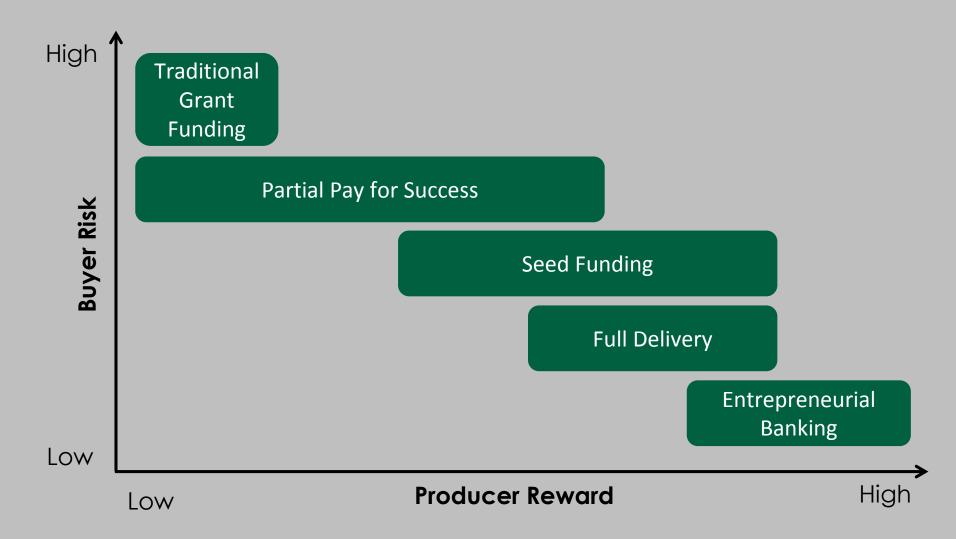
Wildlife & Land Practice Lead, Senior Associate edoherty@enviroincentives.com

TECHNICAL BRIEF

PAY FOR SUCCESS CONTRACT MECHANISMS



Risk-Reward Spectrum of Pay for Success Strategies



Contextual Factors to Select Appropriate Pay for Success Strategy

- Total Expected Demand Over Time
- Predictability of Demand
- Producer Access to Capital
- Project Risk of Producing Outcomes
- Acceptable Rate of Return
- Quality of Quantified Unit of Conservation Outcomes

THANK YOU! **Eoin Doherty** Wildlife & Land Practice Lead, Senior Associate edoherty@enviroincentives.com Incentives (