



# State of Private Investment in Conservation 2016

A Landscape Assessment of an Emerging Market

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## About Forest Trends' Ecosystem Marketplace

Ecosystem Marketplace, an initiative of the non-profit organization Forest Trends, is the leading global source of information on environmental finance, markets, and payments for ecosystem services.



# WHAT DOES THIS REPORT TRACK?

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“Investments intended to return principal or generate profit while also resulting in a positive impact on natural resources and ecosystems.”

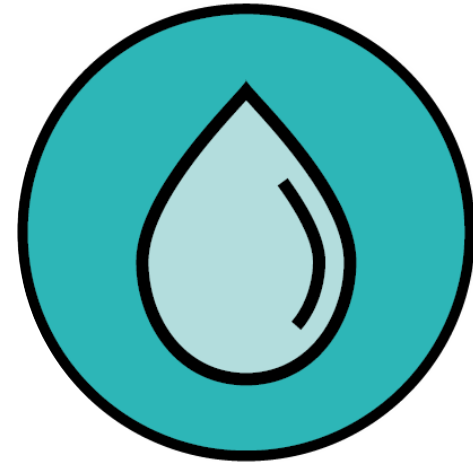
Types of conservation categories:



Sustainable food and  
fiber production



Habitat conservation



Water quality and  
quantity

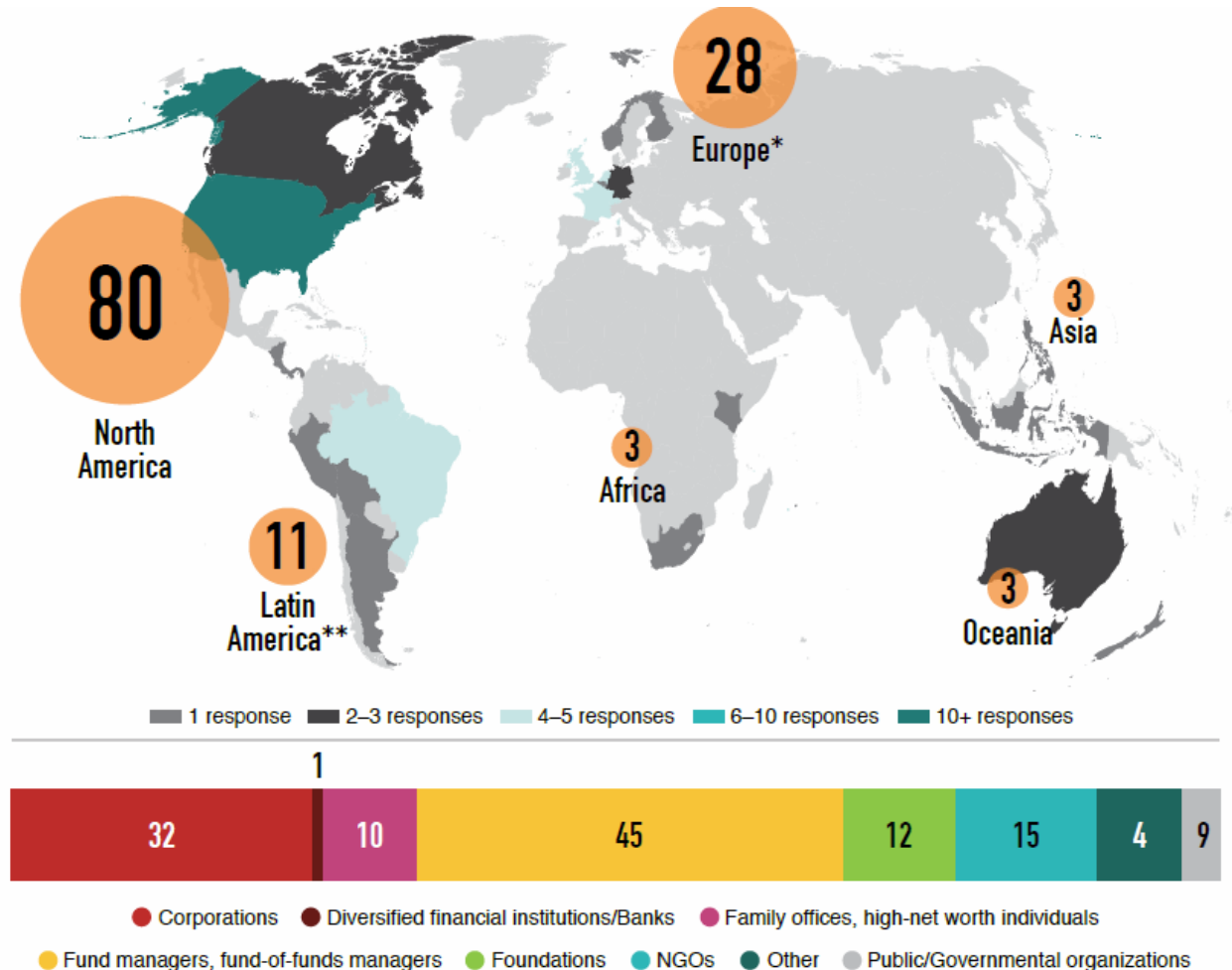
*Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.*



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# WHO RESPONDED? WHO DID NOT RESPOND?

Response Rate by Region and Organization Type



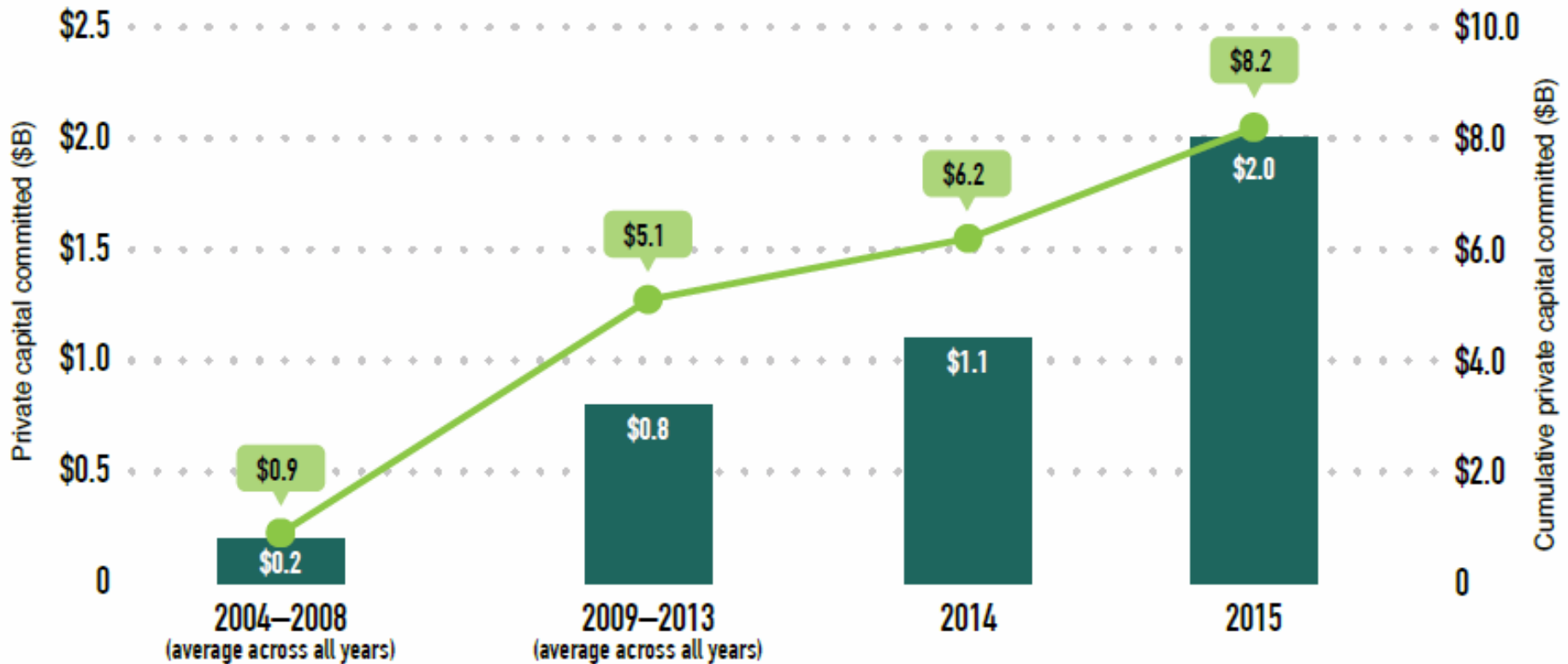
Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.



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# HOW MUCH PRIVATE CAPITAL COMMITTED?

Private Capital Committed across All Tracked Years, 2004–2015



Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.

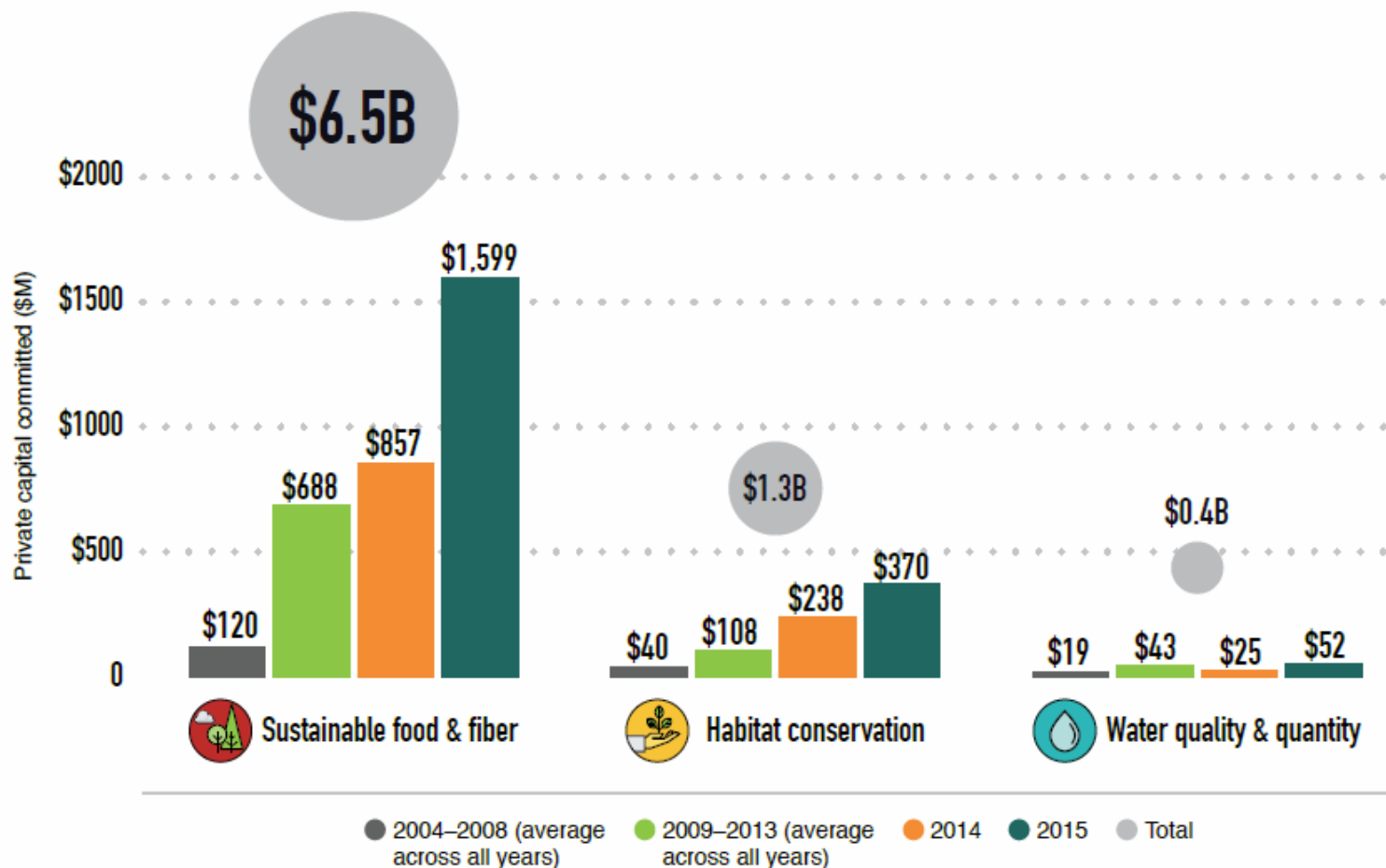


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# To Which Conservation Categories?

Private Capital Committed by Conservation Category, 2004–2015



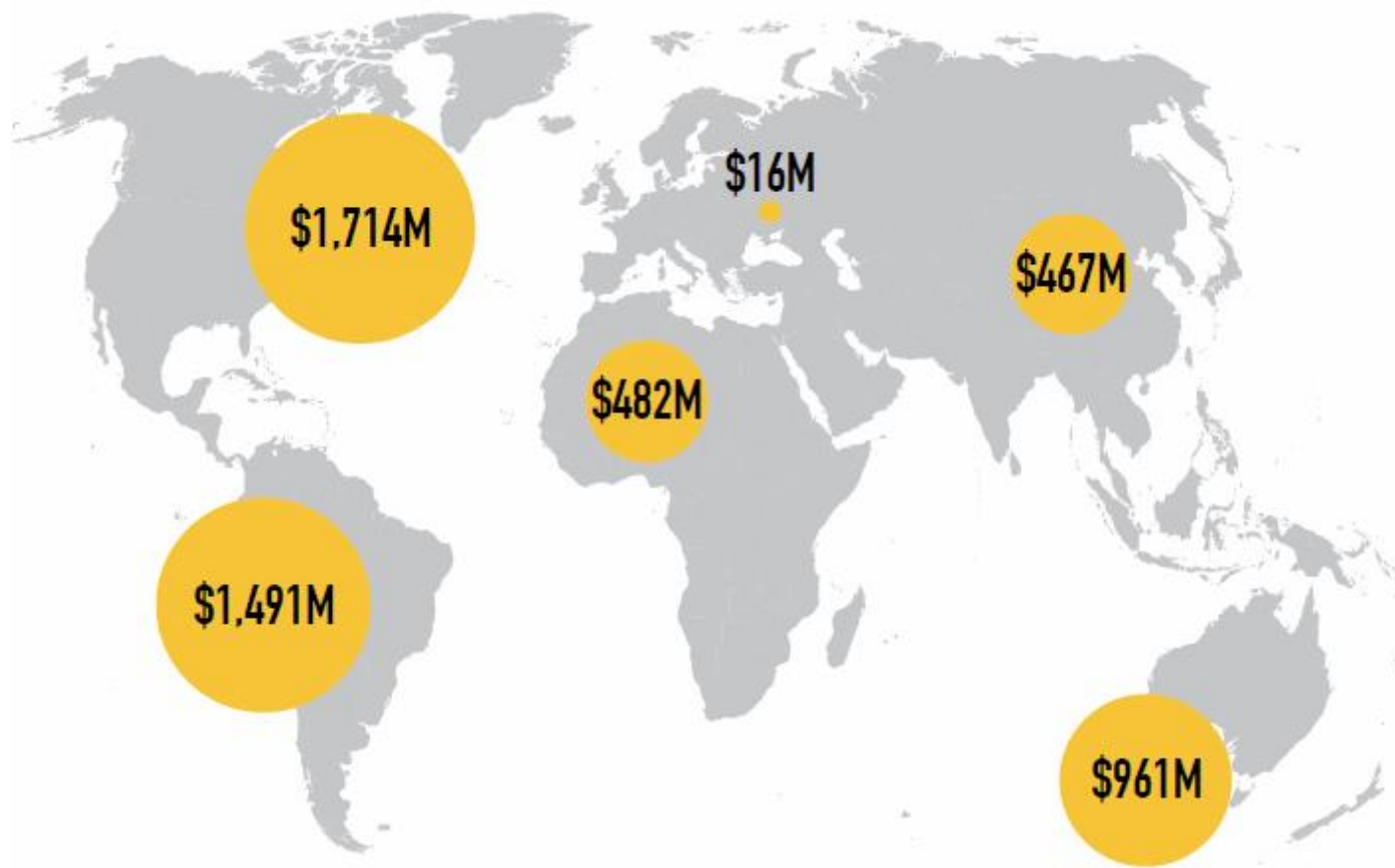
Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.



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# WHERE IS THIS CAPITAL GOING?

Private Capital Committed to Sustainable Food and Fiber Production by Geography



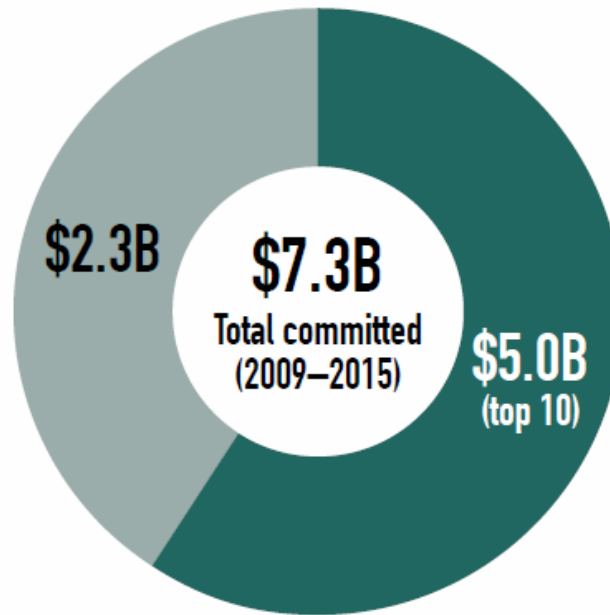
Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.



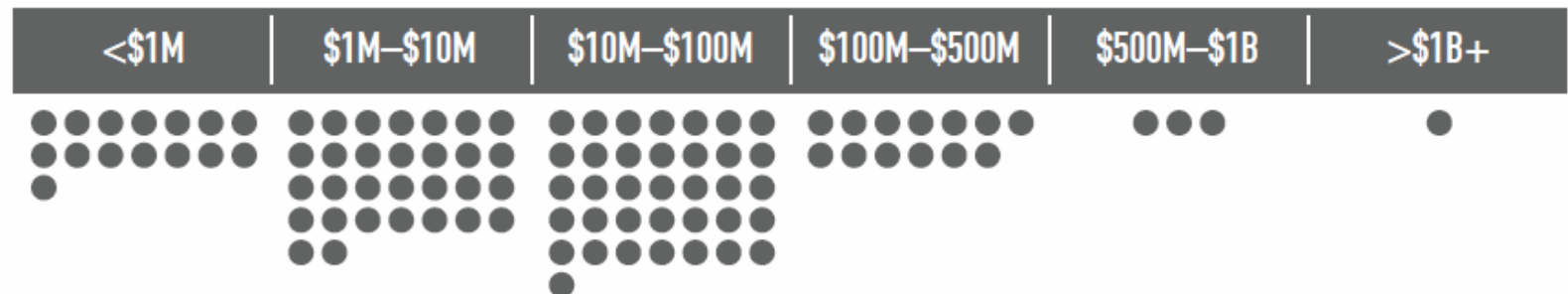
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# WHO IS COMMITTING THE MAJORITY OF CAPITAL?

Profile of Respondents by Capital Committed, 2009–2015



Value of total commitments by organization 2009–2015



Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.

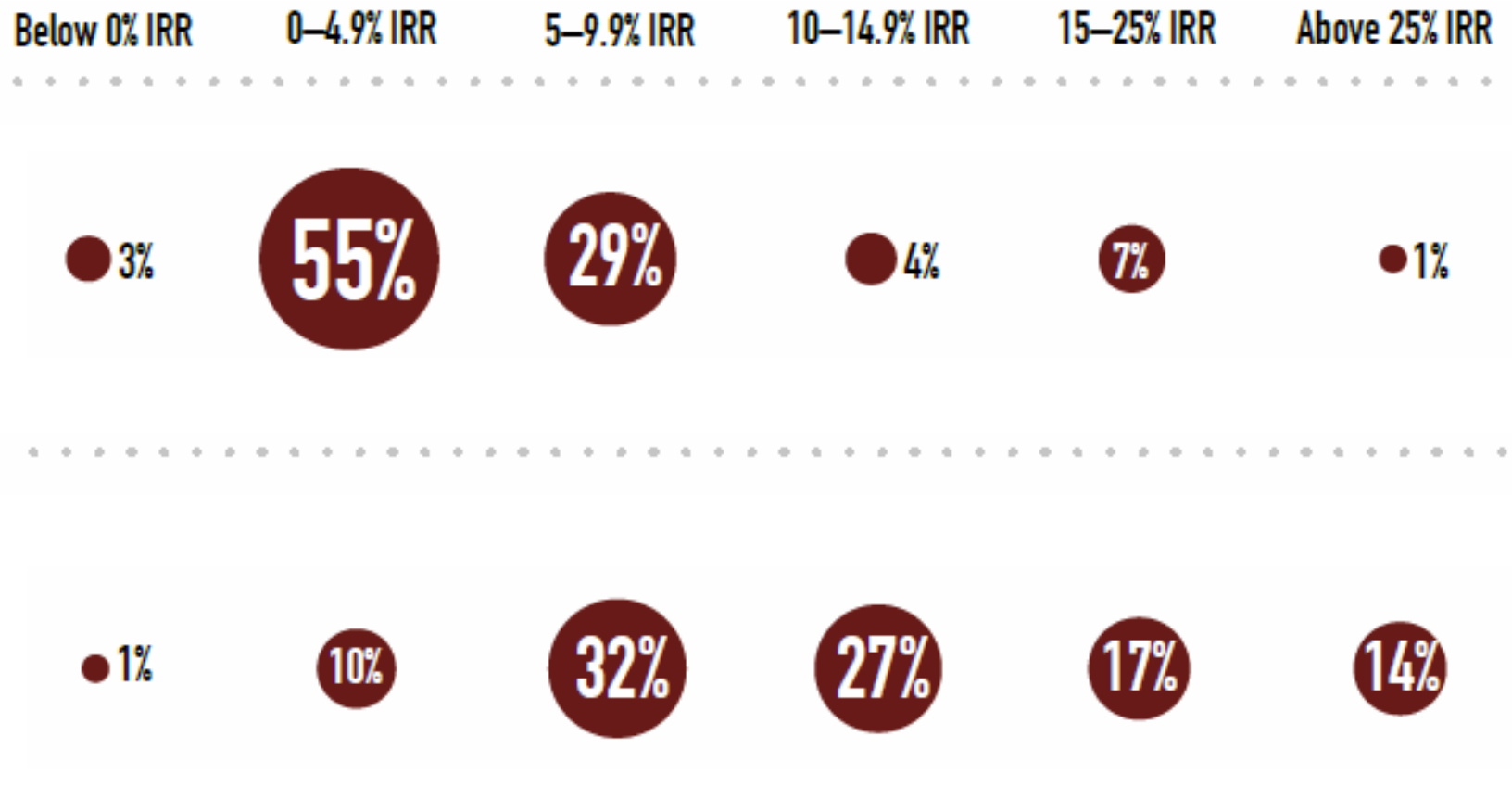


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# HOW IS THIS CAPITAL EXPECTED TO PERFORM?

Projected Internal Rate of Return by Organization



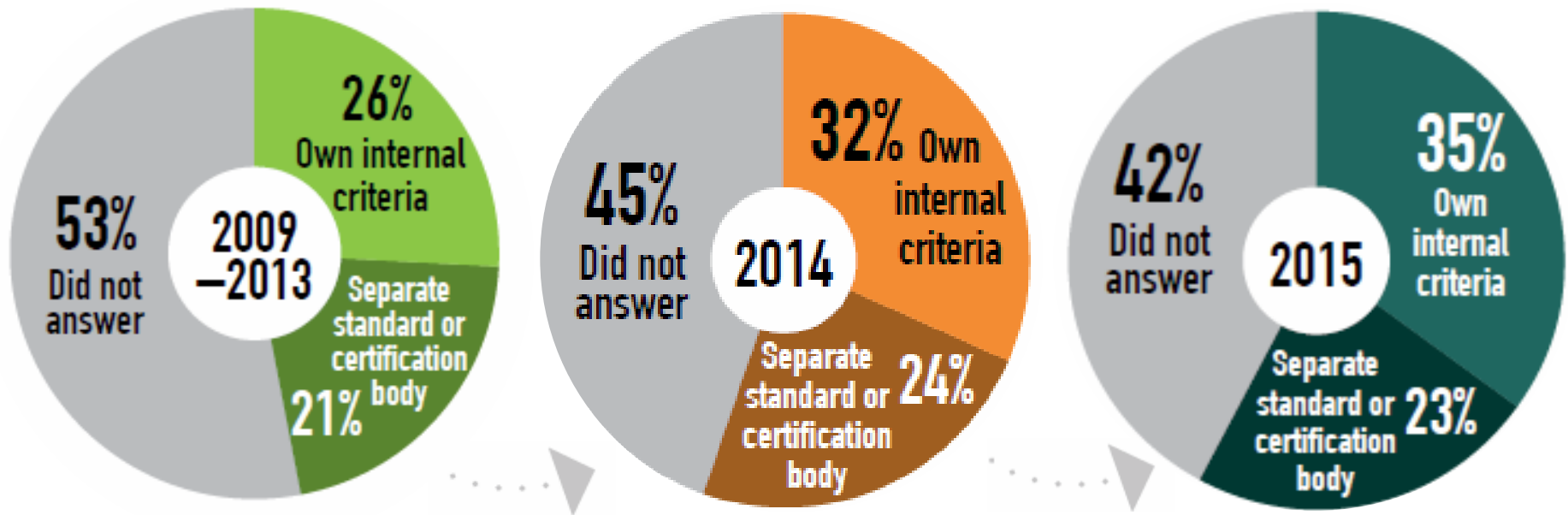
Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.



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# Do INVESTORS MEASURE CONSERVATION IMPACT?

Organizations that Monitor or Report on Conservation Impacts by Time Periods



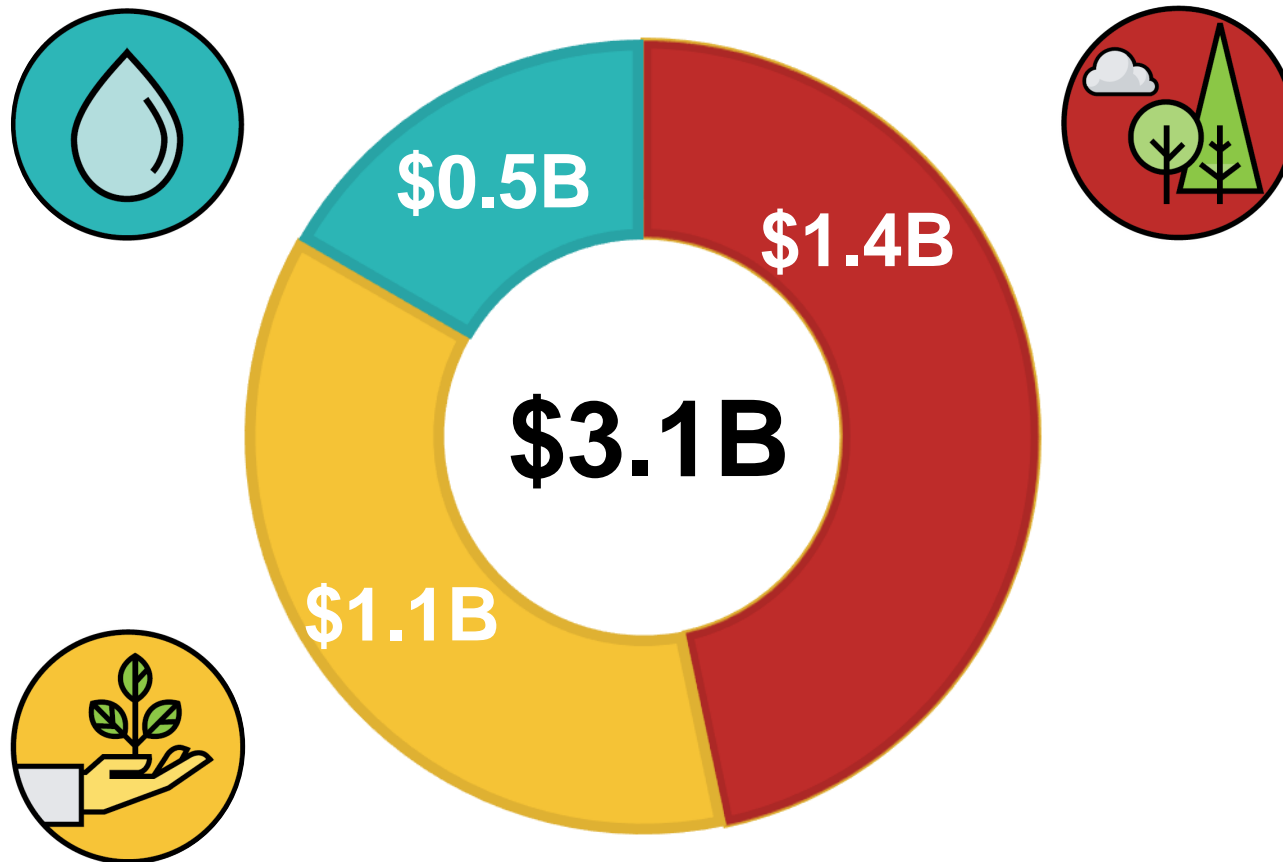
Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.



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# HOW MUCH PRIVATE CAPITAL UNDEPLOYED?

Already-raised Capital that Respondents Intend to Deploy in 2016-2018, by Conservation Category and Organization Type



Source: Forest Trends' Ecosystem Marketplace. State of Private Investment in Conservation.



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# EMERGING TRENDS AND DEVELOPMENTS

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## Themes for Discussion and Further Research

### Scope:

- We probably captured one-third of estimated activity
- Narrow definition of conservation excluded additional investments

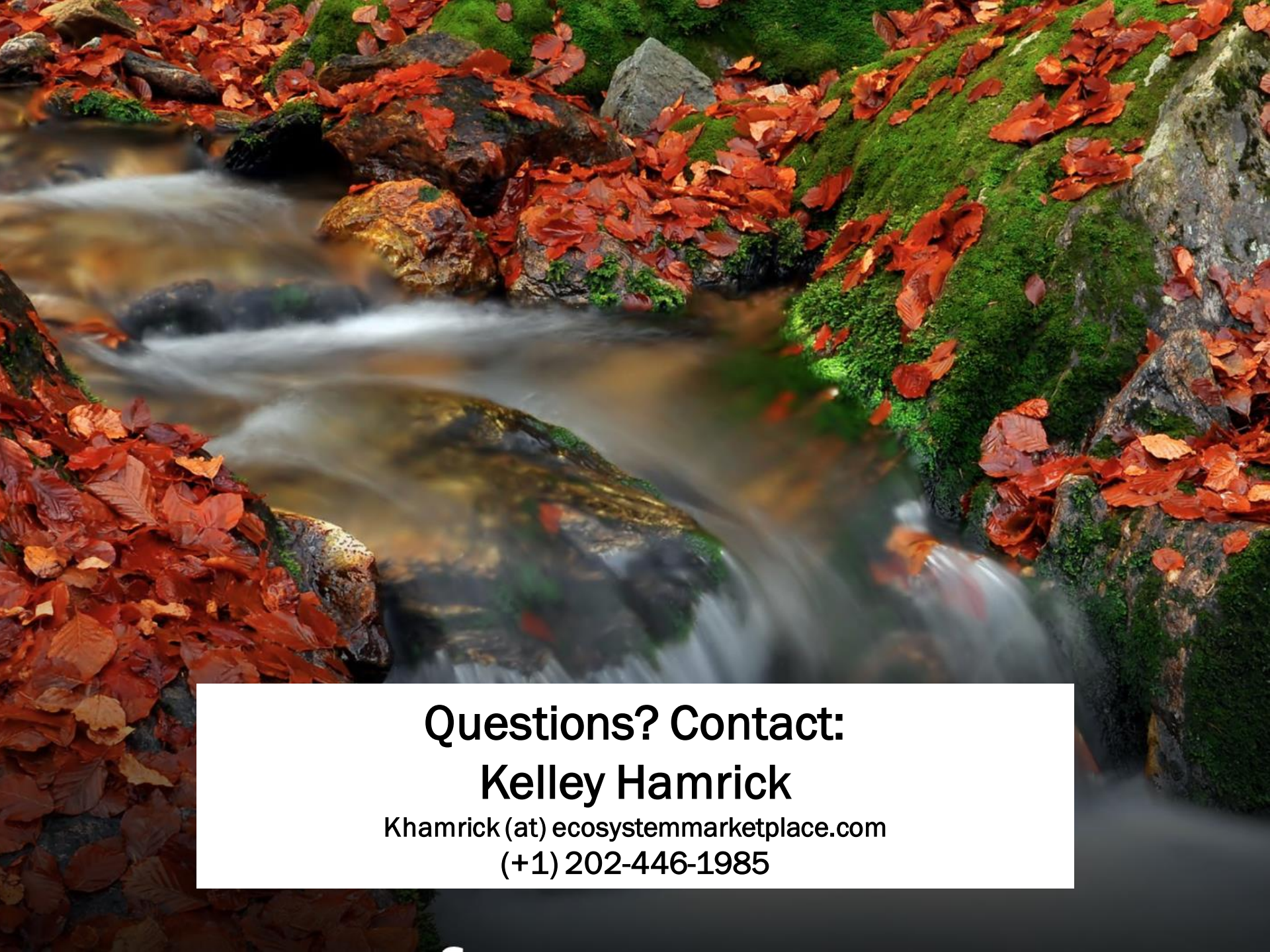
### Sectors and Models:

- **Sustainable forestry and agriculture investment** growing in emerging economies
- New financial models appearing in **sustainable fisheries and aquaculture**
- Investment in **water** growing, may double from historical amounts

### New Actors:

- **Institutional investors** beginning to invest in conservation – in the biggest funds – and to favor longer-term, evergreen approaches
- **Corporate commitments** around carbon or sustainable supply chains beginning to drive internal investing
- **Public institutions** accelerating leverage of private finance by moving beyond risk mitigation to direct investment, market creation, and other roles





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