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Lessons Learned through Execution of the Conservation Agreement Private Partnership Platform

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Acronyms and Abbreviations

AL	Alternative livelihood
APPC	Aadhimalai Pazhangudiyinar Producer Company Limited
CA	Conservation Agreement
CAPPP	Conservation Agreement Private Partnership Platform
CCMNP	Central Cardamom Mountains National Park
CSA	Conservation South Africa
CSP	Conservation Stewards Program
CSR	Corporate Social Responsibility
FA	Feasibility Assessment
GEF	Global Environment Facility
LTF	Long-term financing
MNP	Meat Naturally Pty Ltd
NGO	Non-governmental organization
NTFP	Non-timber Forest Product
OMYC	Organization, Management and Conservation Civil Society (Uaxactún, Guatemala)
PS	Private sector
PSE	Private sector engagement
WCS	Wildlife Conservation Society

1. Introduction

This study seeks to inform the practice of conservation with an emphasis on engaging the private sector, working with communities, and harnessing the potential for enterprise development, Corporate Social Responsibility, and supply chains to advance conservation and human wellbeing outcomes. The study comprises a post-facto analysis of lessons learned over the life of the Conservation Agreement Private Partnership Platform (CAPPP), an initiative of Conservation International's Conservation Stewards Program (CSP). The analysis considers CAPPP experiences at two levels: (i) each of the individual sub-projects, and (ii) in aggregate for the project as a whole.

The ultimate purpose of this study is to provide substantive input for a CSP report that "clearly communicates lessons learned in terms of what went well, what didn't go well or had unintended consequences, what could be done differently to improve the CAPPP outcomes, and what the CAPPP team would recommend to others doing similar projects." To this end, the analysis draws on sub-project reporting and evaluation as well as a third-party mid-term review of the CAPPP, but principally relies on direct input from implementers and the CSP team. Section 2 describes the design of the CAPPP, and then Section 3 presents the methodology used for the study. Section 4 offers a descriptive summary of the portfolio of sub-projects executed under the CAPPP, followed by analysis of lessons learned in Section 5. Section 6 presents conclusions and recommendations.

2. Summary of the Platform Design

The CAPPP was based on the hypothesis that the private sector offers untapped potential for financing community-based conservation, and that increased private sector funding for conservation could be catalyzed using the CA model. Thus, the project was well aligned with the GEF's Earth Fund, which sought to demonstrate innovative ways to engage the private sector by establishing strategic partnerships for addressing specific environmental problems. The CAPPP was designed as a 5-year full-sized GEF project (later extended by 9 months), with US$5 million in GEF financing and US$15 million in co-financing. Per the project design document developed for GEF:

- The project goal [was] to catalyze private sector support for conservation of biodiversity and maintenance of ecosystem services in globally important sites in at least 10 countries around the world.
- The project objective [was] to demonstrate the potential for achieving biodiversity conservation and ecosystem service maintenance with private sector support through the use of conservation agreements with local land- and resource-users.

The project design did not include an explicit articulation of a Theory of Change,[1] but nevertheless the intuition behind the project readily is summarized as follows:

1. Noting barriers to partnerships between the private sector and local communities in sites of significance for global conservation of biodiversity and ecosystems, including perceived risk, high transaction costs, and uncertain returns;
2. If Conservation Agreements can be brokered (reduced transaction costs) that strengthen community capacity (reduced risk) grounded in explicit commitments (reduced uncertainty);
3. Then private sector actors will have the confidence to enter into relationships with communities, including investment in conservation.

A key point relates to the broker function alluded to above. To overcome the barriers to partnerships between the private sector and local communities, there is a role for a mutually trusted party; while the CA model serves as the framework for these partnerships, applying the model requires a trusted intermediary. Typically this will be an NGO working in the conservation and sustainable development space; government agencies and academic research institutions may also play contributing roles. The project logic reflects a set of assumptions, including:

- The CA model is an effective means to transparently define mutually agreed commitments with respect to conservation actions and compensatory benefits (including investment in sustainable livelihoods and enterprises).
- Given the appropriate incentives, local communities are prepared to undertake conservation activities and desist from unsustainable land- and resource-use decisions.
- Local community contexts can offer commercially viable, environmentally sustainable livelihood/enterprise prospects that can serve as links to private sector partners; in other words; given investment, communities are able to produce goods and services in quantities and qualities that are needed to secure private sector relationships.
- There are private sector partners motivated by commercial interests and/or corporate values to enter into relationships with communities predicated on conservation outcomes.

Based on these assumptions, the CAPPP project design identified three types of private sector engagement (PSE) to be supported under the platform:

1. **Frame product sourcing agreements between companies and communities**: this entailed CAs between communities and companies interested in sourcing their inputs from a community's nature-based goods and services. These CAs established sustainable management regimes for such goods or services in return for guaranteed payments upon delivery. The CAPPP design envisioned investments to (i) support feasibility assessments for the long-term management of the community-provided good or service (e.g. analyses to identify sustainable off-take amounts); and (ii) build the capacity of local communities to establish the necessary community architecture to contract directly with the private sector and manage the resulting investments.

[1] At the time this was not a section in the project document template of the UNEP, who served as GEF Implementing Agency for the project.

2. **Develop conservation partnerships between private sector actors and communities that produce social and environmental results to meet corporate responsibility commitments**: this entailed CAs between communities and private sector companies seeking Corporate Social Responsibility (CSR) projects. The CAPPP design envisioned investments to (i) support communities to develop the necessary architecture to negotiate with and manage investments from the private sector; (ii) identify conservation projects in which the private sector could invest and through which the community can reasonably deliver conservation outcomes that also provide community co-benefits such as food security, other income opportunities, and enhanced resilience against adverse impacts of climate change.

3. **Build capacity of small and medium enterprises to ensure increased community participation in product/service supply chains that benefit conservation and economic development**: this entailed CAs between local small or medium enterprises (SMEs) that operate in key biodiversity areas and capital investors. These CAs define conservation outcomes that the enterprise agrees to deliver in exchange for technical assistance for business development, and thus focus on enhancing local level private sector engagement in biodiversity conservation. In some sub-projects, this could converge with the first type of PSE as the CA model can link local SMEs to large corporate partners.

Each sub-project under the CAPPP sought to use CAs to structure one or more of these types of PSE to achieve conservation outcomes while improving socioeconomic conditions of communities. Emphasizing that participation in a CA is ***voluntary*** for all parties, and that the design and negotiation processes must be ***transparent*** and ***inclusive*** of all parties, the main steps of the CA model itself are summarized in CSP's Field Guide for Implementers as follows:

- Choose sites based on a rapid ***feasibility analysis*** conducted prior to agreement design.

- Begin engagement by ***building a relationship*** with interested resource users in a transparent and participatory manner.

- Build on this relationship *to* ***design and formalize an agreement*** that is:
  a) win-win (benefits both biodiversity and resource users)
  b) quid-pro-quo (provision of benefits depends on conservation performance)

- Before implementation ***build socio-economic and biodiversity baselines*** *and* ***define a monitoring system*** for both.

- During the ***implementation*** phase meet commitments punctually and facilitate the resource users in meeting theirs.

- Consider an initial short-term "trial" agreement to allow both parties to ***evaluate and refine agreement*** for the long term.

- If a long-term agreement is sought, work together to ***secure long-term financing*.**

- Throughout the implementation of the agreement apply ***biological and socio-economic monitoring*** systems.

- Throughout the process, help improve the model through ***participation in a global learning network of implementers***.

Together, the CA model and the CAPPP design informed the approach to the compilation of lessons learned. As this was not an evaluation exercise, our process did not assess the project or the sub-projects against the model and platform design documents, or collect quantitative metrics on project or sub-project performance. Rather, the model and the design were used to structure a set of collaborative discussions in which implementers helped distill lessons from actual implementation experience. The following section explains this methodology.

3. Methods

The key objective of the analysis is to learn from the CAPPP experience to inform replication. This presupposes that replication is desirable, i.e. that CAs and the private sector make a good fit with positive outcomes for communities and conservation objectives, which will be considered during the assessment. Based on review of literature, project documentation, and evaluations including the mid-term review, we take as given in general that:

i. CAs are an effective means to elicit behavior change on the part of local owners.
ii. Socioeconomic impact can be assumed positive since beneficiaries are virtually always interested in renewing.
iii. CAs can be shown to attenuate forest clearing or other sources of pressure on ecosystems, but wider ecosystem impacts will take longer to manifest.
iv. Whether behavior change persists in the long-term, particularly in a post-CA phase, remains to be seen.

These assertions were re-evaluated in the course of further examining the sub-projects to help justify a focus on whether CAs are an effective tool for engaging the private sector and therefore merit replication. Questions that relate to this focus include: do CAs secure the involvement of private sector actors that otherwise would not become involved in conservation? Does the CA model keep private sector actors engaged longer or more effectively? Does private sector engagement using CAs increase the amount of funding available for conservation? We will seek to explore these questions qualitatively through interviews, but the bulk of our effort will focus on ‘how to’ considerations relating to use of the CA model to involve the private sector – how to establish partnerships, how to structure relationships, how to address conflicts, how to communicate effectively, how to catalyze scale, and how to buttress (financial, social, institutional) sustainability.

The methods applied in the assignment were: i) desk-based document analysis, ii) semi-structured interviews, and iii) focus group discussion. Desk-based document analysis used thematic analysis to review project documentation and capture commonalities and identify key distinctions within the set of CAPPP sub-projects. Based on a simple classification system projects were coded along various dimensions of interest, revealing dominant recurring themes (see Annex 1).[2] The documents reviewed included, for the individual projects: Project Proposal, Conservation Agreement, Monitoring Plan, Monitoring Report, Final Project Reports and Project evaluations; and for the CAPPP as a whole the Project Document, Operations Manual, Request for Proposals, Mid-term Evaluation Implementation Plan, Mid-term Evaluation Report, Reports to UNEP, and Project Factsheets. Semi-structured interviews were conducted with sub-project implementers and a small number of private sector representatives, on the basis of prepared open-ended questions and discussion topics developed in consultation with the client (see Annex 2). These interviews allowed scope for discussions to evolve as they took place to pursue promising lines of inquiry as they revealed themselves.[3] A focus group discussion (FGD) with the CSP team based on prepared topics sought to test emerging impressions with respect to themes, lessons learned, and best practices, to help further develop findings and recommendations. This FGD was informed by a shared document of initial findings.[4]

The findings presented below reflect a synthesis of the information generated through these three methodological steps. We compiled lessons in general for the CAPPP portfolio, informed by sub-project learnings. We then examined the components and steps of the CA model and approach, to identify any further specific issues of interest with respect to private sector engagement.

4. Descriptive summary of sub-projects and portfolio

The CAPPP supported 10 sub-projects in 9 countries (Bolivia, Cambodia, China, Colombia, Ethiopia, Guatemala, India, Peru and South Africa). Table 1 below summarizes context and design variables for the sub-projects in the CAPPP portfolio. Each of these sub-projects adapted the CA model and involved at least one of the three types of PSE. However, as with the CAPPP, sub-projects did not formulate explicit Theories of Change to map out in concrete terms how the intervention (and the PSE component within the overall intervention) was expected to lead to the desired outcomes. If the CAPPP were to be extended or replicated, the motivation and design (the Theory of Change) would bear reflection, particularly in terms of alignment between the platform and sub-projects. As described above, for the platform increased PSE is a headline objective, with the hypothesis that this unlocks additional funding for conservation. For individual projects, PSE is instead a means to an end, namely the sustainability of CAs. This difference is subtle but significant; for instance, if PSE fades for a project but a different long-term financing solution is secured, the project is successful without contributing to platform success.

[2] Guest, G., K. MacQueen, and E. Namey. 2012. *Applied thematic analysis*. Thousand Oaks, California: Sage.

[3] Bernard, H. 1988. *Research Methods in Cultural Anthropology*. Newbury Park, California: Sage.

[4] Barbour, R. 2014. *Analyzing Focus Groups*. In The SAGE Handbook of Qualitative Data Analysis, ed. Uwe Flick. London: Sage.

Table 1: Summary of context and design variables of CAPPP sub-projects

Characteristics of agreements	Number of agreements			
Biome	Forest 11	Rangelands 2	Marine 1	Mangrove 1
Type of conservation target[1]	Habitat 11	Species 3	Freshwater production 1	
Type of private sector engagement[2]	CSR 6	Supply chain 12	Enterprise development 6	
Agreement stewards[3]	Individual 2	Community 12	Both 1	
Integration into markets (labor; goods and services; credit; land)	Low 3	Medium 11	High 1	
Degree of linkage between private sector activity and conservation objectives	Low 4	Medium 6	High 5	
Financial sustainability outcomes (weight of PS role in covering long-term CA costs)	Low 4	Medium 8	High 3	
	Yes		No	
Agreement was pre-selected for CAPPP	9		6	
PS relationship (external to community) established before CAPPP	7		8	
PS is a social enterprise	5		10	
PS is a signatory to agreement	4		11	
Government is a signatory to agreement	7		8	
PS payments address opportunity cost[4]	12		3	
PS funds spent on conservation activities[5]	6		9	
PSE is implementer exit strategy[6]	3		12	
Current agreements continuing[7]	15		0	
CAPPP sub-project led to replication and/or scale-up	9		6	
PS still involved	15		0	

[1] One would expect habitat to predominate, as the CAPPP targets were defined as number of hectares. Arguably, PSE would be easier with more evocative targets (charismatic species, iconic places, critical ecosystem services, etc.).

[2] The distinction between supply chain investment and enterprise development is not always clear, and several sub-projects featured multiple types of PSE.

[3] 'Community' can be a cooperative or other sub-group of resource owners/users, who do not necessarily comprise the entire community.

[4] Yes indicates that privileged access to buyers, fairer prices, or sustainability premiums help offset the opportunity cost of conservation.

[5] No indicates that PS funds (from sale of nature-based products/inputs) contribute to household incomes but not to conservation management budget.

[6] In many instances the implementer envisions a long-term relationship with the community rather than an exit strategy as such.

[7] Yes includes active and dormant agreements, the latter being those where the agreement may have lapsed but the implementer is seeking funds to continue.

Compiling Table 1 revealed a definitional challenge with bearing on lessons learned from the CAPPP. It was not always obvious whether the PSE component of a sub-project is better described as local or community-based enterprise development, or as building a supply chain relationship. For example, organizing producers into a cooperative seems more like enterprise development, but functionally may not amount to anything very different from facilitating outside company purchases of farmers' products. This is particularly the case in early stages, as support for new enterprise development rarely makes for a complete strategy without also facilitating purchasing relationships. This raises the question of whether the distinction is necessary or useful, when the point is new and/or improved local livelihoods, potentially with a stronger position in the overall value chain. The point of these CAs is to create a relationship between conservation outcomes and market-based activities, whatever particular form they might take. A topic of inquiry then might be whether that relationship is enhanced through formal enterprise creation or other institutional capacity building (such as establishment of a cooperative).

5. Thematic Analysis

For the thematic analysis, we used the coding scheme presented in Annex X to identify which characteristics and topics emerged most prominently in relation to the individual sub-projects and the portfolio as a whole. The discussion below focuses on these themes, but this should not be taken to mean that other characteristics are not important. The set of themes discussed below reflects areas of particular recurring emphasis in project reporting and interviews.

Context

Of course, a host of contextual factors shapes each CA sub-project. Of the many aspects of context, the most prominent appear to be the principal threats to which the CA responds; legal and tenure conditions; and social conditions prevailing in the partner community. With respect to threats to biodiversity or ecosystem integrity, the CAs predominantly are focused on sources of pressure internal to the community, such as community members' own decisions about how to use grazing land or forest resources. Less prevalent are CAs designed to respond to external threats, such as outsiders coming into community territory to extract resources. This is consistent with the CA model's focus on incentives for behavior change to promote sustainable resource use. For CAPPP sub-projects in particular, this is also consistent with a hypothesis that private sector partners might be less comfortable getting involved in situations that involve enforcement-based strategies that typically are important in countering external threats.

Legal and tenure conditions represent a recurring theme as this part of the context is critical to the viability of resource management regimes and also shapes options for market participation. For example, securing investment in an agroforestry enterprise typically requires clear property rights; however, property rights need not be held individually, as collectively held rights can be sufficiently well-defined and legally protected. Several sub-projects could be described as addressing issues of managing common-pool resources (e.g. communal grazing land in Namaqualand or community forests in Ethiopia), such that legal context and tenure arrangements are instrumental in defining options for collective action and management. Although conservation practitioners are well-attuned to the importance of these factors for resource management, they are less accustomed to considering how they affect prospects for private sector relationships and enterprise development.

Finally, a clear (and unsurprising) theme is that social conditions within communities have an enormous impact on CA design and implementation. Specific conditions range from the degree of economic and political marginalization to the level of technical and institutional capacity to customary governance mechanisms and relationships between sub-groups within the community (gender, age, resource users, etc.). These shape the form of CA benefit packages and plans for capacity strengthening, and dictate the fact that each CA needs to be tailored to local needs and priorities. For the CAPPP, to the conventionally understood aspects of social conditions we may add familiarity and comfort with norms and business culture in the private sector; in this regard, implementers may need to facilitate targeted training to help communities become better able to interact with private sector entities as business partners. That said, the emphasis on livelihoods in the CA sub-projects is effective in demonstrating to communities that the implementer appreciates their priorities, and helps persuade communities that participation in the project is relevant to their social context.

Design

With respect to CA design features, the most prominent theme was that most sub-projects were predicated on an implicit Theory of Change that emphasizes sustainable livelihoods as a path to conservation outcomes and socioeconomic outcomes. However, critical questions such as whether the sustainable livelihood on its own provides a sufficient incentive for sustainable choices, or whether a sustainable livelihood or enterprise strategy can cover conservation management costs, receive less explicit attention in intervention design. How AL support is linked to conservation bears deeper analysis with respect to effective strategy. For example, a CA strategy could be to create a new resource-use dynamic that is sustained by AL; in contrast, continued support for AL could be an ongoing incentive within a long-term CA. Implementers appear to turn to PSE as a sustainability strategy for AL (e.g. by facilitating a supply chain relationship), which can contribute to human wellbeing but is not necessarily equivalent to sustainability for the CA and conservation commitments.

As a consequence, the degree to which PSE can support an exit strategy for the implementer in a given project often is not clear. Thus, another recurring theme is underdeveloped exit strategies in general, such that it is difficult to use the CAPPP sub-projects to make the case that PSE clearly helps on this front. However, this may reflect the short duration of CAPPP sub-grants and the fact that several sub-projects were just initiating PSE efforts, such that formulation of exit strategies arguably may have been premature.

A theme throughout the portfolio was the limited role of the private sector in designing CAs, regardless of which of the three types of PSE a sub-project pursued. An exception was the Cerrejón mining company in Colombia, who thanks to an internal champion was closely involved in design and execution (this involvement, and the financial commitment, waned when this champion left). More typically, implementers worked with communities in participatory processes to design the CAs, and then sought to add links to the private sector later. (In sub-projects focused on community enterprise development or improved community participation in supply chains, the enterprise or community itself is the private sector partner such that there is a form of private sector involvement in design). In most instances, finding external private sector partners to graft on to an already-designed CA initiative proved to be quite challenging, with the exception of sub-projects that benefited from a relationship with a social enterprise.

Working with social enterprise partners (e.g. in South Africa and India) also helped in other ways. Natural alignment of social enterprise values with CA implementer intentions helped maintain an emphasis on the links between private sector/market-oriented activity and conservation objectives; this was more difficult to do in a meaningful way with other private sector partners. Social enterprises also were seen to be more likely to take a wider view of socioeconomic progress, beyond a strict focus on income; however, a social enterprise partner noted that although the values of the social enterprise may be compelling for customers, ultimately quality is of primary importance if they are to retain customers for more than a one-time purchase. Social enterprises also were generally less prone to shying away from challenges of working with marginalized communities, compared to the reluctance of private sector companies to commit to partnership efforts in Cambodia, for instance.

Finally, regardless of any other particular design considerations, a strong theme throughout the CAPPP portfolio was that the presence of a trusted intermediary was vital for CAs and building private sector relationships. Beyond the expected importance of technical capacity, the critical aspect of the implementer roles was trust; this included trust on the part of the community, that the implementer had their best interests at heart, and trust on the part of companies, that they were getting involved in a situation with a committed party who would work through issues. Although in a sense an emphasis on PSE reflects a belief that arms-length transactions mediated by market forces offer an alternative to individualized interactions built on interpersonal relationships and trust networks, in fact the CAPPP experience shows that the latter remain vital to conservation, development, and also market participation.

Implementation/Adaptation/Process

As private sector partners generally were not very involved in the initial phases of CA sub-projects, PSE efforts were concentrated in the implementation phase. The related theme to emerge most strongly was that implementers found this challenging, and consequently would like to see more facilitation and 'match-making' support from dedicated expertise. For some sub-projects this also meant that as PSE challenges asserted themselves, implementers and communities needed to adapt by considering alternative private sector partners, adjusting expectations and/or changing approaches. A challenge here is that many private sector actors have specific needs or philanthropic interests (types of projects, conservation goals, communities, etc.) that may not correspond completely to the context offered by the implementer and their community partners.

The second theme relating to implementation was a strong emphasis on capacity-building. This related to training and awareness-raising investments in a wide range of areas including sustainable resource management, governance, leadership, core business skills, conflict resolution, negotiation, and gender mainstreaming. However, with respect to enhanced participation in value chains, multiple sub-projects indicate the significant value of a focus on improved market information to help communities negotiate fair prices. Small investments in upgrading local skills with respect to market participation (e.g. training on how to access publicly available pricing information) appear to have outsized impacts; however, how to structure such investments in market participation to support long-term conservation outcomes is not always obvious. Interventions in which the productive activity itself benefits from conservation (e.g. harvesting of wild coffee in Ethiopia, with a resulting premium price for quality), or market access is conditioned on conservation performance (e.g. nature-friendly meat sales in South Africa) may lend themselves better to such links than others.

Outcomes

In terms of outcomes (environmental and socioeconomic, as well as financial sustainability), perhaps the most prevalent theme was that the sub-project timelines have been too short to demonstrate clear outcomes. There are reasons to believe that the initiatives are contributing to conservation and development progress; the growth in area under some form of improved conservation management is encouraging, and the fact that communities voluntarily choose to continue their participation in CAs signals that they perceive positive socioeconomic benefits. Some sub-projects offer specific indicators that confirm positive trends, but a strong case is difficult to make; moreover, attribution to private sector partnership, versus the many other things happening in what tend to be complex wider strategies, is challenging (one exception might be pure payment for ecosystem services arrangements as in the Bolivia sub-project, where conservation depends on payments for water services).

In multiple projects, after the CAPPP grant closed implementers continued the initiative with funds secured from other sources; these other sources did not necessarily emphasize PSE, and so in some cases we see a fading of effort on this front and a pivot to local government or conventional philanthropy as long term institutional and/or financial sustainability solutions. Most of the sub-projects include continuing efforts with respect to livelihood and enterprise development that were supported under the CAPPP, but do not appear to emphasize PSE as the core means of sustaining the intervention in the long term.

Nevertheless, several sub-projects appear to have generated momentum for replication and scale up of the CA approach including PSE, particularly sustainable livelihood investments with attention to market linkages. Growing numbers of practitioners see the value of linking livelihood support to explicit conservation commitments in a CA, as a basis for setting and communicating expectations for the project by and between stakeholders and potential partners. The theme here is that although maintaining clear links between livelihood strengthening and conservation can be a challenge, conservation practitioners see clear strategic benefits to positioning livelihood support within a CA framework.

Facilitators/Barriers

Themes relating to facilitating factors and barriers for constructive private sector engagement were the primary motivation of this study. As already indicated above, the CAPPP sub-projects experienced challenges in securing partnerships with outside commercial entities. The CA model appears to resonate with social enterprises in particular, but the CAPPP portfolio offers few clear examples of successfully forging enduring relationships between communities and other types of private sector partners. The most consistently expressed perspective as to why this is the case is simply that PSE is very difficult – markets are highly competitive, private sector actors are risk averse, and unless the benefits of trying something new are significant and clear, getting a company involved is an uphill battle. Of course, this is not news; the question remains whether the CA model makes this process any easier. To inform thinking on this question, the following section presents lessons learned which incorporate the themes pertaining to facilitators and barriers.

6. Lessons Learned

Below we first characterize the general impressions and learnings to emerge from each of the CAPPP sub-projects. Next, we synthesize these observations by highlighting lessons learned from consideration of the portfolio as a whole, noting which of the sub-projects reinforce those lessons. Finally, we present particular lessons pertaining to the different phases of CA model implementation.

Bolivia

The model of the implementer is to develop long-term (10-year) agreements with municipalities, with a focus on long-term funding, sustainability, and developing local institutions from the outset of the project. Since political terms are 5 years, this period of time will cover at least two mayors and will help to create a culture within the municipality. The implementer believes that the key to engaging the private sector is having a service that the private sector wants. Because the focus of the agreements is on clean water, the private sector is not only a donor. One enabling condition for the successful engagement of the private sector in this case was that when Coca Cola approached them asking for a supply of 1 million cubic meters of water, they knew where/how to be able to provide it because they had invested in hydrology research and had run 3 randomized control trials, and thus had the data needed to demonstrate additionality. The agreement was designed as a joint venture; farmers also contribute 30% of the resources; and the municipality quadruples this amount and provides development projects to farmers. The municipal water providers in a sense are thus additional “private sector” representatives, as they channel demand for watershed maintenance. An additional feature of the model is that rather than calculating value and paying opportunity cost (i.e. framing as an economic transaction), they frame it as a reciprocal arrangement, whereby the farmers are helping society and receiving public recognition and a token of appreciation.

The model was expanded through CAPPP to incorporate biodiversity into the water agreements, which is more challenging to sell to the municipality. The entry points were that there is a strong relationship between places with water and biodiversity, and municipalities have a mandate for local development, so compensating farmers for losing crops to macaws fit within the mandate. Rather than being compensated for crops lost to macaws, farmers wanted to be paid to produce extra corn for the birds. In this way, birds were seen as helping farmers to earn more money, rather than a pest. This focus on birds as positive then provided an entry point for biodiversity with communities, i.e. help the birds by protecting the forest, checking nests, etc. A further extension at the end of CAPPP was to do an agreement in the Dry Chaco ecosystem to protect guanaco (a relative of the llama) habitat (there was no water component to this project). Monitoring was very important in the first year with warnings and reminders if there was noncompliance; after that, compliance increased.

The implementer appreciated the learning network meetings, but also thought that regional meetings and site visits may be more useful in terms of time for deeper learning and lessons that are more applicable (i.e. contexts are more similar). The biggest lesson from this experience related to participatory negotiations and co-design to ensure that incentives matched community needs and interests; in this case, farmers indicated a strong preference for something akin to a private sector transaction (payments for producing corn) rather than compensation, which at the outset could not have been known by the implementer.

Cambodia (Central Cardamom Mountains National Park (CCMNP) and Prey Lang Wildlife Sanctuary)

In CCMNP, the attempts to develop small enterprises faced a number of challenges. The private sector engagement that did come to fruition was lemongrass distillation for a local spa as an alternative livelihood, and also ecotourism assistance, but support for these activities was not clearly linked to conservation commitments. Although CI and CSP have several good relationships with actors in the cosmetics sector, private sector engagement with this industry proved challenging. Initial connections did not endure over the course of the project, perhaps due to changes in personnel (on both implementer and company sides), fluctuating interest, or (mutual) misunderstanding with respect to expectations. Communication challenges included sensitivities around information sharing, giving a perception of limited transparency. The implementer did not have the expertise to deliver a product ready for market at a competitive price (quality, quantity, viable transportation), which it seems was expected by the private sector partners. In the case of planned agarwood development, there was miscommunication between the implementer, the local company, and the community, and labor was put into production before buyers and prices were settled. An initial agreement with communities that specified prices would have helped to clarify expectations.

A more rigorous feasibility analysis could have clarified aspects of the value chain, e.g. market demand and pricing, capacity requirements for market participation, etc. There was a need for more realistic budgeting and timelines, and technical skills. According to the implementer, 3-year funding cycles are not long enough to develop new livelihoods, thus it is easy to become mired in a cycle of perpetual pilots. A proof of concept is needed to bring a product to market, and it takes a year to demonstrate to people in the communities that the project may work (particularly with agriculture). The lack of a local buyer was a challenge, and given the small scale production that would have resulted from these products, the project may have been more successful if it had found a single buyer of many products.

In Prey Lang, due to a misalignment in timelines with another funding source (Mitsui REDD funds), there was a lack of funding for the proposed project. The implementer expressed discomfort with the idea of sanctions that remove benefits once given to the community. A partnership was developed with IBIS rice, which is an established social enterprise with aligned values. Organic and wildlife-friendly certification lends itself to a clear agreement with a price premium for compliance. This venture capitalized on an activity that people were already doing and the activity yields short term rewards (compared to e.g. agarwood or products that require additional processing).

This project offers the lesson that putting implementer commitments in CAs based on unproven market participation is tricky. It requires very clear and careful communication about the trialing/experimental nature of the investment in new market-based activities, and that they may not pan out.

Box 1: Certification and Conservation Agreements

Some informants raised the question of whether certification of sustainable products (e.g. coffee or cocoa in the agroforestry sector, or lobster, shrimp or pelagic fish in the seafood sector) obviates the need for CAs. One might posit that producers must adhere to sustainability commitments to maintain certified status, so a CA would have little to add. However, most certification systems focus on practices rather than outcomes, and certification criteria relevant to biodiversity and wider conservation objectives (beyond sustainability of production methods) are fairly limited. This relates to the literature on directness of incentives; CAs involve direct incentives for conservation, whereas a premium for sustainable production or harvesting is an indirect incentive that assumes positive conservation impacts as a side benefit of the productive activity.

China (Pingwu, Li County, Baishuijiang NR)

In Pingwu and Li County the implementer focused on sustainable honey production. The implementer's social enterprise, Shanshui Partner Company, and Xiong'er Dongdong Co-operative provided technical assistance, purchasing, and expansion of markets. In addition, Cargill Investments (China) promoted honey with their employees. L'Oreal China was also a buyer. The implementer already had relationships with the private sector, and buyers were in place, therefore these projects were not subject to the degree of trial and error seen in some other projects. The agreements contained provisions for reductions in price for certain violations and no buying in the case of others.

In Baishijiang, the private sector (Kiehl's) provided funding and trainings on pesticide hazards, standardized use of chemical fertilizers, and watershed management to reduce the use of chemicals on tea farms and support farmers.

Local government is a signatory to the agreements. Contracting with communities to perform conservation activities was seen by local government as a cost-effective strategy. The implementer notes that one of its roles is to serve as an intermediary organization between the community and government. It is important that community participation is voluntary, that government is not compelling the community to sign anything, and that the relationship between the parties to the agreement reflects a level playing field.

According to the implementer, effective engagement with the private sector requires understanding the company's values, as well as providing something that adds positive publicity for their brand. This project provided monthly reports with photos and stories so that the company could easily use the materials for their own publicity. A challenge to working with the private sector is the frequent change in their strategy and priorities in an effort to remain relevant. In this case, this was related to shifting CSR priorities, but the challenge also relates to shifting demand for products. This can result in an abrupt end in funding when the company changes focus.

A key lesson from this case is how to design benefit packages that are clearly linked with compliance; the China agreements conditioned prices paid to producers on degree of compliance with conservation criteria.

Colombia (Bahia Hondita and Iscuande)

In Bahia Hondita, Cerrejón Coal had been providing funding for agreements since 2012. According to the implementers, working with the private sector comes with a high degree of risk in terms of continuity/sustainability, as they are dependent on a highly volatile economy. In addition, the companies attempt to reduce their contributions, with the expectation of maintaining the same visibility/image; this reflects preferences and priorities of company leadership and their perspective on the strategic value of allocating time and resources to these kinds of projects. Also, when compensation is mandatory (as in a regulatory offset framework), the company may be reluctant to do anything beyond the minimum requirements. Cerrejón at first did go beyond this minimum, but this changed when the leadership at Cerrejón changed. Another challenge when working with the private sector is that the relationship with the community can be complicated. For example, litigation between Cerrejón and other local Wayuu communities created tension in the project community. Due to the changes at Cerrejón, CI developed a sustainability plan that involves government funding and community-based economic activities (tourism, handicrafts, recycling). Currently, a percentage of the proceeds from these economic activities are supporting 30% of the activities under the agreement. There is a business model to increase this amount and a local manager has been hired to implement it (i.e. an exit strategy).

In Iscuande, the implementer could not find a large company to engage with, despite considerable efforts. The area is remote and inaccessible and economic activity is limited, apart from illegal activities. One of the main economic activities in the community is harvesting of mangrove clams; the implementer attempted to work on this value chain but found that the margins were too small and there is no market for a high-end/sustainable product. In addition, the private sector partner that had been identified (EcoGourmet) had a change in leadership and then abandoned the relationship. A local bakery was established, but the community does not want to continue this endeavor; the reasons are not entirely clear, but the implementer suggested that the challenge of securing ingredients was deemed too onerous. No other opportunities for local economic activities have been identified, therefore the implementer is now pursuing an endowed trust fund due to lack of other options.

The implementer said they never received any documents about the CAPPP program and its goals, and not until near the end of their CAPPP support did they realize it was part of a larger project. This may in part reflect staff turnover and resulting communication issues within the implementer team. They would have found it helpful to have more information about the goals, and they would like to see the lessons learned document when it is produced. In addition, a toolkit would be helpful for extracting information about similar projects.

In both the Iscuande case and in the case of early CAPPP investment in agreements in Colombia's Amazon region, enterprises and supply chain relationships proved infeasible, largely as a consequence of remoteness and resulting high transportation costs for any potential products. This highlights the importance of choosing appropriate sites for PSE that relies on developing enterprises and supply chain relationships.

Ethiopia (Bale)

A strong theme to emerge from the Bale project is the benefits from a focus on improving quality, versus increasing output. Higher quality leads to higher prices, and provides a very clear differentiation between CA participants and others, thereby reinforcing the incentive impact. As in other projects in the CAPPP portfolio, the initial emphasis was to upgrade the capacity of community-based institutions in the form of Forest Management Cooperatives; this echoes lessons about the need to invest in institutional strengthening of these institutions as CA counterparts, with wider benefits in the form of ability to participate in market relationships.

Parts of the Bale project design proved to be too ambitious for the timeframe available. In particular, creating direct links to the international coffee market was not possible, though a purchasing relationship (including a price premium) was established with a domestic aggregator/buyer. This suggests a lesson about phasing and sequencing, within realistic timelines, especially when starting from significantly under-developed initial conditions with respect to market participation. Effective strategy might start with a focus on local companies, and only seek links to larger and international companies after more stringent feasibility considerations are met. For several projects, interviewees noted that the project timeline was too short to demonstrate conservation impacts. The Bale example shows that this is also an issue with respect to productivity improvements, especially for tree crops where such improvements may take longer to take hold.

The external project evaluation reported behavior of non-CA participants that undermines the CA objectives, namely by expanding production to increase volumes using destructive methods. Thus, other, non-signatory community members took advantage of the new presence of the buyer, though they sold inferior quality product. This points to the importance of thoroughly analyzing the value chain, to understand the different incentives at work and design the intervention in such a way that it does not lead to greater benefits from 'cheating' or free-riding. This also includes analysis of transaction and facilitation costs, to assess the degree to which premiums cover the additional costs of conservation-friendly behavior.

Perhaps the strongest message to emerge from the Bale project is that the CA model was successfully applied to achieve behavior change and community-based conservation in Ethiopia, a new frontier for this type of conservation approach. Farm Africa is now incorporating this approach into other work, and is also working with other organizations and the government to promote incentive-based conservation models. One lesson here is that simply granting rights to communities through Forest Management Cooperatives (mainly the right to collect and sell non-timber forest products) is not sufficient for sustainable resource management or livelihood improvements; for these rights to result in positive impacts requires investment in institutional and technical capacity strengthening, and that people see concrete benefits from conservation management.

Guatemala (Paso Caballos and Uaxactún)

WCS has been working with the Paso Caballo community to protect forests in the Maya Biosphere Reserve using the CA model for almost ten years. In 2017 WCS began engaging with two Guatemalan palm oil companies that are members of the Roundtable on Sustainable Palm Oil and wanted to implement a compensation project in an area of Laguna del Tigre National Park that includes the Paso Caballos community. The companies and WCS proposed the project to the government's National Council for Protected Areas (CONAP), and received approval. This was in large part because they had already accepted the CA model as a management tool within the national park, due to successful proof of concept. The project supports the protected area over 25 years, and the compensation provides long-term financing for the conservation agreement in Paso Caballos. It took one year to get permissions and sign the agreement, and they are now in the second year of the 25-year project.

This was the first time that WCS brought funds from a compensation project to a community, and one challenge was how to present this new option to community leaders. The reputation of palm oil companies was an issue for the communities and the environmental sector, so WCS had to invest in reassuring these groups, as well as communicate clearly with the companies to explain the nature of working in communities. Transparency with communities about the source of funds, education about the palm oil sector, and reasons for compensation payments were seen as essential for building trust and laying groundwork for the long-term relationship. The companies relied on WCS to work with the community and adapt the model as needed, and preferred to stay out of the design process, but the history of effective implementation gave the companies the confidence to invest.

The CA in Uaxactún was not seen by the implementer as directly having a private sector component, despite one of the pillars of their Conservation Agreement being sustainable collection of a non-timber forest product (Xate palm) that is exported to the US and Europe. This may reflect a perception on the part of WCS that PSE necessarily involves an outside corporate entity as a source of CSR funding or as a major purchaser. WCS has been supporting capacity building of Uaxactún's community organization, the Organization, Management and Conservation Civil Society (OMYC), which manages a forest concession. The improvement of Xate palm harvesting with quality practices is part of the CA and directly benefits the value chain and strengthens OMYC as an enterprise and forest concession administrator. The higher quality leads to higher prices, and provides a very clear differentiation between CA participants and others, thereby reinforcing the incentive impact. The implementer considers itself an organization more focused on conservation science, and needed greater expertise with private sector engagement.

The two CAPPP sub-projects in Guatemala offer two distinct major lessons. First, the Paso Caballos experience shows the potential for effective CAs to secure long-term (in this case 25-year) CSR support; this represents a significant return on investment for the continuous fundraising efforts of the preceding 10 years. Second, the Uaxactún case suggests continued discomfort or lack of familiarity with the private sector and PSE on the part of a major implementer, despite demonstrated success in reinforcing local level private sector activity; the lesson here is that a program like CAPPP can do more to communicate about what could constitute PSE.

India (Sathyamangalam Tiger Reserve)

During CA negotiations, the team discovered that the initial plan of community agreements would not work because 1) there was no body or organization that legitimately could represent the whole community; and 2) not all households were engaged in the income-generating activities that were to be included in the agreements. Flexibility and creativity was required on the part of the team and CSP to quickly change course, and the plan was changed to develop agreements with individual households. In another complication, the major focus of the project was to be on NTFPs, but the Forest Department began restricting these activities just as the project was beginning. This required a shift in focus to agriculture, while Keystone pursued advocacy and negotiations with the government in the meantime. The relationship with local government was a challenge to the project, but ongoing negotiations, advocacy, and relationship-building (including sponsoring attendance of a government field director at an international conference on honey) has opened prospects for future collaboration.

The private sector partner (Last Forest Enterprises) is a social enterprise owned by Keystone Foundation. Aadhimalai Pazhangudiyinar Producer Company Limited (APPC) is a farmer-owned company that buys and processes NTFPs and organic produce from the communities. Last Forest Enterprises supports the national marketing and branding of sustainably harvested and organic produce and is the primary buyer of Aadhimalai products. Both of these partners were already operating in the area, therefore, the agreements mostly formalized and added to what was already in place. On the other hand, a manager at APPC noted that they found it difficult to communicate the concept of the CA approach and convince villagers why it is needed and what benefit it would provide.

One issue with individual agreements was that the Producer Company found itself in a position of providing extra incentives to some of its members and not others, despite the fact that they were engaging in the same activities. Although Keystone increased the planned number of agreements, excess demand remained for participation in the agreements. The team also did not anticipate the additional labor that would be required for APPC; although no support was provided to the cooperative, engaging in the CA required training and additional recordkeeping. The solution was for Keystone to provide staff time for this activity. Keystone also invested more time than was anticipated in supporting the cooperative at the beginning of the project through conflict resolution activities. Keystone saw this investment as essential for success of the project.

Engagement with CSP in terms of frequent discussions and problem-solving, and the chance for field staff to engage directly with a donor was seen as a benefit to the project and to professional development of staff. Participation in the Learning Network was a positive, validating experience for team members.

The key lesson from this case is the importance of a long-term presence of the implementer in the field for building trust, resolving conflicts, and serving as a readily accessible capacity-building resource for community members. In addition having continuous dialogue enables implementers to quickly adapt as issues arise.

Peru (Alto Mayo)

Between original conceptualization of the proposal and ultimate implementation of the project, thinking on the approach changed a fair amount, driven mainly by a realization that far greater initial effort would be required with respect to community governance and capacity building. This may reflect some omissions in the feasibility assessment. Thus more emphasis was needed on enabling conditions before proceeding to actual private sector engagement and cultivation of enterprise activities and links. The project came to believe that strengthening of the local cooperative, and the ability of people to participate as members of the cooperative, was essential to effective and efficient links between local farmers and private sector counterparts. Institution building was an essential precursor to developing livelihoods, enterprises and market links.

The implementer found that the CA approach has already proven effective for community engagement and catalyzing behavior change, but making it a way to attract private sector relationships required a lot of thinking and work, and remains challenging. The presence of the cooperative facilitated private sector engagement, but private sector actors questioned why they should take on additional complexities (and costs) of the conservation agreement (even if in principle they supported biodiversity conservation, such as the dragonfruit trading company; pressures from national market precluded them from paying premiums). This highlights the importance of values alignment and careful partner selection, as well as clear communication surrounding expectations with respect to costs.

Challenges notwithstanding, private sector dynamics are demonstrably increasing in the project area, as community-level production has expanded from basic agricultural crops to a range of niche products (e.g. dragonfruit, sustainable coffee), and more companies are visiting the area to explore opportunities.

Perhaps the most surprising lesson from this sub-project relates to the presence of migrants who rent land from Awajun communities, and are typically as a challenge or a threat. However, they also have private sector relationships (as well as relationships with the Awajun), and they also benefit from enabling investments. Some migrants benefited from CAs through their Awajun landlords, and many are cooperative members. This motivates a change in thinking from migrants as threat to migrants as potential allies and avenues to opportunities.

South Africa (Namaqualand)

CSA's Namaqualand project found that learning exchanges and visual demonstration of conservation benefits are effective means of securing conservation commitments; e.g. showing beneficiaries the difference in pasture conditions between their managed lands versus nearby non-CA communities dramatically showed positive conservation impacts, with clear implications for animal health and consequent income potential. Nevertheless, these are still people whose incomes depend on narrow margins, such that they are reluctant to incur any avoidable expenses, including marketing fees to a cooperative. They prefer direct individual transactions with speculators, the potential boost in negotiating power through the cooperative notwithstanding, or wages for Ecorangers to verify proper herd management (despite the clear evidence that this is beneficial; as a result, compliance monitoring remains a cost for CSA).

The project's participation in the CAPPP provided a strong impetus to sharpen thinking about market participation and private sector links; among other things, this helped lead to the creation of Meat Naturally which ultimately became a successful independent social enterprise and now is a private sector partner for other projects. Another lesson learned in the Namaqualand experience is the importance of establishing a comprehensive monitoring framework and baseline from the outset, as retrospective impact measurement proved to be a challenge.

The biggest lesson learned in the course of executing this sub-project derived from the fact that efforts to create new purchasing relationships for livestock farmers (e.g. by lining up the NAMMEAT abattoir or linking to specialty meat suppliers) did not work; the quantity demanded by the former was too large, while the quantity desired by the latter was too small. A more effective strategy proved to be to strengthen farmers in their pre-existing relationships with speculators to whom they already were selling (e.g. by providing price information directly and through regional radio, and by showing how farmers can find price information using smartphones). This points to the importance of fully understanding the value chain, including volume considerations for different market segments, to design a project that responds to realistic conditions and opportunities.

South Africa (Kruger 2 Canyon)

The CAPPP/PSE strategy was deemed applicable based on earlier experience in Namaqualand and Eastern Cape. Thus, this project reflects replication and adaptation of the model, internally by an organization to a new site (this was a completely new landscape for the organization). The key private sector partner was a social enterprise, Meat Naturally Pty Ltd (MNP), with evolving roles over the course of the project reflecting adaptation to learnings and changing conditions. Ultimately, the key role proved to be as a conduit for affordable inputs (fodder at below market prices). Earlier efforts involving MNP as purchaser and processor of animals using a mobile abattoir did not work as volume/capacity constraints undermined financial viability. Despite MNP proving unsuitable as a purchaser due to the economics of the overall context, the attempt had positive impacts as it led to farmers being better informed about market prices and exerting competitive pressure that increased the prices they received for their animals in other transactions. Local enterprise/supply chain development thus need not focus on market access, but can be centered on strengthening market participation, better information, access to inputs to improve quality, and meeting phytosanitary and other management requirements. This does not need to rely on price premiums as an incentive, as the incentive is a stronger ability to participate in the market. Moreover, the core livelihood support strategy can generate ancillary market opportunities; for example, fodder provision to support livestock keeping can become a potential opportunity itself (for example, CSA is examining work with private landowners to allow fodder collection as an alternative to burning to create firebreaks; the spin-off of MNP itself from CSA is a compelling example of successful private sector engagement/incubation).

Investment in institutional development (i.e. cooperative) is valuable. Even if a cooperative (initially) is weak, it provides the basis for: a common voice for the producers; recognition from government (municipality, Dept of Ag); strengthening over time as it will be easier to channel support; better interaction with buyers; people starting to think like a business; and access to more opportunities (e.g. MNP). Generally, a cooperative (or other institutions) economizes on transaction costs, and can help mitigate an outsized CSA coordinating/intermediary role.

One of the most prominent lessons is that, similar to Cambodia and other projects, including commitments in CAs based on unproven market participation requires very clear and careful communication about the trialing/experimental nature of the investment in new market-based activities. In addition, agreements may need to include other incentives in case of failure of the enterprise.

Table 2: Synthesis of lessons learned from the CAPPP portfolio

(For each row, an X in the column for a sub-project indicates that the sub-project illustrates that row's lesson/theme)

	Sub-Project									
Lesson/Theme	Bolivia	Cambodia	China	Colombia	Ethiopia	Guatemala	India	Peru	South Africa (Nama.)	South Africa (K2C)
Applying the CA Model										
Conservation Agreements are an effective tool for securing community commitments to conservation and achieving behavior change	X	X	X	X	X	X	X	X	X	X
Conservation NGOs gravitate towards alternative livelihoods interventions as their private sector strategy (relates to both local enterprise development and building supply chain links). Need to be very clear about where behavior change comes from and how it is maintained, and the place of AL within that Theory of Change.		X	X			X	X		X	
Successful CAs benefit from the presence of strong community leadership/local champions; this can overlap with successful/entrepreneurial community membership, which then aligns with PSE ambitions.		X	X						X	
Building trust with community and assisting with conflict resolution is time consuming, yet necessary and a great deal of investment may need to occur before embarking on other project activities. (Closely related to the recurring theme of needing to devote considerable attention to institutional capacity-building and governance strengthening as enabling conditions).				X	X	X	X	X	X	X
Government perception of the CA model can affect implementation; in areas where government plays a role in conservation, government engagement and facilitating public-private relations may be necessary to project success.	X		X		X	X	X	X	X	

Engaging the Private Sector										
Need specific expertise to properly understand value chain, supply chain, market dynamics, and real scope for interventions based on local enterprise development or purchasing links.	X	X	X	X		X	X	X	X	
When searching for/screening potential private sector partners, a key factor to include is values alignment (with respect to conservation, community development, gender issues, etc.).		X	X	X			X		X	X
Engagement with a private sector partner that is purchasing fair trade, organic, or otherwise certified products at a premium readily aligns with the CA model. (Also, see Box 1.)		X	X				X	X		X
Building community business/enterprise capacity first depends on building institutional/governance capacity; cooperatives are one example. This also can yield other benefits, as a coop (for instance) can end up serving more functions than just the initial roles (e.g. initial focus on buying ag/livestock inputs, then expanding to youth programs, micro-credit initiatives, etc.).	X		X	X	X	X	X	X	X	X
To support local enterprise development and/or market participation, among the most powerful measures is the provision of market information (e.g. on prices) that enables CA beneficiaries to better negotiate with buyers. Training people to do their own market research to enter into transactions with better information is even more powerful. (Though not mentioned in interviews, training in negotiation skills would seem closely related). In addition, a clear understanding of costs and how to produce for competitive markets is important for implementers and community enterprises.					X				X	X
Financing and Replication										
Using PSE as the sole LTF strategy is unlikely to succeed in most cases; at a minimum, an ongoing need for NGO or government roles is pervasive (for technical support, monitoring, fundraising, etc., and/or to ensure that the actors do not lose sight of conservation objectives as a result of emphasis on market activities). This could be taken as a lesson that the conditions under	X	X	X	X	X	X	X	X	X	X

which PSE can be a sufficient stand-alone financial sustainability strategy are not sufficiently understood. PSE is probably best seen as one component of a larger financial sustainability plan.										
A PSE strategy that is built CSR support needs to provide adequate opportunities for publicity in the form of compelling stories, photos, branding.			X	X		X		X		
When expanding to additional communities, note that every community is different so need to apply the model from the first steps (no cookie-cutter approaches), and different communities will progress at different speeds.								X	X	X
It is easy to underestimate the time required for projects to bear fruit (in terms of showing impact, achieving sustained business capacity, and beneficiary behavior change persisting with less emphasis on incentives.)		X		X	X			X	X	
Several implementers noted the value of learning from other projects in the portfolio, particularly through the Learning Network, and expressed a desire for additional tools to facilitate learning.	X			X	X	X	X	X	X	X

Summary of main lessons learned by CA model phase

Feasibility assessment

The principal lesson learned at the portfolio level with respect to feasibility assessment is that conservation implementers are not well-positioned to conduct robust analysis of prospects for sustainable livelihoods and enterprise development. Many of the projects lacked technical expertise for a rigorous feasibility assessment of the PSE strategy, and most of the sub-project feasibility assessments seem to have devoted less attention to the feasibility of the PSE component of the project strategy than on feasibility of the conservation intervention; PSE featured more as a potential contribution to financing. This may be legitimate from the perspective of a conservation mission in an individual initiative, but does not align comfortably with the aims of something like CAPPP.

Negotiation and design

With respect to negotiating and designing the incentives or benefit package in a CA, the CAPPP portfolio included (a) projects that seek to enhance local livelihoods by improving on what people already are doing, and (b) projects that seek to help people do new things (and projects that evolved from one to the other). A lesson learned in this regard is that the former may be easier in several respects; training more readily builds on what people already know, and market participation can build on pre-existing relationships with purchasers. That said, the latter type offers important contributions in marginalized contexts with limited opportunities, though it may require a degree of entrepreneurship that is outside community comfort zones, particularly in some Indigenous contexts. The difference between these two types of intervention has significant implications with respect to feasibility assessment needs, expectations management, and the role of the implementer in facilitating market linkages. Anticipating the social impacts of community enterprises is complex and typically beyond the expertise of conservation implementers.

An intervention strategy based on PSE/AL/enterprise development is subject to impacts from forces outside of implementer control, such as drought or wider economic stress, and embarking on enterprise development necessarily is an uncertain endeavor in any case. This presents the implementer with a particular challenge in managing expectations, and in communicating how the CA incentives work (i.e. is the incentive the AL investment, or is the incentive the potential income from the AL investment). It also speaks to the value of formulating an explicit theory of change. This ambiguity was found in almost every sub-project; one exception was the K2C initiative in South Africa which explicitly wrestled with the difficulty of incorporating livelihood investments with uncertain outcomes in a CA benefit package.

Several sub-projects illustrated how specific types of support for livelihood strengthening lend themselves to clear incentive and penalty mechanisms. Providing key inputs at subsidized prices or stipulating premium purchase prices for outputs in the benefit package allows the CA to include a formula for those prices as a function of compliance. In the South Africa K2C sub-project, this took the form of subsidized prices for livestock fodder, with the subsidy shrinking or disappearing in the event of infractions. In China, honey producers receive a premium on the sales price of honey, which is reduced in the event of breaches. Such arrangements make a CA a powerful framework for direct incentives for conservation.

Most of the agreements in the portfolio were made with communities, with the exception of Bolivia, some agreements in South Africa, and India, where agreements were negotiated with individuals. A private sector partner in India suggested that the agreement would have been more effective if it were at the community level, rather than individuals, as the link between conservation and benefits becomes clearer when the whole community discusses the agreement and how to work together to conserve their forest. Individual agreements may be more appropriate for incentives intended to shape an individual's activities on her own property, but to ensure a minimum level of participation to achieve meaningful conservation impact, community agreements may be preferable. The choice of individual versus community agreements will depend on multiple factors to be explored during the feasibility assessment: property rights, traditional resource management practices, community governance arrangements, characteristics of particular enterprise and livelihood activities, and more.

Implementation

A principal implementation lesson learned at the portfolio level is that making alternative or sustainable livelihood investments succeed requires concerted effort, does not always work, and can come at the expense of disconnect from, or at least under-emphasis on, conservation objectives. However, several implementers noted that the clarity provided through explicit conservation commitments in CAs is an aid in maintaining focus on environmental objectives.

Monitoring

The main lesson learned from the CAPPP portfolio with respect to monitoring is that aggregating disparate sub-projects to monitor meaningful portfolio level impacts or outcomes is likely not possible. This should come as no surprise when examining a global set of sub-projects that use a common model that is highly tailored to local specifics. However, there is some tension between this reality and GEF expectations for monitoring, as reflected in the mid-term review.

It is taken as a truism that best practice includes community-based monitoring. However, communities do not necessarily want to absorb the costs of monitoring, so a lesson learned is that implementer exit requires a long-term financing solution to cover these costs. The portfolio does not include clear examples of success on this front, as monitoring (both managing/overseeing monitoring systems and covering costs such as wages and equipment) is largely an implementer-driven activity. The CAPPP portfolio does not show clear instances of the private sector absorbing monitoring costs, such that PSE does not appear to offer a solution. In theory, certified sustainable production should cover monitoring costs (including those related to traceability) through premiums, but even here many examples around the world continue to depend on additional philanthropic grant funding; generally, when the PS does cover monitoring costs, this reflects corporate philanthropy rather than acceptance of monitoring as a core cost of sustainable enterprise.

Replication/Amplification/Scale-up

For PSE endeavors (whether through supply chain relationships or enterprise development) throughout the CAPPP portfolio, a lesson learned regarding the stylized conservation intervention trajectory of ‘pilot - adapt - consolidate - expand’ is that effective market participation typically requires reliable minimum volumes, but a pilot may not be able to satisfy such minimum volume requirements. Attempts to quickly reach commercially viable scale run into issues of absorptive capacity and struggle in terms of business development, effective CA implementation, and conservation objectives. At the same time, as noted by multiple projects, it is difficult to engage the PS without something concrete to show as a potential business/market/supply link. In theory, this chicken-egg situation justifies donor-funded subsidization of pilots to achieve proof of concept, but the leap from small demonstration project to commercial scale remains an enormous challenge, and the CAPPP experience suggests that this requires substantially more time and funding than anticipated. However, few sub-projects explicitly addressed commercial scale as an aim or in their activities, likely reflecting gaps in expertise and comfort with PSE strategies.

Replication by others can bring challenges, raising the question of responsibility for quality/appropriate implementation after others adopt the model. In South Africa, for example, CSA and MNP continue to engage others working with CA approaches, to ensure that key model elements are maintained. Even if not always an explicit or formal CA, effective PSE benefits from the incorporation of CA thinking.

Financing strategy
A key lesson learned from the overall CAPPP experience is that expectations for PSE to result in meaningful funding to cover conservation costs need to be tempered. For example, incorporating premiums as a financing strategy can face considerable challenges. Even for high value niche products, competitive pressures can limit PS partner appetite for extending premiums based on social or environmental considerations (as in the example of dragonfruit from Alto Mayo). To support sustainable livelihoods, more promising avenues might focus on achieving better prices through quality improvements (e.g. coffee in Bale, Ethiopia project) or increasing income through productivity improvements (e.g. livestock in the South Africa projects). However, the project design needs to be clear about how this serves as a conservation incentive, as it does not clearly result in funding earmarked for conservation activities.

A second significant lesson learned regarding financing under the CAPPP is that major successes (such as significant support secured from Disney and BHP for CI’s Alto Mayo work) are unique and appear to be more usefully understood as philanthropic fundraising success, rather than as replicable market-based PSE. Thus, the CSR component of the platform was important, and CSR featured prominently in some projects, but significant success in securing such support appears to have depended less on project implementers and CAPPP as on highly effective centralized fundraising capacity.

CSR as a financing strategy can allow the implementer to focus on what it does best (i.e. conservation and providing benefits to communities) without getting sidetracked by the many issues, risks, and costs of SME development. However, CSR support entails risks of its own, as corporate partner priorities easily can change such that they direct their support elsewhere. In addition, CSR relationships can be vulnerable to perceptions of greenwashing.

In summary with respect to financing, main lessons are that:

- Investment in sustainable livelihoods through sourcing links to private sector partners can be an important component of overall intervention strategy, and can reward improved production practices and natural resource use choices, but rarely covers other conservation costs;
- Likewise, investment in sustainable enterprise offers important contributions to human wellbeing and can engender a dynamic of green economic development, but may leave a need for other financing to cover conservation costs;
- Corporate philanthropy can cover a wide range of costs, including investment in sustainable livelihoods and enterprise as well as conservation activities, monitoring, and the like, but can leave project finances vulnerable to the risk that a donor decides to end their support.

7. Concluding discussion and recommendations

The overarching lesson to emerge from this study is that true PSE is very difficult, and it is not obvious whether a global platform like the CAPPP can affect more PS partnerships. Several persons interviewed indicated that they felt CSP could have acted more assertively as a broker/matchmaker, bringing potential private sector partners to the table for individual projects. However, CSP has made considerable efforts to do just that, as suggested by the engagements between CSP and the private sector listed in the mid-term review; limited results therefore are not for lack of trying. This might lead one to query whether this simply needs more time, or if there is a better way to forge links with the private sector (including more deliberate steps by implementers), or if implementers' time and energy are better focused on other strategies. However, on the basis of this study, we feel confident in asserting that:

1. In many settings, community-based conservation cannot be divorced from work on sustainable livelihoods and strengthened market participation, and the CA model provides a way to enhance the probability that such work will help achieve conservation outcomes.

2. Structuring relationships between communities and social enterprises using CAs seems to offer a viable path to unlocking private sector dynamics to support conservation.

3. Although the CAPPP experience to date does not support a focus on PSE as a long-term financing solution, it does indicate that PSE can be a useful ingredient in a diversified sustainable financing strategy.

Recommendations

Feasibility Assessment

- Feasibility assessments need to include more rigorous analysis of the PSE strategy, applying appropriate expertise with respect to market prospects, capacity requirements for market participation, etc. In particular, FA should include concrete analysis of demand for the goods/services community-level farmers or enterprises intend to sell. FAs should apply specific technical expertise to analyse value chain and scope for interventions in value chains. A platform like CAPPP could invest in centralized capacity to provide this support, or compile a list of resources (consultants and partners) for implementers.

Negotiation

- CSP should guide implementers on the need to negotiate and design enterprise development components of CAs in ways that (a) accommodate the possibility that the enterprise will not succeed (expectations management), and (b) ensure that the investment nevertheless yields a concrete benefit for communities (identify no-regrets investments like training in basic business skills).
- Moreover, given that sustainable livelihood or enterprise development investments may not pan out, any benefit package should include other elements that address community needs and priorities so as to ensure that they see positive results from participating in the CA.

Implementation

- Given the factors that influence PSE/AL/enterprise success, many of which cannot be anticipated or controlled, project design should include explicit attention to risk identification and risk management strategy, for example provisions for renegotiation of benefits in case ALs do not succeed.

Monitoring

- Planning for monitoring and communications should be coordinated to pursue synergies; some PS partners need to see concrete measurement of impacts, some emphasize effective storytelling (i.e. to back up CSR or cause-related marketing programs). Investment in suitable methods can simultaneously achieve progress on both these fronts (e.g. through use of drones and camera trapping).
- Early on in project design and PSE processes, implementers should dedicate attention to information management protocols. In some settings there may be concerns/issues surrounding the use of information that is generated through a project. For some private sector actors, there are information concerns connected to competitive advantage and market strategy; for others, there are issues related to managing branding and reputational risk. For some communities, there are sensitivities surrounding traditional knowledge or cultural factors; in some settings information relates to risk of speculation or illegal activity. Therefore, open discussions and clear agreements on how information (including information generated by monitoring efforts) should be incorporated into the overall CA process.

Replication/Amplification/Scale-up

- PSE activities earlier in the overall project process is a recommendation relevant to all aspects of the CA approach, but perhaps most emphatically so for the question of scale. Earlier PS participation can help structure a path toward solutions that act over larger geographies, e.g. the combination of the Meat Naturally model, rangelands restoration and market access across

Southern Africa, or large-scale water agreements in Bolivia. Doing so will identify economies of scale and help overcome aforementioned challenges associated with the small pilot issue.

- CSP should devote focused attention to the question of how to address the challenge of ensuring quality of implementation by others who adopt the CA approach. Impact at scale depends on replication by others, but this may result in loss of fidelity to core aspects of the model. Problematic implementation could then undermine the reputation of the approach.

Financing strategy

- The importance of diversification as best practice for a strong financing strategy is common knowledge; this also should be reflected in a diversity of PSE approaches within a financing strategy, for instance including local enterprise development as well as pursuit of CSR support from larger corporate actors. Any project should explore potential for each type of PSE.
- The importance of cost control in financing strategy cannot be underestimated, including as a means to ensure credibility in the eyes of potential PS partners. CI country programs, for example, may have higher operating costs than local NGOs, which can be an obstacle in engaging PS partners operating under significant competitive pressures and slim margins.

Platform Execution

- Multiple interviewees noted that the CAPPP has driven internal institutional change, making the conservation organizations more attuned to needs and potentials with respect to the PS as a component of their intervention strategies, and leading them to upgrade their own capacity with respect to PSE and understanding market context and functioning.
- Platform execution could benefit from housing greater centralized expertise with respect to PSE, value chain analysis, and other technical capacity relevant to market-based strategies, to provide more direct support to projects particularly in the early feasibility assessment and project design phases.
- Another suggestion is for the CAPPP platform to operate as a centralized marketing & matchmaking operation to cultivate and connect private sector partners with field projects that have demonstrated success, and which only lack financial support.
- A *modus operandi* for most conservation organizations is to package ongoing projects for different funding opportunities, while changing implementation approaches as little as possible; this is not conducive to effective PSE. Adapting to PSE requires that a project apply actual business standards and principles, operating in a competitive environment, streamlining costs with private sector (rather than NGO) discipline, being careful of gaps between marketing and delivery, and being realistic about 'hidden subsidies' that are crucial to the potential for long-term sustainability.
- Some interviewees noted that the goals of the CAPPP platform were not clearly communicated and some were unaware that they were part of a larger program until much later in the funding period. This suggests that platform execution could benefit from increased communication around goals and theory of change at the platform and project/subproject level, as well as ongoing discussion and review amongst CSP and CAPPP implementers. In particular, exchange between implementers operating in similar contexts (e.g. in the same region) could be an efficient learning model.

- The portfolio does not exhibit many examples of significant private sector partner input into project design. Thus, private sector actors typically are treated less as partners than as business counterparts. This may be entirely appropriate in a particular project, but in others earlier PSE as partners in project development might be beneficial. Project selection (i.e. through pointed questions in proposal templates, or even explicit requirements) could steer projects to seek such PS collaboration earlier on. Deeper engagement could also result in greater impact within private sector practices and greater investment in conservation agreements.
- Several conversations suggested that a program like CAPPP might benefit from more explicit framing in relation to impact investment. (This was interesting when recalling that the original CAPPP concept included participation from Verde Ventures as well as CSP.)

Conclusion

In the Methods section we posited that three key questions with respect to lessons learned about PSE and CAs are:

- Do CAs secure the involvement of private sector actors that otherwise would not become involved in conservation?
- Does the CA model keep private sector actors engaged longer or more effectively?
- Does private sector engagement using CAs increase the amount of funding available for conservation?

To the first question, the CAPPP experience suggests a strong 'yes.' Through sustainable livelihood investments, CAs secured conservation commitments from livestock keepers, farmers, and NTFP collectors. With respect to enterprise development, CAs were the framework for organizing producers into cooperatives with conservation commitments. In both these applications, it is easy to envision that most producers would otherwise have pursued conventional economic activities without sustainability considerations. Likewise, several sub-projects involved purchasers who now are rewarding sustainable choices, but otherwise would not be in a relationship with the community, or likely would have been happy to pay for conventional products. Even where a significant private sector already was investing in sustainable resource management (i.e. Coca Cola supporting watershed management in Bolivia), CAs were effective in expanding this investment to include biodiversity conservation.

The second question is more difficult to answer on the basis of the CAPPP sub-projects, given the limited time horizon of the CAPPP. Rather, the question points to the importance of closer involvement of PS partners in project design and as CA signatories; co-design would foster stronger engagement, and including PS partners as a parties in agreements would signal a deeper and longer commitment. That said, the portfolio of CAPPP sub-projects includes examples of PS actors who see a clear benefit in working with communities or producers who have adopted sustainable practices; it is reasonable to expect that sustained or strengthened mutual benefit will promote longevity and effectiveness of PS partner engagement.

Finally, with respect to whether PSE through CAs increase the funding available for conservation, the CAPPP sub-projects suggest a mixed set of lessons. Investment in sustainable livelihoods and local enterprises may be essential to align with community prioritization of income generation, but do not necessarily generate funding for conservation activities. While the adoption of sustainable practices does contribute to conservation outcomes, budgets for conservation activities such as monitoring and enforcement typically continue to require ongoing financial contributions secured by the implementer. And while the diversity of co-financing sources seen in the sub-projects suggests that CAs are effective in attracting other donor support, it cannot be asserted that this support would not have been forthcoming otherwise. Thus, the CAPPP experience cannot yet be used to formulate a definitive lesson about PSE as a means to expand conservation funding.

In sum, recognizing that PSE of some kind or another features in most community-based conservation interventions due to the need to address economic development concerns, the CAPPP experience strongly suggests that CAs are effective in ensuring that PSE is accompanied by an emphasis on conservation outcomes. Realistic business models for the PS component of an intervention may not be able to internalize all the costs of conservation activities, and thus PSE alone may not suffice for an implementer exit strategy. Most of the CAPPP sub-projects envision a continuing role for the implementer for the foreseeable future, reflecting an implicit conviction that conservation values warrant continued subsidization of transaction costs by the implementer. This signals the continued importance of contributions provided under the CAPPP: not only financial support but technical guidance, relationship brokering, and inter-project exchanges of experiences and lessons learned.

Messages/Recommendations by audience

Below we arrange the main findings discussed above by particular relevance to four different audiences: the CAPPP/CSP, implementers, GEF, and the private sector. Of course, several lessons are of interest to multiple audiences, but we attempted to identify what would be most salient for each. Given overlapping interests, the different sets do exhibit some repetition.

CAPPP/CSP

- PSE and financing CAs
    - A key lesson learned from the overall CAPPP experience is that expectations for PSE to result in meaningful funding to cover conservation costs need to be tempered. To support sustainable livelihoods, more promising avenues might focus on increasing income through quality or productivity improvements for existing economic activities rather than new products. However, the project design needs to be clear about how this serves as a conservation incentive, as it does not necessarily result in funding earmarked for conservation activities.
    - Making alternative or sustainable livelihood investments succeed requires concerted effort, does not always work, and can come at the expense of disconnect from, or at least under-emphasis on, conservation objectives. However, several implementers noted that the clarity provided through explicit conservation commitments in CAs helps maintain focus on environmental objectives.

- Most major financing successes are unique and reflect effective philanthropic CSR fundraising, rather than replicable market-based PSE. Significant success in securing CSR support appear to depend less on implementers or CAPPP than on strong centralized institutional fundraising capacity.

- Centralized Roles:
    - Platform execution could benefit from housing greater centralized expertise with respect to PSE, value chain analysis, and other technical capacity relevant to market-based strategies, to provide more direct support to projects.
    - A valuable role for the CAPPP is as a centralized marketing & matchmaking operation to cultivate and connect private sector partners with field projects.
    - A key area of technical support is guidance for implementers on negotiation and design of enterprise development components of CAs in ways that (a) accommodate the possibility that the enterprise will not succeed (expectations management), and (b) ensure that the investment nevertheless yields concrete community benefits (identify no-regrets investments like training in basic business skills).
- Communications/Framing
    - Platform execution would have benefited from increased communication with implementers around goals and theory of change at the platform and project/subproject level.
    - Several conversations suggested that a program like CAPPP might benefit from more explicit framing in relation to impact investment.
- Sub-project selection:
    - Selection (i.e. through pointed questions in proposal templates, or even explicit requirements) could steer projects to seek PS collaboration earlier on, including meaningful significant PS partner input into project design. Private sector actors typically were treated less as partners than as business counterparts.
    - Feasibility assessments need to include more rigorous analysis of the PSE strategy, applying appropriate expertise with respect to market prospects, value chains, capacity requirements for market participation, etc. In particular, FA should include concrete analysis of demand for community-produced goods/services. FA also should include more rigorous attention to risk identification and management.
- Replication and scale-up
    - PS partnerships typically require reliable minimum volumes, but a pilot may struggle to satisfy such requirements. Attempts to quickly reach commercially viable scale run into issues of absorptive capacity that can compromise business development and conservation objectives. However, PSE without evidence of viable potential business/market/supply links is difficult. This justifies donor support for pilots to achieve proof of concept, but the leap from small demonstration project to commercial scale remains an enormous challenge; the CAPPP experience suggests that this requires substantially more time and funding than anticipated.
    - Earlier PS participation can help structure a path toward solutions that act over larger geographies, e.g. the combination of the Meat Naturally model, rangelands restoration and market access across Southern Africa, or large-scale water agreements in Bolivia. Doing so will

identify economies of scale and help overcome challenges associated with the small pilot issue.

  - CSP needs to address the challenge of ensuring quality of implementation by others who adopt the CA approach. Impact at scale depends on replication by others, but this may result in loss of fidelity to core aspects of the model.

Implementers

- Most conservation organizations are adept at packaging projects for different funding opportunities while changing implementation approaches as little as possible; this is not conducive to effective PSE. Meaningful PSE requires that a project embrace actual business standards and principles, operate in a competitive environment, streamline costs with private sector (rather than NGO) discipline, prevent gaps between marketing and delivery, and be realistic about hidden costs that affect long-term sustainability. This begins with more rigorous FA that is firmly grounded in market and business expertise.
- CAPPP sub-projects included (a) efforts to enhance local livelihoods by improving on what people already are doing, and (b) efforts to help people do new things. The former may be easier in several respects; training more readily builds on what people already know, and market participation can build on pre-existing relationships with purchasers. That said, the latter type offers important contributions in marginalized contexts with limited opportunities, though it may require an unrealistic degree of entrepreneurship. The difference between these two types of intervention has significant implications with respect to Theory of Change, feasibility assessment needs, expectations management, and the role of the implementer in facilitating market linkages.
- Given the factors that influence PSE/AL/enterprise success, many of which cannot be anticipated or controlled, project design must include explicit attention to risk identification and risk management strategy, for example provisions for renegotiation of benefits in case ALs do not succeed. Moreover, given that sustainable livelihood or enterprise development investments may not pan out, any benefit package should include other elements that address community needs and priorities to ensure that they see positive results from participating in the CA.
- Planning for monitoring and communications should be coordinated to pursue synergies; some PS partners need to see concrete measurement of impacts, others emphasize effective storytelling. Investment in suitable methods can achieve simultaneous progress on both these fronts, while also generating information relevant for the community.
- Early in project design and PSE processes, implementers should dedicate attention to information management protocols, as there may be concerns/issues surrounding the use of information that is generated through a project. Open discussions and clear agreements on how information (including information generated by monitoring efforts) should be incorporated into the overall CA process.
- Diversification as best practice for a strong financing strategy is common knowledge; this also should be reflected in a diversity of PSE approaches within a financing strategy, for instance including local enterprise development as well as pursuit of CSR support from larger corporate actors. More generally, under most circumstances expectations for PSE to result in meaningful funding to cover

conservation costs need to be tempered. Also, financing strategy must address cost control to ensure credibility in the eyes of PS partners.

GEF

- Multiple interviewees noted that the CAPPP has driven internal institutional change, making the conservation organizations more attuned to needs and potentials with respect to the PS as a component of their intervention strategies, and leading them to upgrade their own capacity with respect to PSE and understanding market context and functioning. This is a clear positive outcome of the CAPPP, even if prospects for PSE as a conservation financing solution remain mixed.
- That said, a *modus operandi* for many conservation organizations is to package ongoing projects for different donors while changing the actual project as little as possible. This precludes reshaping a project with PS input, and is not conducive to effective PSE. PS actors typically are treated less as partners than as business counterparts. A platform like CAPPP needs to incorporate specific measures that compel implementers to meaningfully embrace PSE (i.e. in criteria for sub-project selection and feasibility assessment).
- In many settings, community-based conservation cannot be divorced from work on sustainable livelihoods and strengthened market participation, as communities in marginalized contexts understandably prioritize income generation and socioeconomic concerns. The CAPPP experience clearly shows that the CA model provides a way to enhance the probability that such work will help achieve conservation outcomes.
- Few conservation implementers are well-equipped to conduct robust analysis of prospects for sustainable livelihoods and enterprise development, and thus rigorous feasibility assessment of the PSE strategy. Future design of platforms and initiatives like CAPPP require dedicated attention to which needed capacities should be part of centralized execution (as technical support for sub-projects), which should be required of sub-project implementers, and which can be contracted out (and budgeted for accordingly).
- Although the CAPPP experience to date does not support an exclusive focus on PSE as a long-term financing solution, it does indicate that PSE can be a useful ingredient in a diversified sustainable financing strategy. In particular, structuring relationships between communities and social enterprises using CAs seems to offer a viable path to unlocking private sector dynamics to support conservation.
- Aggregating disparate sub-projects to monitor meaningful portfolio-level conservation impacts or outcomes is likely not possible. This should come as no surprise when examining a global set of sub-projects that use a common model that is highly tailored to local specifics. Moreover, PSE does not appear to offer a solution for covering monitoring costs; generally, when the PS does cover monitoring costs, this reflects corporate philanthropy rather than acceptance of monitoring as a core cost of sustainable enterprise.
- The stylized conservation intervention trajectory of ‘pilot - adapt - consolidate - expand’ can present a challenge for effective PSE, due to the mismatch between community-level absorptive capacity and commercial volume and quality requirements. This highlights the importance of risk- and failure-tolerant capital to subsidize pilots until they mature for (impact) investment and/or true commercial

relationships. The CAPPP experience suggests that this requires substantially more time and funding than anticipated.

Private sector

- Implementers are eager for a deeper partnership with the private sector, including early involvement of the private sector in project design. This could create greater shared understanding of constraints and opportunities, and lead to more efficient execution of the project.
- Several CAPPP sub-projects suggest that for values-aligned private sector actors, especially social enterprises, the CA model offers a constructive way to work with communities to reach a transparent, mutually-agreed understanding of commitments and expectations. This is particularly important with respect to conservation outcomes beyond immediate sustainability measures surrounding a particular livelihood or resource use.
- Monitoring plays an essential role in CAs, and in effective natural resource management for and conservation and sustainable development in general; and monitoring is costly. Therefore true PS commitment to sustainability requires that the costs of monitoring become incorporated into the cost of doing business; otherwise these relationships continue to rely on outside financial support which is inherently unsustainable.
- Noting that private sector actors operate under pressures and constraints imposed by markets and competition, they need to work with communities and implementers to create the space needed to achieve quality standards and volumes for viable relationships. One way to do so is to signal long-term commitments while working with implementers to secure donor and/or impact investments.

Box 2: Some Thoughts on the Lessons Learned Exercise

- Interviews with implementers were scheduled to last one hour, and while some were able to continue for a little longer, this clearly was not sufficient time to go into all the topics and questions. This necessitated prioritizing questions of core interest to the assignment.
- Site visits would have enriched the exercise, to allow discussions less constrained by time, interaction with a wider range of stakeholders, and reflection informed by more direct exposure to the projects.
- An issue arises with respect to M&E and attribution. In most cases, the CA (and, within the CA, the PSE) is one component of a larger, multi-pronged strategy, which makes it difficult to isolate the impact of the PSE component and complicates analysis of impacts with respect to different components of the overall strategy.
- Some projects had external evaluations available which were particularly valuable for the lessons learned exercise. Understandably, no matter how much one emphasizes that this is not an evaluation, project proponents tend to 'put their best foot forward' in interviews, which can come at the expense of some learning opportunities. Requiring independent outside evaluations (beyond the MTE and TR required by GEF for the whole platform) might be something to consider, though this would require budgeting.
- Methodologically, the value of a Focus Group Discussion (FGD) lies in perspectives that emerge through discussion among the participants. We attempted a FGD in a virtual format, which took on a dynamic more akin to a group interview in which participants responded to moderator questions but did not interact much among each other. This may reveal a challenge for certain methods in the COVID-19 era.
- More than one project noted that they've documented lessons learned already, and felt that this exercise might be a little bit repetitive. Similarly, capturing and communicating about lessons learned are among the purposes of the annual CSP learning network meetings, so again people felt that they had gone over these things before. This suggests a lesson about clearly communicating the purpose and anticipated 'additionality' of lessons learned exercises.
- The preceding point notwithstanding, there was interest in learning from failures through a publication about cases (successful and not), with translation into different languages.

Annex 1: Classification for Thematic Analysis Coding

We do not expect comprehensive entries for each of the classification elements listed below for each of the sub-projects in the platform. Through document review and supplemented by interviews, we expect this list to help us capture the most salient characteristics of each sub-project that can be qualitatively related to lessons learned. We have grouped these characteristics into five categories:

1. Context
2. Design
3. Implementation/Adaptation/Process
4. Outcomes
5. Facilitators/Barriers

We anticipate that by organizing information and input according to the scheme below, we will observe emerging themes to inform our findings.

1. Context

Type/scale of ecosystem
Charismatic species
Principal threats (external/internal)
Integration into markets (labor; goods and services; credit; land)
Legal conditions/tenure
Social conditions (e.g. marginalization, stakeholder conflicts)
Government support for conservation
Indigenous community (yes/no)
Community support for conservation
Community decision-making structure
Community capacity for resource management
Community capacity for leadership
Community capacity for financial management
Private sector decision-making structure
Private sector capacity for/history with community relations
Private sector capacity for/history with conservation support
Stage of implementation for conservation agreement

2. Design

Types of agreement parties (individuals, communities, commercial entities, NGOs)
Number of partners involved
Type of agreement (e.g. habitat, species, freshwater production)
Key agreement terms
Type of private sector engagement (CSR, supply chain, enterprise development, other)
Theory of change (direct incentive, alternative livelihood, other)

Opportunity costs/structure of incentives
Degree of linkage between private sector activity and conservation objectives/keeping sight of environmental objectives
Linkage between private sector activity and socioeconomic objectives
Level of finance (private sector role in overall project financial sustainability strategy)
Establishing partnerships/initial engagement with private sector
Role of private sector
Role of community
Presence/role of a 'relationship facilitator' between agreement parties
Exit strategy for implementer
Capacity building

3. Implementation/Adaptation/Process

Engagement with private sector (planning, negotiation)
Role of the public sector
Structuring relationships
Addressing conflicts
Communicating effectively
Monitoring approach
Monitoring challenges
Negotiations
Adaptive management
Catalyzing scale
Buttressing (financial, social, institutional) sustainability
Capacity building

4. Outcomes

Conservation outcomes
Socioeconomic outcomes
Financial sustainability outcomes
Current agreements continuing
New agreements (replication and scale up of specific private sector engagement approaches)
Benefits from engaging with private sector

5. Facilitors/Barriers

Facilitating factors for constructive private sector engagement
Barriers to constructive private sector engagement
Key factors in potential for replication/scale-up

Annex 2: Interview Guide

It is expected that the focus of these interviews will be around the challenges and enabling factors throughout the project, and particularly regarding engagement with the private sector. The overarching questions are "What went well? What didn't go well or had unintended consequences? If you had it all to do over again, what would you do differently? What recommendations would you make to others doing similar projects?" The following is a set of question and topic prompts to guide the interviews.

1. Interviewee information
    - Name, organization, title
    - Role in conservation project

2. Engagement with the private sector
    - Were there any challenges with adapting the CA model for the CAPPP? Did engaging with the private sector require any changes to the CA model?
    - When and why was the CA project developed? How has it evolved over time? Did the project include a private sector component from the beginning?
    - In brief, what is the basic theory of change for the project?
    - How was the private sector approach/partner identified for the CAPPP project and what was the process for initial engagement? What was the process for private sector input into the design/implementation/review of the project?
    - What challenges were encountered over the course of engagement, planning and negotiation processes? How were conflicts addressed? Were there any lessons learned about effective communication with the private sector?
    - Did the project include any capacity-building needs? Which of these needs were specific to private sector partnership? How was this need met?
    - Did engagement with the private sector lead to any long-term benefits? How deep is the relationship with the private sector; how critical is the private sector link for the Theory of Change and the success of the project?

Private sector interviewees:

- How well do they understand the conservation agreement approach?
- Do they see value in it?
- Would they replicate it in other supply chains?
- How can they best be engaged?
- What, if anything, could CSP do differently to better support private sector engagement?

3. Outcomes
    - Were the project goals attained?
        - What were some of the factors that contributed to the success of the project?
        - If not, what changes need to be made to meet goals in the future?
    -

- What project circumstances or developments were not anticipated? What surprises did the team have to deal with?
- Did you develop any useful workarounds or solutions to problems that cropped up during the project?
- For any problems that went unresolved what preventative measures might you suggest now to help things go more smoothly next time?
- How has the project contributed to positive conservation outcomes? What have been some of the barriers to achieving conservation outcomes?
- How has the project contributed to positive outcomes for the community? What have been some of the challenges?
- What have been the gender dynamics/impacts of the project (roles, beneficiaries)? Are there lessons specific to gender considerations?
- Were the terms of the agreement met over the course of the project? If not, were sanctions applied? Were any agreement terms renegotiated?
- How has the project contributed to current and future relationships with the private sector? Are the current agreements continuing? Have any new agreements resulted? How has the private sector responded to challenges with monitoring outcomes?

4. Recommendations

- How did the project implementers relate to CSP? How did engagement with CSP shape the project? What, if anything, could CSP do differently to better support private sector engagement by the project?
- If another area were looking to implement a similar mechanism, what is some advice you would give?
- Are there any new "best practices" you can derive from this project? *Note anything that went so well – and now seems to be so thoroughly "road tested" – that you would want to repeat the positive experience next time.*
- How would you advise another project on developing a financing strategy, and the role of private sector engagement within that strategy?

Annex 3: List of Persons Interviewed

Project	Interviewee(s)
Namaqualand, South Africa	Conservation South Africa: Malinda Gardiner, Ronnie Newman, Rosie Stanway
Kruger to Canyon, South Africa	Conservation South Africa: Mike Grover, Rosie Stanway
Bolivia	Fundación Natura Bolivia: Nigel Asquith, Maria Teresa Vargas, Tito Viduarre
China	Shan Shui Conservation Center: Feng Jie
Ethiopia	Farm Africa: Nura Aman, Tewodros Gezahegn
India	Keystone Foundation: Sumin George, Anita Varghese Last Forest Enterprises: Matthew John Aadhimalai Pazhangudiyinar Producer Company Limited: Mr. Rangasamy
Cambodia	CI Cambodia: Jackson Frechette
Colombia	CI Colombia: Maria Claudia Diazgranados, Laura Jaramillo
Guatemala	WCS Guatemala: Miriam Castillo
Peru	CI Peru: Braulio Andrade
CSP FGD	CI CSP: Juliette Crepin, Fitri Hasibuan, Alejandro Rosselli, Amos Thiong'o Mwaura, Zachary Wells