CONSERVATION BUSINESS PLANNING GUIDANCE

VERSION 1.3

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HOW TO USE THIS GUIDE

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Welcome! This guide provides an overview of conservation business planning in The Nature Conservancy. Conservation business planning is designed to be flexible and iterative.

The concepts of conservation business planning are applicable to developing conservation strategies or projects at any TNC level. Conservation Business Plans (CBPs) are mandatory for managers and teams supporting GCGS Strategies and related projects, with special emphasis on required core elements, which are marked with ✪ in the main guidance and summarized in APPENDIX A.

This guide provides two navigation options:

- For newcomers to conservation business planning, the guide is organized into a logical progression of steps and topics. Teams can begin a planning process at any step or topic, depending upon the situation, need, or project maturity, but should first read PREPARING TO PLAN.

  Each topical section includes a central planning question, introduction, example, core and supporting plan elements, definitions, process recommendations, and additional resources.

- Seasoned teams can jump straight to APPENDIX A, which provides an overview and examples of the required core elements ✪, or they can navigate to the more detailed information in the main guidance.

  Core elements are shared by a set of integrated management tools: Conservation Business Plans; Term Sheets; Annual Work Plans & Budgets; and Management Dashboards (see OVERVIEW). Core and optional supporting elements are recorded in the Conservation Information Hub.

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Symbols used in the guide and what they mean:

R&D Topic Refers to concepts that are the focus of active research and development.

Refers to required and standardized Conservation Business Plan elements.

 Suggests going back to a prior step or updating an earlier analysis or product.

Hyperlinks:

This guide includes within-document hyperlinks to make it easy to jump to specific sections of the guidance as well as hyperlinks to many additional guidance documents. If you are reading a printed version of the document and want to visit any of the hyperlinked resources, you can find the electronic version of this document at:

https://connect.tnc.org/sites/ConservationPlanning.

OVERVIEW

Global Challenges-Global Solutions & Conservation Planning

Global Challenges-Global Solutions (GCGS) calls for rallying the Conservancy's people, resources, and systems around a set of integrated conservation outcomes, strategies, and places. The large scale of desired impact will require unprecedented collaboration and alignment across TNC's many programs.

Conservation business planning is central to this effort. Result-based planning supports better decision-making, continual learning, and increased conservation impact. Conservation Business Plans describe the outcomes that we aspire to achieve, the strategies, activities, and resources we need to achieve them, and how we'll measure and share progress. Good Conservation Business Plans can help us manage our work internally at all levels as well as provide the tools to describe our work externally to improve partnerships and help raise funds.

Core & Supporting Plan Elements

Conservation business planning concepts, terms, and processes are applicable to any TNC conservation strategy or project. Conservation Business Plans (CBPs) are mandatory for managers and teams supporting GCGS Strategies and related projects. All CPBs include a set of required core elements and optional, but recommended supporting elements. Any team recording their CPB in the Conservation Information Hub ("Hub") will need to use the standardized lexicon and formats specified in this guide and the Hub.

Core elements[1] are used during management and progress reviews and in other venues to support strategic implementation and in this guide are flagged with this symbol (✪). These elements are summarized in APPENDIX A and described in more detail in each topical section. They are the primary building blocks of plans and the content is shared by a set of management tools via the Hub.

- *Core:* Goal✪, Scope✪, Outcomes & Indicators✪, Strategies✪, Activities✪, Finances✪, Measures✪

Supporting elements include products developed for sponsors, Philanthropy staff, compliance staff, peer reviewers, and donors. Others are useful precursors to developing required core elements. Supporting elements may be included in the main body of written conservation business plans or in appendices. These elements and related processes are described in each topical section (also see APPENDIX B, Recommended CBP Outline).

[1] Requirements are subject to change—check the Conservation Business Planning section of the Conservation Information Hub or Conservation Planning & Measures Community page on CONNECT for the latest information.

- *Supporting*: Team charter; narrative situation analyses and conceptual models; stakeholder/actor interest assessments; narrative theories of change and logic models; TNC strategic advantage analysis; risk analysis; measures tables; and capacity assessments.

Plans & Integrated Management Tools

A set of integrated tools are being used to help align TNC's people and resources around GCGS. They share standardized CBP content stored on the Conservation Information Hub.

- *Conservation Business Plans* (CPBs) detail the outcomes, strategies, and resources required to implement each GCGS conservation strategy. CPBs include at a minimum required core elements.
- *Term Sheets* contain a concise subset of CPB information, used to convey the required core elements of a CBP as part of reaching agreement and alignment among global teams, central functions, and regional programs.
- *Annual Work Plans & Budgets* operationalize CPBs and Term Sheets by assigning activities, expenses, and fundraising to specific programs, individuals, and budget centers. The work plan, based on the Term Sheet with annual updates, will be the primary tool used in management reviews.
- *Conservation Impact Measures and Management Dashboards* are used for quarterly and annual management reviews and summarize key information from CPBs, Term Sheets, work plans, budgets, and measures.

Plan Content & the Conservation Information Hub

The Conservation Information Hub is the central repository of multi-year CBP information, and when fully operational, also of annual work plan and measures information. All TNC staff will be able to share CBPs, discover similar strategies, and track the progress of all CBPs. The Hub supports results-based management via tools such as Term Sheets, Conservation Impact Measures Dashboards, and Management Dashboards. Currently, users are able to enter information directly into the Hub. A future release of the Hub will support uploads of CBP information from Miradi.[2]

Planning Processes, Formats, and Terminology

All teams undertaking a planning process are encouraged to explore this guidance, but teams are not required to follow every *Process Recommendation* except where it applies to producing core required CBP elements. Teams should feel free to use this guidance as a point of departure to develop a planning process that fits their situation. Teams also are not required to follow a

[2] Many of the information needs addressed in this guidance are supported by the desktop software program Miradi (www.miradi.org), which will be able to exchange information with the Conservation Information Hub (in addition to exporting to Word and Excel). The use of Miradi is optional.

specific outline when producing a written CBP, but are strongly encouraged to follow the basic CPB outline and structure described in APPENDIX B. Planning terminology and definitions have been standardized and the choice of terms is deliberate. Research indicates that TNC's many public and private partners and funders use a variety of terms and definitions and we've attempted to find a balance among these different lexicons.

Topics and Business Planning Questions

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Conservation Business Planning Questions

1. What decisions does planning need to support?
2. What are the relevant primary interests in this place or problem?
3. What are the major ecological, political, and/or socioeconomic factors that impact primary interests or present opportunities?
4. What is the scope of this project?
5. What is TNC's strategic advantage relative to other conservation actors?
6. What is our overall conservation goal?
7. What are the intended outcomes of our strategies and how will we track progress towards achieving them?
8. What strategies have the best chance of achieving the intended outcomes?
9. What suite of strategies has the best chance of achieving outcomes?
10. How will our strategies operate to achieve outcomes?
11. What are the major risks associated with our strategies?
12. How will measures be used to manage and adapt?
13. How will strategies be implemented over time?
14. What capacity and resources are needed and how will we secure the required funding?

This guidance is a living document and will be updated periodically. For the latest version, always check: https://connect.tnc.org/sites/ConservationPlanning

If you have any questions or need assistance:

- For conservation business planning in general, contact Jeff Hardesty (jhardesty@tnc.org), Dan Salzer (dsalzer@tnc.org) or Andrew Soles (asoles@tnc.org)
- For assistance on Measures, contact Kirsten Evans (kevans@tnc.org)
- For assistance on Financials, contact Andrew Soles (asoles@tnc.org).
- For assistance on Miradi, contact Dan Salzer (dsalzer@tnc.org)

GCGS Conservation Strategy Teams: For direct assistance on developing CPBs, contact Jeff Hardesty, Dan Salzer or Andrew Soles. To explore the option of receiving assistance via the Conservation Coaches Network Cristina Lasch at (clasch@tnc.org). For Nature Conservancy programs who would like assistance from a Coda Global Fellow for their or their partners' planning, contact Jolie Sibert at jsibert@tnc.org or Michelle Machasick at mmachasick@tnc.org.

PREPARE: **PREPARING TO PLAN**

What decisions does planning need to support?

The primary purpose of conservation business planning is to support **sound decision-making and priority-setting**, whether in the early stages of planning or adapting to changed circumstances.

Regardless of project maturity, a structured planning approach organized around decision-making will likely save time and lead to better results. In particular, it means being clear about initial scope and what decisions the plan will support at the outset, and capturing that and other key assumptions in a **team charter.**

SUPPORTING CBP ELEMENTS

- Team charter
  - Team members, expertise, and roles
  - Decision process
  - Initial scope
  - Vision statement
  - Resource assumptions
  - Other assumptions and constraints

KEY TERMS

A **project charter** includes a list of team members, expertise and roles, summary of purpose & scope, past & future decisions, and timeline, and roles and commitments.

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Examples:

TEAM CHARTER
Gulf of Mexico, USA Whole System Priority

Sponsor/decision-makers: North America regional director as delegated to state directors (Florida, Alabama, Louisiana, Mississippi, Texas) and North America Oceans and Coasts lead.
Strategic planning timeline: Approx. 9 months
Planning approach: Hybrid of target and problem-based approaches
Initial scope: 5-10 year timeframe; limited to US portion of Gulf
Decision process: Internal (no partners). Team brings options to state directors for debate and to make consensus decisions at predefined points. No further planning without clear decisions and full participation by sponsors.
Sponsor decision/approval points:

1. Scope & resource assumptions
2. Outcomes
3. Overall theory of change & strategies
4. Demonstration project selection
5. Capacity, budget alignment and funding allocation

External constraints: BP Spill penalty allocation process & deadlines; NOAA shellfish restoration grant decisions; FEMA Reauthorization process and timeframe
Initial resource assumptions: Pooled ops funding for central team; existing funding and sources for first phase; substantial BP funds and joint private fundraising will be required for any future build-out of staffing
Key planning assumptions: Limited to 1-3 shared TNC Gulf-wide strategies due to resource and alignment challenges

Process Recommendations:

1.1 Identify sponsor and project lead.

- Identify a senior manager sponsor who will be directly accountable for the planning process and decisions.
- Select a team leader or project director who will lead the planning process.

1.2 Define the decisions that planning will support.

- Identify the decisions and priority-setting that planning will support; don't just follow a rote planning process.
- Build key "go-ahead" decision points into the planning process that sponsors need to "own." Decisions need to be made before proceeding to the next step (e.g., outcomes before strategies). The team charter should lay out decision-making roles

and responsibilities. Sponsors need not be involved at every step, but do need to work with the team to make informed decisions.

1.3 Determine initial scope.

- An initial statement of scope bounds the planning effort and puts everyone on the same page. A team planning effort should not be launched until agreement has been reached with the sponsor on initial scope. The scope will evolve – initial scope should be defined as specifically as possible, but the initial scope is just a starting-point (see SCOPE).

1.4 Be explicit about any initial constraints or assumptions.

- To the extent possible, clarify any budget and other resource constraints for both planning and implementation of the plan at the outset (see CAPACITY & FINANCES for guidance on resource considerations; note that you'll be asked to set aside resource constraints when generating potential strategies).
- Capture other assumptions or constraints (e.g., donor requirements, externally imposed deadlines).

1.5 Determine if partners or stakeholders will be engaged in a collaborative planning process.

- Including partners is encouraged if it has a clear strategic purpose. However, adding more organizations and more people to a planning process absent a clear purpose can be time-consuming and unproductive. See text box below for specific guidance on deciding which partners to include in the planning process.

1.6 Design the planning process to fit the decisions and situation.

- Document decisions made to date and determine which planning questions have already been sufficiently addressed to determine where to begin the CBP process.
- TNC strategies increasingly call for greater internal collaboration and coordination. Ensure that key internal stakeholders are engaged at key decision points and steps in the process.

1.7 Develop a scoping paper and assemble a diverse planning team.

- Conduct initial research and summarize the findings in a white paper prior to launching a team effort; this step will save time and effort and establish a common foundation. A white paper can also support initial engagement with prospective donors/investors.
- Identify needs and recruit a multidisciplinary team with representation from appropriate organizational scales. Plan on making some changes to team composition throughout the process.
- Build the team around a group of topical experts representing key TNC programs, and include Philanthropy and Marketing members at key decision points (i.e., donor interest will ideally influence outcome framing and strategy selection).
- Consider engaging an experienced facilitator, coach, or professional planner/evaluator. If you use a consultant, make sure they are familiar with this

planning guidance, and rather than follow a rote process, ensure that their process will lead to sound answers to core TNC planning questions and decisions, using TNC terminology and requisite formats.

1.8 Develop an initial vision statement (optional).

➲ Many teams find that developing a vision statement provides a shared sense of purpose. A vision statement may be used as the basis for formulating a project goal later in the planning process (see GOAL).

When Should We Include Partners in Conservation Business Planning?

Be clear about planning purpose

➲ Collaborative planning with partners is encouraged if it has a clear strategic purpose. Remember that a partner is different from a *stakeholder* (see glossary in APPENDIX J), and that TNC works with partners in varying degrees of intensity (see link to *Cooperation Coordination Collaboration table* in Additional Guidance). Being clear about the kind of relationship you have with your partners can help you decide whether or not they should be a part of a planning process. Including more organizations and people absent a clear strategic purpose can be time-consuming and unproductive.

When partners SHOULD be included in the CBP process:
1. Partners have the time and resources for meaningful engagement
2. Joint planning and action is a clear priority for all parties
3. You are jointly delivering results for an identified outcome
4. Achieving outcomes depends on working closely with those partners
5. TNC budget decisions will impact partners or vice versa
6. You are jointly fundraising
7. You have MOUs, Teaming agreements and/or joint work plans in place
When partners SHOULD NOT be included in the CBP process:
1. Partner activities are not directly affected by TNC effort
2. TNC budget decisions do not influence the level of effort or outcomes of partners
3. You are not jointly marketing or fundraising for the work
4. The line or handoff between TNC and partners is clear, and it is less about integration than it is about grant agreements

Treat collaborative planning as a strategy

➲ If this is a new effort, and working with partners has already been determined to be a key strategy, then engaging them at an early stage is essential to gain buy-in and trust. In this case, treat *planning* as a core strategy and *joint priority-setting* as an important result in the overall "theory of change" (Sections 8, 9, and 10). If you already have a well-defined plan that has buy-in from partners and stakeholders, it is not essential that they participate in the actual writing of a TNC Conservation Business Plan, unless you end up needing to make major changes.

Additional Guidance

- Open Standards for the Practice of Conservation
- Open Standards Training Manual (Define Initial Project Team: 12-16)
- Conservation Partnership Center
- Cooperation Coordination Collaboration table

ASSESS: **PRIMARY INTERESTS**

What are the relevant primary interests in this place or problem?

Primary interests[3] **represent "what matters" to TNC, influential actors, and important stakeholders** regarding a focal place or problem. Primary interests provide **initial ideas for outcomes** and can be used as **opportunities** or **constraints** when selecting strategies.

Defining primary interests early in a planning process increases the likelihood that **non-conservation values and needs** will, when appropriate, be integrated with conservation outcomes, potentially leading to new strategies and more socially relevant results.

In summary, primary interests may be used to:

1. Clarify and contrast TNC interests with the interests of important actors and stakeholders;
2. Develop outcomes;
3. Probe alternative theories of change and select optimal strategies; and/or
4. Avoid unknowingly harming the interests of stakeholders.

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[3] ⊙R&D Topic. See APPENDIX C for discussion of relationship between primary interests and traditional Open Standards and Conservation Action Planning conservation target goals.

SUPPORTING CBP ELEMENTS

- Table of prioritized TNC interests
- Analysis of actors' and stakeholders' interests and influence
- Table of conservation and/or human well-being targets (with current status)

KEY TERMS

A **primary interest** is a statement of "what matters" to TNC, influential actors, or important stakeholders. Some, but not all, primary interests will be converted into outcomes during planning (see PREPARING TO PLAN). Primary interests generally are end-oriented and "fundamental," but depending on the situation may include important "means" (e.g., change in an enabling condition).

Stakeholders are definable individuals, groups, or institutions that have an interest in or will be affected by a conservation intervention.

Actors are individuals, groups, or institutions who are engaged in or expected to have significant influence over outcomes.

Examples:

Table 1. Examples of different kinds of interests (TNC, stakeholder, actors)

Ecological (e.g., ecological systems, communities, species, processes)	• Conserve large blocks of wetland mosaics • Maximize floodplain connectivity • Maximize protection of groundwater recharge areas • Maximize protection of key geophysical features and gradients for climate adaptation
People (e.g., economic well-being, health, education, safety & security, social wellness, ecosystem services)	• Minimize risks and impacts to infrastructure from natural hazards • Increase sustainably managed seafood supply • Meet future water needs of downstream communities
Institutions (e.g., practices, policies)	• Minimize supply chain dependence on freshwater and related risks
Impacts and Threats	• Minimize nutrient runoff from agriculture • Minimize greenhouse gas emissions from deforestation/degradation
Enabling Conditions (e.g., policy, financing, public support)	• Maximize regulatory compliance • Secure sustainable funding sufficient to cover projected future costs • Maximize stakeholder influence in decision-making
Strategic & Tactical	• Maximize scalability of REDD+ by demonstrating that it can be operationalized

Process Recommendations:

2.1 Harvest primary interests from existing priority- or goal-setting processes.

- Priorities defined by others may serve TNC purposes and save planning time. In many places, TNC has already identified biodiversity goals (species, natural communities, and ecosystems). Assessments and plans produced by, for example, government agencies, development organizations, scientific bodies, industry groups, and conservation NGOs will have already influenced societal priorities and stakeholder primary interests. The underlying data will likely provide a solid foundation and will help determine what additional analyses and information may be needed.

2.2 Define primary interests across a range of potential outcomes: ecological, people, management and practice, and funding. ⊙R&D Topic.

- If there is sufficient knowledge about a given interest, it should be defined based on a specific quantity, but if less is known it can elucidate a change in trend.
  - **Specific quantity**: *Secure protected status for 50% of primary forest areas; 75% of watershed residents have access to potable drinking water within five years*
  - **Change in trend**: *Decrease rate of forest conversion; Decrease rate of annual soil loss from agricultural lands; minimize nutrient runoff from row crop agriculture.*

2.3 Define TNC's initial primary interests.

- Why begin with TNC's primary interests rather than stakeholders or actors? At the outset, that's what the team will know best, and clarifying TNC's primary interests provides the foundation for next steps. Every planning process begins with some primary interests already defined (e.g., inherited from prior planning or priority-setting efforts, defined by a funder or partner). These are often identified during the initial scoping involved in formulating a team charter (see PREPARING TO PLAN).
- TNC primary interests may include typical "end-oriented" conservation target goals (per the Open Standards), abating a particular critical threat, or "means-oriented" enabling conditions, such as improving or creating particular policies, funding mechanisms, or management practices.
- Refine and prioritize primary interests by continually asking "why is this important?" to get to the most fundamental interest.

2.4 Identify influential actors and important stakeholders and their primary interests.

Identifying all actors and stakeholders may require first completing a CONSERVATION SITUATION ANALYSIS.

- To identify actors and stakeholders and their primary interests, begin by analysing existing sources of information if available (e.g., strategic assessments, reports by governments or development agencies), interviews with key informants, or if

warranted, use more formal assessment methods (e.g., *WWF Stakeholder Analysis* – see Additional Guidance).

- The larger the problem or place, the larger the number of actors and stakeholders. Many tools exist for assessing influence, power, and motivation (see Additional Guidance), which can help the team focus on those whose primary interests matter the most.
- Consider powerful and influential actors and agents of change, as well as stakeholders that might be disadvantaged, marginalized, or unduly impacted.
- Identify the information streams most likely to reach and influence actors and stakeholders. Where and how do they acquire the information they use for decisions? How will you address them with your program's knowledge materials? See *Incorporating Knowledge Sharing into Your Business Plan tool* to identify needs by audience – see Additional Guidance)
- Do no harm: Conduct at least a desktop assessment of potential social impacts (see RISKS, 11.3)
- Because women are often on the forefront of natural resource management in developing countries, pay special attention to their interests and consider disaggregating interests (and impacts) by gender.
- Tools such as "objective hierarchies" and "ends-means networks" can be used to evaluate and clarify relationships, synergies, and conflicts among primary interests. Social scientists, policy experts, and economists have their own tools, including "policy decision process flow charts," "commodity value chain diagrams," "trade maps," and others. A number of downloadable analytical tools are available free or at modest cost via the internet (see Additional Guidance).
- Refine and prioritize primary interests by continually asking "why is this important?" to get to the most fundamental interests.
- Primary interests should be defined in specific terms, as described above.

2.5 Estimate actor and stakeholder levels of power, influence, or disadvantage.

- Doing this should narrow and focus the list of important actors whose behavior and decisions we'll need to understand and influence, as well as the stakeholders who may be negatively or positively impacted by conservation actions.
- Useful tools include, for example, *stakeholder influence mapping* (see Additional Guidance), which assesses and compares power and influence among various stakeholders.

2.6 Flag synergies and conflicts among TNC, stakeholder, and actor interests.

- This sets the stage for selecting and framing TNC's outcomes and selecting among alternative strategies later in the planning process (see STRATEGY SELECTION).

Additional Guidance

- Open Standards Training Manual (Target and target status: 25-31)
- Human well-being target guidance
- Stakeholder Analysis Theory, Methods and Tools
- Stakeholder influence mapping
- Conservation Partnership Center
- WWF Standard 1.4 – Stakeholder Analysis
- Incorporating Knowledge Sharing into Your Business Plan

ASSESS: **CONSERVATION SITUATION**

What are the major ecological, political, or socioeconomic factors that impact primary interests or present opportunities?

TNC's conservation priorities can generally be classified as **big problems** or **large places**. Problems are widespread, urgent, and severe environmental issues affecting nature and people (e.g., global unsustainable agriculture) in many places in the world. Places are selected large landscapes, watersheds, or seascapes (Magdalena River Basin, Colombia).

Much of **situation analysis** is focused on identifying root causes and drivers of change relative to a problem or place, and how those changes **impact nature and people** and specifically, TNC primary interests and those of **important actors and stakeholders**. A situation analysis is an explicit articulation of how political, socioeconomic, institutional, and ecological factors create **impacts** or **threats**, **drive change**, and provide **opportunities** for conservation intervention.

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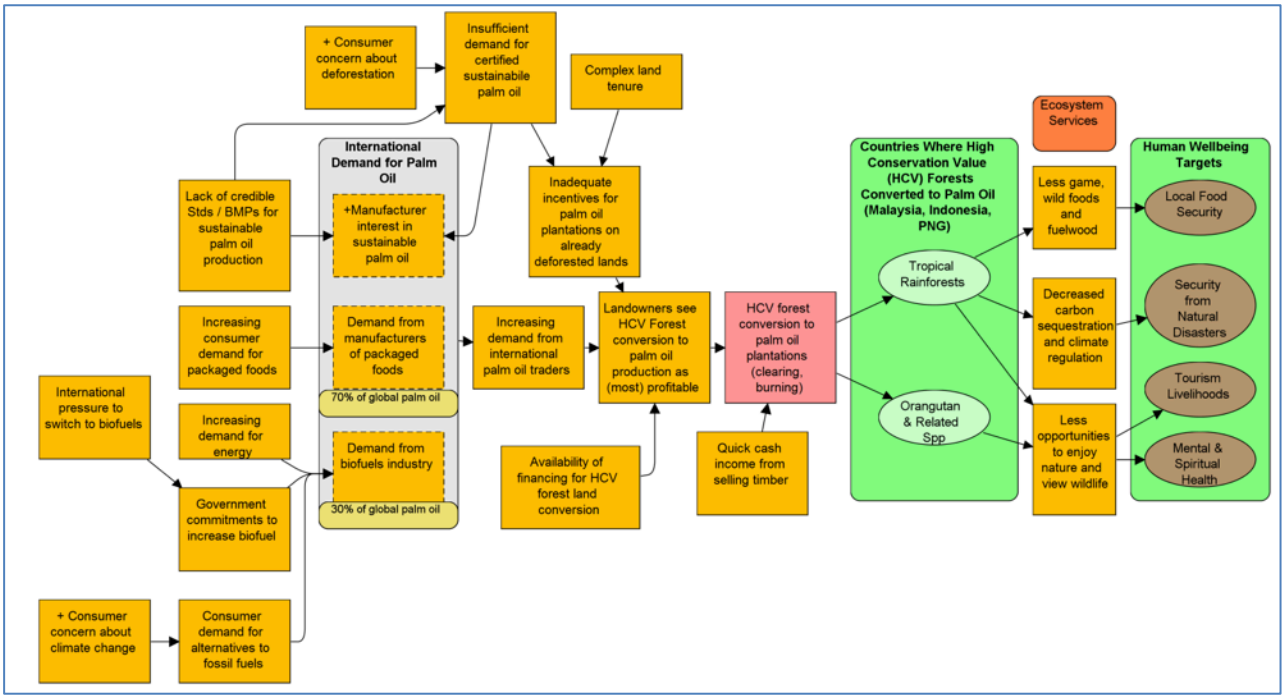
SUPPORTING CBP ELEMENTS

- Situation analysis narrative summary
- Situation analysis summary diagrams
- Brief discussion of key leverage or scaling opportunities
- Direct threat summary table with threats ranked

KEY TERMS

Situation Analysis: An assessment that weighs the key factors affecting interests in a place or problem, including the political, socioeconomic, institutional, and ecological factors creating impacts or threats, driving change, and providing opportunities for conservation intervention

Examples:



EXAMPLE: Diagrammatic situation analysis from WWF Palm Oil market project indicating primary drivers of deforestation in three tropical countries with High Conservation Value (HVC) Forests. WWF used this model and other analyses to inform and narrow their theory of change and selection of strategies.

Process Recommendations:

Assess what the team already knows about the PRIMARY INTERESTS of influential actors and important stakeholders

3.1 Gather and summarize available information on impacts and threats to primary interests.

- Review what is known about impacts and threats concerning this problem or place including all the potential interests (see PRIMARY INTERESTS). Existing impact and threat assessments may serve TNC purposes and save time and effort. Existing data and analyses can provide a solid science foundation for any new efforts and help determine what additional analyses and information may be needed. Consider assessments and plans produced by, for example, government agencies, development organizations, scientific bodies, industry groups, and conservation NGOs. This may also include interviewing TNC experts, subject matter experts, key informants, stakeholders, and partners using appropriate expert elicitation techniques (see *TNC Planning Evolution Team Report* link in Additional Guidance.)

3.2 Describe the cause and effect relationships among impacts, threats, drivers, and root causes.

- Identify both root causes and more proximate causes, paying particular attention to those that lie within our "sphere of control and influence" (see Box 1 in MEASURES).
- In addition to identifying current drivers, teams should also assess projected future drivers or trends and integrate them into analyses and descriptions.
- Be clear and succinct. Ideally, use a combination of narrative descriptions, figures, or diagrammatic models to describe or illustrate the most important drivers and trends. Diagrammatic models (see Example above) can help make assumptions and relationships among factors explicit. (Miradi Adaptive Management software can assist with model construction.)

3.3 Link actors and stakeholders to particular impacts, threats, or drivers.

- This helps to identify the most important or influential actors and stakeholders.
- Also note and track where and how important or influential actors and stakeholders receive knowledge that influences their actions. See also *Incorporating Knowledge Sharing into Your Business Plan and tool* (see Additional Guidance).

3.4 Document agreement/disagreement, knowledge gaps, and uncertainties, and verify situation "model" with TNC partners, important stakeholders, and experts.

- The increasing scale and complexity of TNC work means that knowledge and understanding will always be incomplete and team members (as well as partners and stakeholders) may not agree on every detail.
- Every situation analysis should be accompanied by a brief description of current uncertainties, knowledge gaps, and disagreements.

- Be wary of consensus. Some basic level of agreement is necessary to move forward, but seeking consensus may obscure uncertainty. Uncertainty can be a very useful variable in evaluating alternative strategies and theories of change.

3.5 Identify obvious scaling/leverage opportunities or other potential interventions.

- This will be explored more rigorously as the project's theory of change is developed (see STRATEGY LOGIC), but thinking about it now is a natural fit and will improve the situation analysis.

Re-evaluate and revise TNC PRIMARY INTERESTS as needed.

Additional Guidance Links

- FOS Conceptual Models
- Open Standards Training Manual (Threat identification and ranking: 44-54; Situation analysis: 56-65)
- Structured Decision Making (SDM) – Means-Ends Diagrams
- TNC Planning Evolution Team report (p. 24)
- Incorporating Knowledge Sharing into Your Business Plan

ASSESS: **SCOPE**

What is the scope of this project?

Scope summarizes agreement on **what a project is—and what it is not**. It makes explicit a project's strategic, geographic, and temporal boundaries, defines expectations and limits "scope creep."

Strategic scope describes the focus of TNC's strategies (e.g., energy sector, not transportation sector) and the major actors whose behavior we are trying to influence (e.g., World Bank). **Geographic scope** describes where TNC will *directly* implement strategies and produce results (e.g., Papua New Guinea, not Australia; watershed A, not watershed B). **Temporal scope** defines the timeframe in which significant results are expected (e.g., within 5 years, by 2020) and is captured in outcome statements.

For global strategies that cross multiple organizational boundaries and whose implementation requires support from many programs, scope also includes documenting **project relationships** and agreements among programs. Scope-related agreements are captured in the CBP Term Sheet (see OVERVIEW).

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Required Core CPB Element*

- Summary of strategic and geographic scope, including identification of directly involved TNC country programs and/or place-based projects.

KEY TERMS

Scope: A statement that defines expectations and makes explicit a project's strategic, geographic, and temporal boundaries.

Examples:

Global Sustainable Agriculture

Strategic Scope

- Sectors
  - Grazing, ranching, agroforestry, and biofuels.
  - Excluded: forestry, fisheries, and extractivism (harvesting of products in the wild)
- Commodities
  - Sugar cane, corn, rice, wheat, potatoes, soybeans, beef
- Funding and policy actors
  - Gates, Moore, Rockefeller, Packard, Walton, McKnight, Buffet, and MacArthur; USAID, CGIAR, FAO, BNDES in Brazil.
  - Chinese and African targets TBD.
- Corporations
  - Top 10 agricultural companies: Cargill, Bunge, Monsanto, ADM, Mosaic, Syngenta, JBS, Marfrig, John Deere, Pioneer.
  - Key influencers in retail/processing: Wal-Mart, McDonalds, China Foods, Brasil Foods

Geographic Scope

- 2014-2016 core TNC countries and subregions
  - United States: Iowa, Indiana, Illinois, Minnesota, California, Nebraska, Idaho
  - Brazil: Amazon and Cerrado
  - China: TBD
  - East Africa: TBD
  - Colombia: Magdalena and Llanos
- 2016-2020 expansion/pipeline:
  - Argentina, Australia, Indonesia, and Mexico

Process Recommendations:

Review CONSERVATION SITUATION and STRATEGIES. While teams will have an idea of initial scope (see PREPARING TO PLAN), scope will be influenced by situation analysis and defined by strategy selection.

4.1 State what is in (and/or not in) strategic scope.

- Strategic scope defines TNC's specific focus relative to a problem or place. Specifics will vary but may include, for example, particular socioeconomic sectors, institutions, actors, policies, or threats that are the focus of strategies and actions. Identifying what is not included helps further clarify and narrow scope.

4.2 State what is in (and/or not in) geographic scope and identify related TNC projects or strategies.

- Geographic scope defines where TNC will work to directly implement strategies and produce results. Geographic scope may include an entire country (e.g., national policy) or specific places in that country (e.g., particular watersheds). Identify particular TNC projects where we are working directly on the ground or in the water. If needed for clarification, also identify where TNC will not work (or is no longer working), and any places where expansion is expected to occur within the timeframe of the plan.

4.3 Include temporal scope in outcomes.

- For GCGS strategies and place-based projects, significant results are expected to occur by 2020 or before. For all other TNC projects, the timeframe of a CBP is generally 10 years.

ASSESS: **STRATEGIC ADVANTAGE**

What is TNC's strategic advantage relative to other conservation actors?

This step includes evaluating other organizations whose **niche, expertise, or role** may overlap with or complement ours.

This assessment is meant to avoid duplication of effort, help identify key partners and clarify our "value." It will also support the case for **TNC's unique strategic advantage**, which is of increasing interest to funders.

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Supporting CPB Elements

- Table or narrative describing TNC's comparative strengths and advantages relative to other major conservation actors working on the same problem or in the same place.

KEY TERMS

Strategic Advantage: TNC's niche, strengths, and weaknesses relative to other conservation actors in terms of addressing a particular conservation challenge.

Examples:

STRATEGIC ADVANTAGE: GLOBAL FORESTS AND CLIMATE

The forest and climate "industry" is experiencing growth, funding, and media attention of dot-com proportions. A large, growing, and diverse group of organizations is now involved in various aspects of forests and climate, including the forest nations themselves, environmental groups, development NGOs, technical advisory firms, industrial development experts, and various types of funders and investors. The Conservancy nonetheless brings several unique strengths to this space:

- On-the-ground expertise with forest and agricultural dynamics and conservation in over 30 countries
- $50 million portfolio of implemented forest carbon projects, including the first third-party verified REDD+ project in the world (Noel Kempff)
- Applied science capability, credibility, and standards
- Complex project and deal development expertise
- Highly influential network of supporters and influencers in the U.S. and other key countries
- Policy capability informed by on-the-ground experience
- Engagement with commodity producers, processors and traders to implement practical, low-carbon, on-the-ground business solutions in forest nations (particularly Brazil and Southeast Asia)
- Geographically, among the major forest nations, the Conservancy is deeply invested in key countries in Latin America (e.g. Brazil, Mexico, Andes), Indonesia, Pacific Islands, China, Australia, and the U.S.
- One of few organizations that works in an integrated manner across REDD+ field implementation, science, policy design and advocacy

There are some key areas, however, where other organizations are clearly stronger:

- National industrial development strategy (e.g., World Bank and McKinsey are stronger)
- Community development and poverty issues (e.g., CARE and World Vision are stronger)
- Learning and training (e.g., universities and specialized institutes are stronger)
- Policy advocacy and communications (e.g., UCS and EDF have more capacity)
- Corporate and industry engagement on demand for high-carbon products from the sourcing side (as opposed to the supply-side described above as a strength) (e.g., WWF, CI, Greenpeace are stronger)
- Geographically, among the major forest nations, the Conservancy is not as deeply invested in Africa, Indochina or southern Asia as other groups (e.g. WWF, CI, WCS)

In these "gap areas", the Conservancy will defer to or partner with other organizations. In some cases the Conservancy may build deeper capability itself if necessary. We will continue to evaluate opportunities for larger strategic partnerships, but proceed cautiously due to the risk and complexity of making these partnerships successful.

Process Recommendations:

5.1 Evaluate TNC's niche, strengths, and weaknesses relative to other conservation actors.

- Identify potential competitors or partners or other conservation actors that share our primary interests or niche for addressing identified drivers of the problem.
- Evaluate power, influence, expertise, experience, resources, contacts, reputation, and other relevant factors. A number of relatively simple evaluation methods and tools are available on-line (search for "stakeholder analysis" and "stakeholder influence"; e.g., *Overseas Development Institute* – see Additional Guidance).
- Consider how TNC's contacts, influence and expertise can align with actors' and stakeholders' knowledge needs.

Additional Guidance Links

- Overseas Development Institute (Stakeholder Analysis)
- Stakeholder Influence Mapping Tool
- Stakeholder Analysis – Protected Area Management Manual
- Stakeholder Analyses - MindTools
- Stakeholder Analysis Guidelines (Kammi Schmeer)

ENVISION: **GOALS**

What is our overall conservation goal?

For conservation business planning purposes, a **goal** is a summary of a project's **main outcomes** and **key strategies**.

Goal statements directly support **marketing** and **fundraising** and will be adapted as needed for different audiences and purposes.

REQUIRED CORE CBP ELEMENTS *

- Succinct goal statement

KEY TERM

Goal: High-level summary of the Conservancy's main outcomes and key strategies relative to the scale of an important conservation need or challenge.

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Examples:

Goal: Global Forests and Climate

The Conservancy will help reduce annual tropical deforestation and degradation by 50% from the historical 2000-2010 average, avoiding annually 2 billion tons CO2 emissions and 6 million hectares of deforestation and degradation by: demonstrating and promoting learning from REDD+ in strategically important forest nations; mobilizing public and private capital; shaping global policy frameworks; and engaging governments and industry in reduced-carbon supply chain practices.

Process Recommendations:

6.1 Develop a goal statement that captures main outcomes and strategies.

- Focus on the big cumulative change that will result from TNC strategies.
- The goal statement need not be polished, but should make clear how the world will change as a result of our actions.
- Timeframe should be aligned with the next capital campaign, ending around 2020, or addressing a trajectory of change that can be accomplished by 2020.
- Use simple, clear, non-technical language (to the extent possible) that can be adapted by Marketing and Philanthropy for different audiences and purposes (i.e., it doesn't need to be perfect).
- Provide context by stating the desired results relative to what is needed to fundamentally change a problem or make a difference in a place.
- The goal may reflect contributions from multiple actors.
- The statement should be succinct, typically one to two sentences.
- The goal may reflect knowledge and learning outcomes and strategies.
- Consult with Philanthropy and Marketing staff during development.
- The goal statement will evolve as the planning team proceeds through identification of OUTCOMES and STRATEGY SELECTION.

ENVISION: **OUTCOMES & INDICATORS**

What are the intended outcomes of our strategies and how will we track progress towards achieving them?

Outcomes are the foundation of conservation business planning. Taken together, outcomes[4] and **indicators** are explicit statements of how we believe the world will measurably (see MEASURES) change as a result of our intervention. Outcomes are the intended result of our strategies and represent the most important results we will hold ourselves accountable for accomplishing. For TNC's GCGS Conservation Strategies, outcomes provide the basis for "**Conservation Impact Measures**" (APPENDIX D).

Developing outcomes is an iterative process and outcomes will evolve throughout the planning process. Outcomes may be developed in tandem with strategies. Outcomes determine strategy selection, structure activities, size budgets, and inform how we'll need to work together across organizational boundaries. Lastly, bold but realistic outcomes will inspire the support and confidence of staff, board, partners, and donor/investors.

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[4] Outcomes were termed "ultimate outcomes" in the previous version of this guidance.

REQUIRED CORE CBP ELEMENTS: *

- 3-5 most important outcomes with Conservation Impact Measure category and indicator

SUPPORTING CBP ELEMENTS:

- Full list of all outcomes with indicators

KEY TERM

Outcomes describe the major results we intend to achieve as a result of our strategies and within the scope and timeframe of a plan or project. Outcome statements include context, are measurable, and are the basis of most reporting measures (see MEASURES), including "Conservation Impact Measures" (CIMS – APPENDIX D) for GCGS Conservation Strategies.

Examples:

Outcomes and Indicators: Global Forests and Climate
(with Conservation Impact Measure (CIM) categories)

1. Annual tropical deforestation and degradation is reduced by 50% from the historical 2000-2010 average, avoiding annually 2 billion tons CO2 emissions and 6 million hectares of deforestation and degradation by 2020. *(CIM Ecological - Mha/year [demonstration countries and global]; Carbon emissions [tCO2/year])*
2. 100,000 people with "significant" increase in human-well-being level in Priority TNC demo programs (Berau, Sao Felix, and Three-State Yucatan) by 2020. (*CIM People – indicators for material opportunity, security, and participation are under development*)
3. Annual global public funding [disbursements] for REDD+ reach $5 billion by 2020 (*CIM Sustainable Finance - $ secured for REDD+ at demo sites and REDD+ global funding*)
4. Full achievement of forest sector policy goals within the Copenhagen commitments by Brazil, Indonesia, Mexico, and China by 2020.(*CIM Policy - % of forest sector policy goals achieved*)
5. Increase countries with approved Readiness Packages by the Forest Carbon Partnership Facility to 7 by 2015 and 15 by 2020 (*CIM Management - # of countries with implementation readiness packages approved (demo programs and global*)

Process Recommendations:

Use PRIMARY INTERESTS as a springboard for defining outcomes. (See example at end of this section of how an interest can evolve into an outcome.)

7.1 Develop a set of measurable outcomes.

- Describe the most important results TNC is intending to achieve as a result of strategies and relative to an important conservation problem or place.
- Most often there is, at minimum, a specific measurable outcome defined for each major strategy so one can determine if a strategy is having its intended result.
- Include only outcomes where TNC has a clear role and strategy.
- Generally limit outcomes to 5-10 in total number[5] for project management purposes
  - Additional important results may be more appropriately captured as results-based activities or intermediate results (see STRATEGY LOGIC); results-based activities or intermediate results are important predecessors to outcomes.
- Each outcome should be expressed with one concise, complete sentence describing a single important result, unless multiple results are causally related to the same strategy (e.g., reducing deforestation also reduces greenhouse gas emissions).
- Use language and terminology that will resonate with key external audiences (e.g., funders, decision-makers).
- A complete outcome statement includes five parts:
  1. **what** we are trying to change described in specific terms
  2. a specific measurable **quantity** or **change in trend**
  3. **context** for TNC's intended outcome (e.g., relative to geographic scale of widespread threat; economic impact relative to an entire economic sector, etc.)
  4. **timeframe** within which outcome or portion of an outcome is expected to occur
  5. specific measurable **indicator** that will be used to assess achievement of the outcome
- Outcome **timeframe** should generally be about 10 years, but is determined by realistic estimates of required time, resources, and effort required to achieve an outcome; if a 10-year timeframe is not feasible, state what portion of the outcome will be achieved within 10 years. GCCS strategy outcomes are to be expected by 2020 or sooner.

7.2 Identify indicators when developing outcomes

- Three reasons for defining indicators during outcome development:

[5] The number of outcomes will vary with scope and scale. Meeting the other requirements of good outcome statements (e.g., specific and measurable) may require including additional outcomes.

1. An indicator clarifies, and makes operational, the way specific intended changes will be tracked and evaluated (e.g., "days of undrinkable water" for an interest of “protecting drinking water supply”).
2. Indicators aid in evaluation of the anticipated performance of alternative strategies during strategy comparisons (see STRATEGY SELECTION).
3. For GCGS Strategies, indicator selection at an early stage enables development of Conservation Impact Measures (CIM) dashboards for reporting on progress for a selected set of outcomes.

- Additional information on selecting indicators is described in MEASURES, 12.3 and APPENDIX D (Conservation Impact Measures).

7.3 Refine outcomes as you proceed through the planning process.

- Outcomes will evolve during strategy selection and measures development (See “Evolution of an Outcome” box below.)
- Outcomes should be revised during or after STRATEGY SELECTION, evaluating RISKS and assessing CAPACITY & FINANCES, to ensure that they are still relevant and realistic.

Revise GOAL once outcomes have been defined.

EVOLUTION OF AN OUTCOME
(Adapted from an actual "Policy & Practice" outcome)

ITERATION	EVOLVING STATEMENT (2-Year process; 1 of 4 outcomes)	CRITIQUE
1	• **Minimize impacts of development to nature and people.** • **Maximize business adoption of mitigation hierarchy.**	**TNC "interests" defined during early planning** • General interest is clear, but scope is very broad
2	**Mining and energy sectors adopt "net positive impact" development policies.**	**Converted to an outcome based on situation analysis** • Good foundation for early planning • Big idea; more focused and compelling • Lacks relevant "impact" context
3	**By 2020, 10 mining and 10 energy companies adopt "net positive impact" development policies.**	**Made more measurable** • More specific, measurable, & time-bound • Lacks relevant "impact" context
4	**At least 10 mining and 10 energy companies representing more than 50% of their respective industry's market capitalization adopt and support "net positive impact" policies by 2020.**	**Refined during strategy selection and development of theory of change** • Provides context: Market cap infers impact relative to entire sector • Too much "planning speak": "at least," "more than"
5	**20 of the world's largest and most influential mining and energy companies, representing >50% of each industry's market cap, enact and champion "net positive impact" policies by 2020.**	**Improved by marketing and philanthropy input** • Effectively same as above, but more concise and compelling

DESIGN: **STRATEGY GENERATION**

What strategies should be considered?

Strategies are a coordinated set of actions taken to achieve OUTCOMES. Generating a group of strategies for the planning team to consider is the first step in formulating a **theory of change**, which will ultimately explain how we expect selected strategies to achieve outcomes.

For projects addressing large-scale problems or places, a theory of change is focused on **scaling** and **leverage**—that is, how we expect to intentionally design strategies that amplify our resources and multiply our impact. A number of intentional approaches and methods have already been developed (see *Designing for Scale* in Additional Guidance) that can be used singly or, more likely, in combination to achieve impact at scale.[6]

Consider **integrating spatial and strategic planning and analyses** into strategy generation, selection, and design at the outset—or pursue spatial planning as an intentional influence strategy aimed at informing a targeted decision process (e.g., marine spatial planning). See APPENDIX G for several examples that illustrate the benefits of this approach.

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[6] Of special note, "demonstration" is not a scaling strategy in and of itself and rarely results in significant change unless integrated with other activities as part of a larger strategy aimed at influencing a specific policy, practice, or actor.

SUPPORTING CPB ELEMENTS:

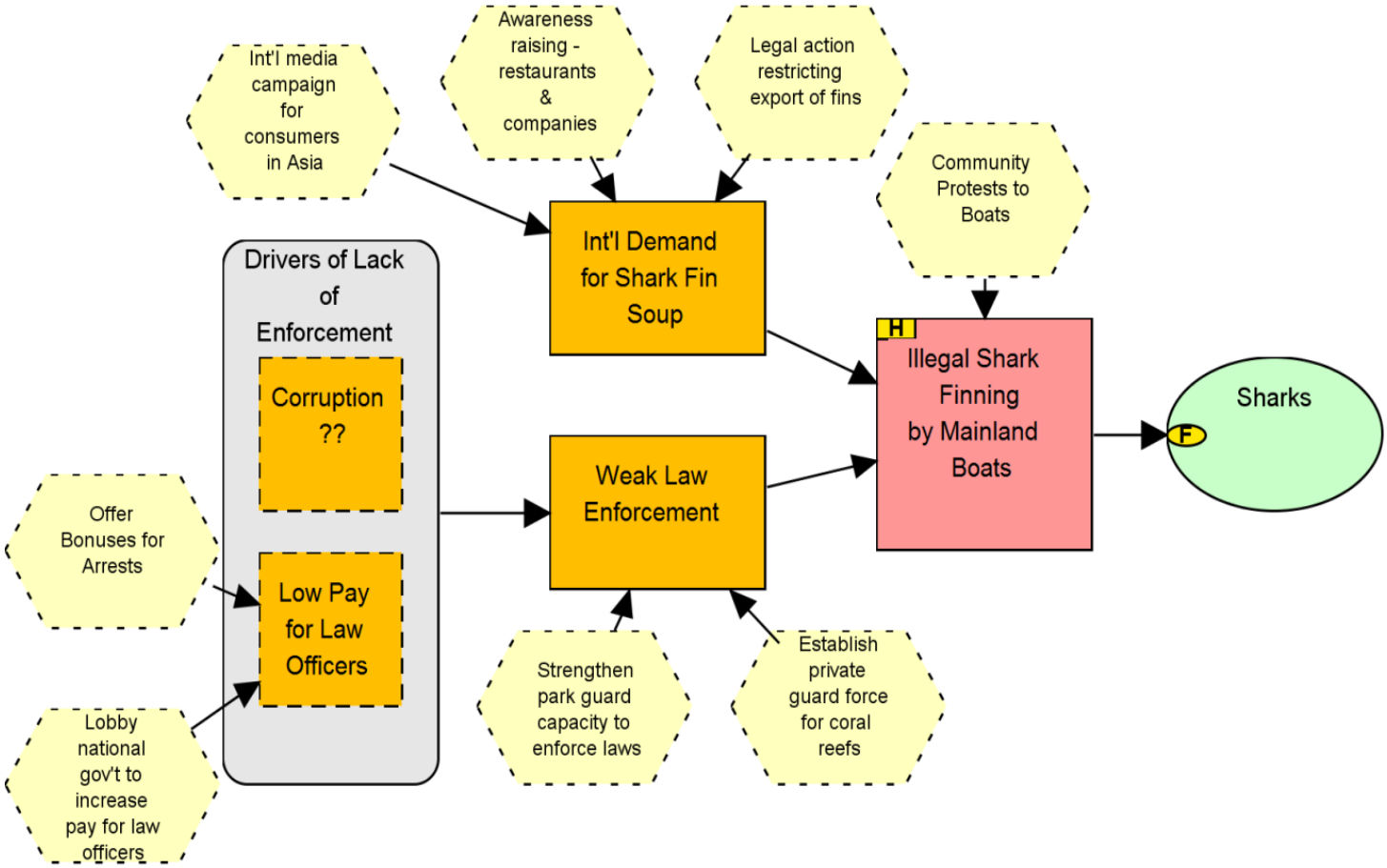
- Identification of key intervention points
- List of alternative strategies considered (in appendix)

KEY TERMS

Strategy: A broad course of action with a common focus designed (alone or together with other strategies) to achieve specified outcomes and related intermediate results. Strategies focus on "means" – the "how" for achieving particular results. Strategies arise from the situation analysis and are backed by a robust theory of change.

Theory of change: Explanation of how and why our strategies will achieve intended outcomes.

Examples:



EXAMPLE. List of alternative strategies for addressing illegal shark-finning, in diagrammatic form, and prior to strategy selection.

Process Recommendations:

8.1 Review outcomes, situation analysis, and lessons learned from similar efforts.

Review OUTCOMES and CONSERVATION SITUATION

- Revisit situation analysis and clarify any "immovable constraints" (e.g., legal or regulatory limitations) clearly and succinctly.
- Defer consideration of any other apparent constraints (including budgetary constraints) until later in strategy deliberation.
- If you conducted a threat analysis, focus attention on the most critical threats and their contributing factors.
- If you are using a situation analysis diagram (see CONSERVATION SITUATION), explore key intervention points where making a change would have disproportionate leverage (i.e., where an intervention could have large effects on many factors in model). See Figure 1 for a problem-based example of a situation analysis diagram, with stars at key intervention points.
- Outcomes need to be sufficiently clear to allow discrimination among alternatives.
- If some aspect of human well-being has not already been identified as an interest/outcome, then identify the likely human benefits (or costs) of possible strategies.

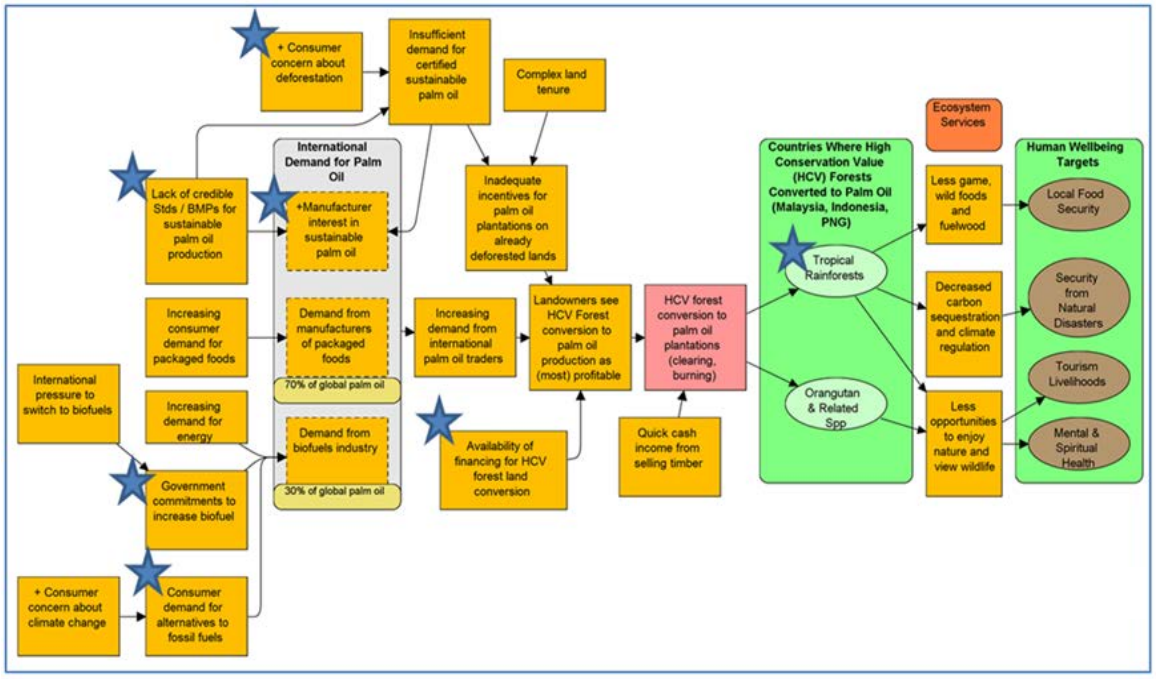


Figure 1. Situation analysis diagram for the WWF Palm Oil project. Stars indicate the places in the situation analysis the team believes have the highest potential for conservation intervention.

8.2 Harvest lessons learned from similar conservation efforts.

- For the issues identified in the situation analysis, evaluate what has been tried elsewhere (in conservation or in other fields), what has succeeded or failed, and the supporting evidence.
- Conduct a literature review, including online databases like *ConPro and Collaboration for Environmental Evidence* (see Additional Guidance).
- Interview experts familiar with the issues identified during the situation analysis.
- Determine who else within TNC may have faced a similar situation and have lessons to share. Are there CONNECT Communities, or Communities of Practice, that relate to this topic? Post a question to others who might have experiences to share.

8.3 Engage people with different backgrounds and skills.

- Seek input from generalists who are good strategic thinkers, experts familiar with the factors and intervention points identified in the situation analysis, and individuals that provide a mix of motivations and backgrounds– diversity is critical.
- Consider consulting experts from other sectors who are grappling with generically similar problems and who may have found creative solutions not currently being tried in conservation.
- Engage philanthropy staff at key points, especially where knowledge of donor interest or intent can inform decisions.
- Search CONNECT for people with relevant skills or project experience.

8.4 Generate a range of alternative strategies, paths, or solutions. (See the Example at the beginning of this section)

- Strategy generation should be an iterative process and as objective as possible.
- Review principles and approaches of effective scaling and leverage strategies (see *Designing for Scale* in Additional Guidance) and consider integrating spatial and strategic analyses (see APPENDIX G).
- Initially focus on developing potential solutions/strategies for each individual outcome/interest.
- In the initial stages, focus on strategies that are capable of achieving outcomes at the targeted scale irrespective of budgetary constraints (these will be considered during strategy selection). Creativity and innovation should be encouraged.
- Describe alternative strategies using a standard format that will allow comparison among alternatives (e.g., see tables in Boxes 3-8 in Appendix F).
- Pay particular attention to avoiding the tendency for teams or individuals to focus or anchor on familiar strategies or strategies in which we already have deep investments.
- Defining strategy logic by describing the causal chain linking strategies to intermediate results and to outcomes is addressed in the STRATEGY LOGIC section. However, some teams may choose to build logic models (i.e., results chains) in reverse order by working backwards from desired outcomes to identify major intermediate results needed before

an outcome can be achieved. The team can then brainstorm the strategies needed to achieve these intermediate results. (See STRATEGY LOGIC for more information.)

8.5 Minimize groupthink, dominance, and other limitations of group processes.

- Purposefully make strategy generation a structured, transparent, and iterative process.
- Ask individuals to develop alternatives independently, prior to convening in groups.
- Use separate small groups to generate alternative solutions, then convene larger group for peer review, synthesis, and to eliminate clearly inferior alternatives.
- Build "disruption" into the process by inviting critique from creative or critical thinkers from outside the planning team, or even those representing other disciplines.

Additional Guidance Links

- Designing for Scale
- Open Standards Training Manual (73-83)
- Structured Decision Making – online guidance
- Structured Decision making – McDaniels et al. 2012 - Chapter 7
- ConPro
- Collaboration for Environmental Evidence

DESIGN: **STRATEGY SELECTION**

What suite of strategies has the best chance of achieving outcomes?

Once a group of candidate alternative **strategies** has been assembled through the process described in STRATEGY GENERATION, the planning team must determine which **strategies** ✪ will be pursued for implementation.

Care should be taken to make the **selection process**[7] as objective as possible by using a structured method for evaluating the relative potential of each strategy, or set of strategies, to achieve intended project OUTCOMES.

Strategy selection also involves comparing alternatives based on other TNC or stakeholder primary interests that didn't rise to the level of outcomes, but that may be, all else being equal, deciding factors in strategy selection and durability of results (e.g., minimizing costs, maximizing funding leverage, minimizing income loss).

This section summarizes four alternative approaches for strategy selection, presented in order of increasing level of rigor and effort.

1. Identification of Pros and Cons via Team Discussion
2. Rapid Qualitative Ranking
3. Strategy Matrices with Relative Ranks
4. Consequence Tables

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[7] ⊙R&D Topic. TNC's Planning Evolution Team cited strategy development and selection as "*the weakest part of our existing approach to strategic planning, with the least guidance*." [7] Significantly more work is still needed to solidify a practical and rigorous set of methods for strategy selection. See APPENDIX F for more information.

REQUIRED CORE CBP ELEMENTS: *

- List of strategies, with a short title and brief narrative description of each.

SUPPORTING CPB ELEMENTS:

- Table of strategies evaluated against specific criteria
- Brief description of strategy selection process and methods

KEY TERM

Strategy: A broad course of action with a common focus designed (alone or together with other strategies) to achieve specified outcomes and related intermediate results. Strategies focus on "means" – the "how" for achieving particular results. Strategies arise from the situation analysis and are backed by a robust theory of change.

Examples:

SELECTED STRATEGIES: GLOBAL FORESTS AND CLIMATE

1. ***Demonstrate REDD+* * *in strategically important forest nations***. REDD+ is complex, and unproven at the scales needed. Show how REDD+ can succeed in a "strategic portfolio" of specific places, including sub-national demonstration programs and national "readiness" activities.
2. ***Promote learning on REDD+ program development.*** Draw from successful concrete experiences to support implementation in a broader set of locations, and to inform policy makers on the appropriate design of REDD+ laws and regulations.
3. ***Shape global policy frameworks.*** Create financial incentives to direct investment into low-carbon development, forest conservation and restoration through effective policies, standards, and regulations, globally and in key countries.
4. ***Mobilize public and private capital.*** Structure financial mechanisms and investment to promote tangible REDD+ results, and direct the flow of funding and incentives to priority needs.
5. ***Engage governments and industry on supply chain practices.*** Work to reform public policies and corporate practices to promote the supply and consumption of low-carbon products.

* **REDD+** = Reducing Emissions from Deforestation and Forest Degradation "plus" conservation

Process Recommendations:

9.1 Avoid common pitfalls in strategy selection

- Generate alternative strategies (see STRATEGY GENERATION) and use standard criteria to evaluate potential performance. Absent this, teams are restricted to the simplest of heuristics for making decisions, such as relying on previous approaches, personal preferences, or solely on financial considerations.
- Estimating performance is an analytical step requiring information, experts, and good analytical thinkers. Project teams should engage ecologists, economists, and social scientists.
- Guidance on common mistakes to avoid when prioritizing strategies and actions can be found in *Game et al., 2013* (see Additional Guidance).
- Teams are often optimistic about fundraising and program expansion – when estimating performance among alternative strategies, consider first what can be accomplished with current resources. Leverage and fundraising potential can be included as separate strategy selection criteria.

9.2 Choose an appropriately rigorous method. ⊙R&D Topic; for more Information, see APPENDIX F.

- There are many methods for comparing strategies that range from simple team discussions to quantitative analytical techniques.
- The best approach for a particular situation will depend on the preferences of decision-makers for rigorous analyses, number of competing strategies, pre-existing level of consensus, overall level of anticipated investment in implementing strategies, and degree of uncertainty and/or availability of data regarding potential strategy impact.
- Analyzing strategy feasibility and performance should include some form of evaluation of the impact on specific outcomes, the likelihood of success that those outcomes will be achieved, and costs.
    - Impact depends on the specific measurable outcomes chosen, but should include the marginal change that the specific strategy will have on an outcome (e.g., adding 10M acres of protected areas or raising $50M in funding).
    - Likelihood of success can include uncertainty factors such as ability to deliver the outcome, strategic uncertainty (e.g., the strategy may not in fact deliver said outcome), or political uncertainty (e.g., the government may not pass a certain law). (See RISKS.)
    - Costs can range from the overall cost of achieving longer-term outcomes to the costs of implementing just our share of the solution. Costing often reveals large gaps between available funding and our ambitions, indicating the need for engagement of non-traditional partners or mobilization of new kinds of capital.

Alternatively, costing may prompt reevaluation of timelines or reconsidering whether an outcome as stated is realistically attainable.

9.3 Select strategies.

- Four alternative approaches are summarized in the table below, presented in order of increasing level of rigor. Details and examples are included in APPENDIX F, as well as via the links listed in Additional Guidance.
  - In the early days of a CBP, depending on time available, a program may choose less rigorous methods, and then can improve rigor over time if needed (e.g., especially as larger funders come into play who may require additional rigor).
  - Consider combining the different approaches. For example, use rapid, less rigorous methods to filter longer lists of candidate strategies to a smaller subset that can then be subject to more rigorous methods.
  - Comparisons can be made between specific individual strategies or between combinations of different strategies bundled together in different ways. See link to *SDM Strategy Table tool* in Additional Guidance for an example of creating composite portfolios of sets of alternative strategies.

Table 1. Four alternative approaches for selecting among candidate strategies, presented in order of increasing level of rigor. For examples, see APPENDIX F.

Approach	Description	Level of Rigor
1) Identification of Pros and Cons via Team Discussion	At a minimum, a listing of the pros and cons associated with alternative strategies, including those considered but rejected, and documented in a table.	**LEAST RIGOROUS: Most rapid method**
2) Rapid Qualitative Ranking	Longer lists of candidate are winnowed down to a smaller subset using ranking software (Miradi), for making more detailed comparisons.	**LOW RIGOR**
3) Strategy Matrices with Relative Ranks	Each strategy surviving the qualitative ranking process (Approach 2) is evaluated against a set of criteria and then ranked relative to the other strategies.	**INTERMEDIATE RIGOR**
4) Consequence Tables	Alternative strategies are compared based on evaluation criteria, so that the relative degree of likely impact can be assessed across strategies.	**HIGH RIGOR: Requires substantial time and significant expert assistance**

9.4 Add selected strategies at key intervention points if you are using a situation analysis diagram. (See Figure 1 below.)

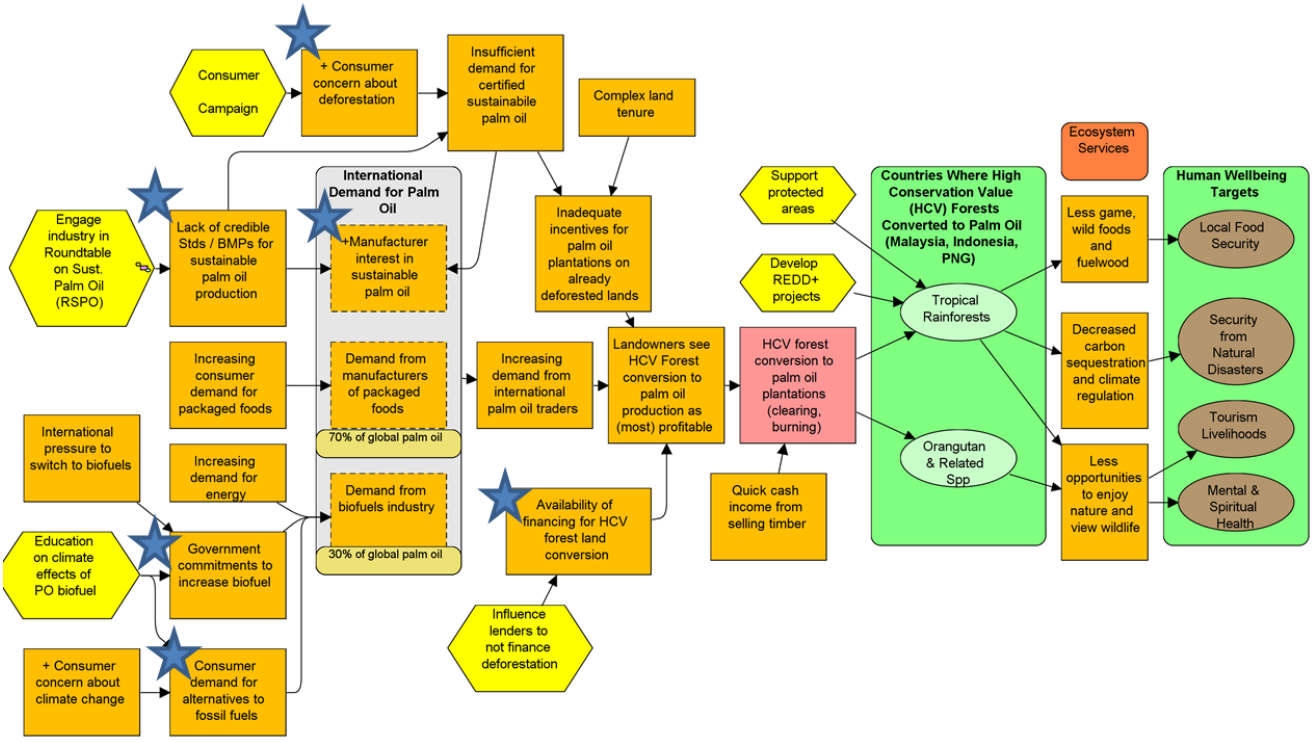


Figure 1. Situation analysis diagram for the WWF Palm Oil project. The stars indicate selected strategies, inserted at key intervention points.

Additional Guidance Links

- Open Standards Online Tutorial (see Lesson 2.2, Step 4)
- Open Standards Training Manual (73-77)
- SDM –Evaluation criteria (Structured Decision-Making)
- SDM – Estimating consequences
- SDM – Strategy Tables
- Game et al. 2013. Six common mistakes in conservation priority-setting

DESIGN: **STRATEGY LOGIC (THEORY OF CHANGE)**

How will our strategies operate to achieve outcomes?

Strategy logic represents the cornerstone of a project's **theory of change**, explaining in narrative and diagrammatic form how selected strategies are expected to achieve essential **intermediate results** and ultimately, **OUTCOMES**.

TNC aspires to achieve fundamental change at the scale of large ecological systems and whole problems, which requires paying particular attention to the logic underlying **scaling and leverage**.

This involves being very explicit about how we'll take advantage of big external opportunities, influence the decisions and behavior of important actors, and create the conditions that will incentivize or enable conservation over the long term (see link to *Designing for Scale* in Additional Guidance).

Conservation Business Planning Topics & Process
PREPARE
1 – Preparing to Plan
ASSESS
2 – Primary Interests
3 – Conservation Situation
4 – Scope ✪
5 – Strategic Advantage
ENVISION
6 – Goal ✪
7 – Outcomes & Indicators ✪
DESIGN
8 – Strategy Generation
9 – Strategy Selection ✪
10 – Strategy Logic
11 – Risks
12 – Measures ✪
IMPLEMENT
13 – Activities ✪
14 – Capacity & Finances ✪
✪ Required Core Elements (Appendix A)
APPENDICES

SUPPORTING CPB ELEMENTS:

- Narrative summary of logic linking strategies to ultimate outcomes
- Logic model (e.g., results chain) diagram linking strategies to ultimate outcomes
- List of most critical intermediate results and outcomes

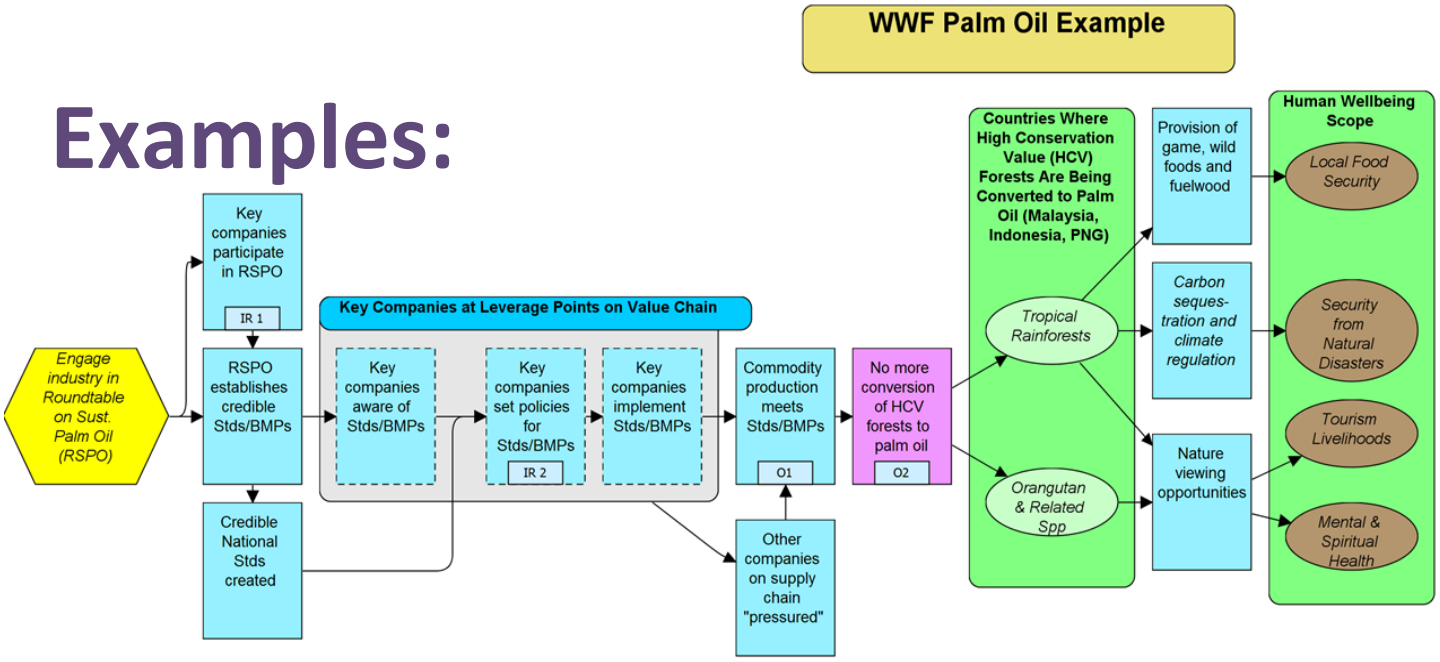
KEY TERMS

Strategy: A broad course of action with a common focus designed (alone or together with other strategies) to achieve specified outcomes and related intermediate results. Strategies focus on "means" – the "how" for achieving particular results. Strategies arise from the situation analysis and are backed by a robust theory of change.

Theory of change: Explanation of how and why our strategies will achieve intended outcomes.

Intermediate Results are essential precursors to achieving outcomes. Intermediate results are often the near-term focus of strategies and activities and serve as important early "wins" and evidence that our overall theory of change is playing out as expected.

Examples:



IR 1: By 2013, at least 75% of global production of palm oil is represented in RSPO membership.

IR 2: By 2014, 50% of targeted palm oil manufacturers and retailers have committed to procure 100% sustainable palm oil.

O1: By 2015, all top 20 global palm oil companies procure 100% sustainable palm oil.

O2: By 2020, halt the loss of High Conservation Value (HCV) habitat due to palm oil production in WWF priority places

EXAMPLE: Theory of change for the WWF Palm Oil project using a results chain to identify strategy logic and call out important intermediate results.

Process Recommendations:

Review OUTCOMES and clarify and refine as needed. Review team composition and ensure that you have the required expertise and experience on board.

10.1 Describe the cause-and-effect logic of TNC (and partner[8]) strategies and explain how we believe these strategies will result in desired change.

- Summarize the logic in both narrative and diagrammatic forms.
- You can articulate logic by starting with strategies and working through if/then linkages to desired outcomes, or work backwards from outcomes to a strategy, asking what other results (i.e., intermediate results) must be achieved along the way in order reach a particular outcome.
- Be very clear and transparent about the mechanisms by which changes are expected to occur (e.g., If we can effectively lobby government to eliminate certain tax incentives that make it economically possible to farm marginal lands, then farmers will favor intensification of already converted lands, and conversion of targeted vulnerable ecological systems that occur on marginal lands will be markedly slowed or halted altogether).
- Look for "leaps of faith" or "then a miracle happens" gaps in logic. Either flag a logic gap as a major uncertainty and describe how you intend to resolve the uncertainty, or choose an alternative strategy.
- Logic models (e.g., results chains; see example above and Box 1 below) are an effective tool for describing a theory of change. If you created a situation analysis diagram, it can serve as the basis for creating a results chain diagram (Miradi Adaptive Management software can assist with result chain construction including converting situation analysis diagrams to results chains). The situation analysis diagram describes the situation today, whereas the results chain shows the desired future condition (see Box 11 in APPENDIX F for an example of converting a situation analysis to a results chain diagram).

10.2 Describe any intermediate results that are necessary precursors to achieving outcomes.

- In contrast to outcomes, intermediate results tend to be nearer term and are preconditions for achieving an outcome (e.g., building a consortium to support a policy change; proving that a new sustainable finance mechanism functions as intended; developing a plan for major additions to a national park system).
- Intermediate results serve other important purposes as well, including defining important go/no-go decision-points, discerning risks, delineating phases, and articulating important early results for donors. They are also critical to defining an

[8] Many TNC efforts include important contributions of partners and their efforts should be referenced in descriptions or models.

effective and efficient suite of MEASURES, including Conservation Impact Measures (APPENDIX D).

- It's useful to generate a range of intermediate results, and then ask whether each is absolutely necessary and if together they are sufficient to achieve desired outcomes. This will focus attention on the "whole problem/whole solution" and the essential roles/strategies of all actors, not just those of TNC.
- A common practice is to describe a limited number of intermediate results in more detail (e.g., as SMART statements – Specific, Measurable, Achievable, Relevant/Realistic, and Time-bound) that serve as key assessment points for evaluating whether observed changes are consistent with the stated theory of change and to help make go/no-go decisions.
- This CBP Guidance calls for including key intermediate results that are a direct consequence of the actions being implemented as part of the description of Activities. See **ACTIVITIES**.

10.3 Integrate human well-being outcomes in the theory of change.

- There are a number of approaches to integrating human well-being needs in conservation plans. **R&D Topic**
- The new section on PRIMARY INTERESTS is intentionally designed to surface non-conservation primary interests at the outset of planning, some of which may concern human well-being.
- Integration may also require or be preceded by a Social Impact Assessment (see RISKS, section 11.3).
- This topic was the focus of a Conservation Measures Partnership working group and a detailed guidance document was produced in June of 2012 (see *Addressing Social Results and Human wellbeing Targets in Conservation Projects* – see Additional Guidance).
- See APPENDIX G for three results chains illustrating alternative approaches, one where human well-being PRIMARY INTERESTS are captured as a key intermediate result and two where human well-being PRIMARY INTERESTS are captured as targets.

10.4 Describe the roles of demonstration, innovation, or proof of concept elements and make the case that they are essential elements of larger scaling strategies.

- Specify "demonstration" or "proof of concept" needs that are essential elements of strategies required to achieve an outcome (e.g., proving that a pilot economic subsidy has actually changed the behavior of target audience and reduced a threat as a precursor to broader policy advocacy).
- Explain the criteria used to select, design, or redesign projects to be part of a larger scaling strategy.
- Name specific projects and cite them as part of the project's geographic scope (see SCOPE).

- Describe how knowledge will be captured at the demonstration sites and shared among targeted audiences to achieve scaling results (see *Incorporating Knowledge Sharing into Your Business Plan* in Additional Guidance)

10.5 Identify uncertainties in the theory of change and how you propose to address them.

- For example, uncertainties could include not understanding what drives the decisions of a major actor, or not knowing why existing laws are not working.

10.6 Vet the theory and choice of strategies broadly within TNC and with partners and experts.

- Peer review is essential. It is not uncommon for members of the same team to have different assumptions regarding the relationships between strategies and outcomes; partners and stakeholders will likely have an even greater diversity of opinions and ideas.
- All key decision-makers, partners, and donors need to be convinced that our selection of strategies and theory of change is realistic and feasible.
- Engaging diverse audiences in reviewing strategies and theories of change will improve understanding and identify gaps in thinking.
- In particular, bring global, functional, and regional teams together to evaluate, revise, and agree on the theory of change.

See Example above and Box 1 below for two examples of results chain diagrams; Box 1 also includes a narrative description of the project's theory of change.

Additional Guidance Links

- Open Standards Training Manual (84-93)
- FOS Results Chains
- SDM – Influence Diagrams
- SDM – Influence Diagrams Tool
- Designing for Scale
- Addressing Social Results and Human Wellbeing Targets in Conservation Projects
- Incorporating Knowledge Sharing into Your Business Plan

Box 1. Theory of Change and Strategies: Northern Rangelands Trust, Kenya
Linking Livestock Markets to Wildlife Conservation (adapted from http://www.nrt-kenya.org/livestock.html)

Narrative

The "Linking Livestock Markets to Wildlife Conservation" program provides access to improved livestock markets. The project takes place in collaboration with Ol Pejeta Conservancy and Purdue University (funded by the Globe Foundation). (The Northern Rangelands Trust is a partner of The Nature Conservancy.)

This will be achieved by:

- Establishing grazing plans supported by communities and the governance structure necessary to carry out the plans;
- Providing communities with ready access to improved markets for livestock of all ages and quality;
- Promoting realistic financial investment opportunities that match returns from livestock;
- Supporting grassland management and livestock committees to improve rangeland management, building on the traditional community approach;
- Providing alternatives for livelihood investment (for example rural banking schemes) made possible by supplementing communities' livestock income with more diversified livelihood strategies (e.g., honey production).

Intermediate Results

Governance

- Grazing committees are established in each conservancy (with properly balanced governance and clear roles and responsibilities) within 1 year
- Northern conservancies have completed a grazing management plan and obtained community endorsement within 2 years

Livelihoods

- Livestock weights show increasing trend across age classes
- Pastoralists' livestock income increasing with access to Nairobi markets
- Herd sizes are showing a downward trend
- 150 individuals have shifted to non-livestock saving strategies within 3 years

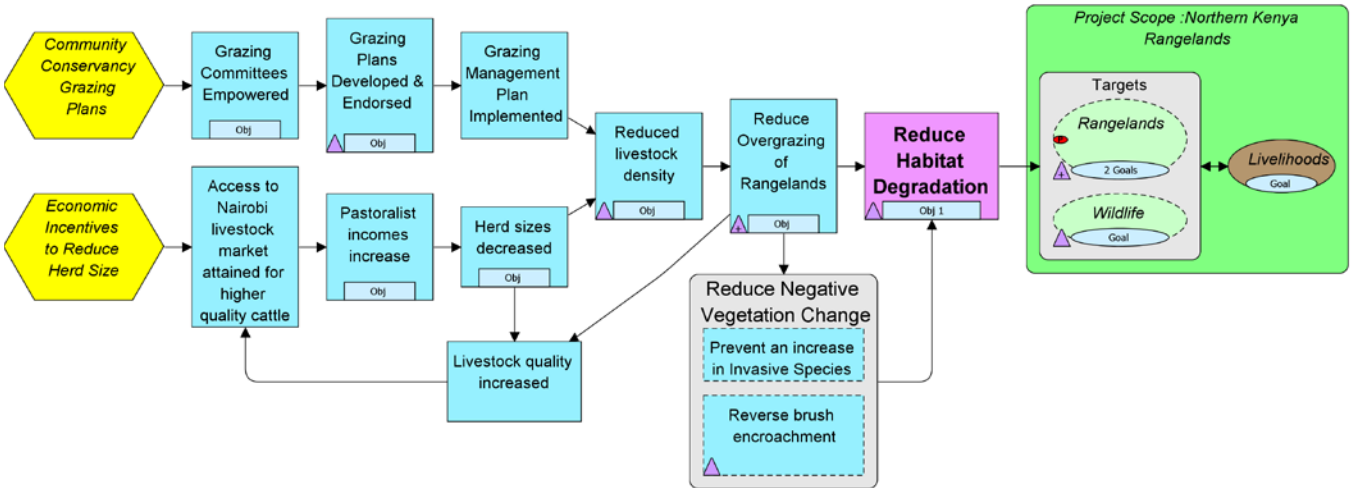
Overgrazing

- Livestock densities decrease by 15% within 3 years
- Native grass cover in degraded areas improving and brush encroachment is decreasing in each conservancy within 3 years
- Each conservancy's pasturelands showing a significant gain in native grass cover and reduction of brush cover within 6 years

Outcomes

- Effective governance structures are established and supported at Conservancy and community levels (2013)
- Community income is increasing, alternative saving mechanisms are successful, and income sources are becoming more diversified (2015)
- The condition of 5 million acres of communally managed land and water is improving (2017)
- Wildlife populations are stable or increasing, wildlife species are re-established over their former ranges and constraints to movement are declining (2020).

Results Chain Diagram



DESIGN: **RISKS**

What are the major risks associated with our strategies?

Risks are defined as uncertain events that could have a negative effect on TNC's conservation investments or outcomes. Risks can be **environmental** or **social**, ranging from catastrophic climatic events such as uncharacteristically severe storms, to negative impacts on local communities, lack of government capacity to enforce laws, insecure funding, changes in political will, and unfavorable impacts on TNC's reputation. Risks can also be related to **uncertainties** in a project's situation analysis and theory of change, where a single false assumption can compromise an entire theory.

Delivery of conservation outcomes is influenced by how well risks are assessed, tracked and managed over time. Qualitatively, a risk can be thought of as a mix of consequences and likelihood. Very negative impacts with high likelihood are red flags, triggering evaluation of whether risks outweigh benefits. Changes in the status of any risk should immediately trigger a pause and reevaluation of strategies. In some cases, risks will need to be brought to the Risk Review Committee or require a Social Impact Assessment.

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DESIGN
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9 – Strategy Selection *
10 – Strategy Logic
11 – Risks
12 – Measures *
IMPLEMENT
13 – Activities *
14 – Capacity & Finances *
* Required Core Elements (Appendix A)
APPENDICES

SUPPORTING CPB ELEMENTS:

- List of key risks with likelihood estimates and mitigation response
- Social Impact Assessment (where applicable)

KEY TERM

Risks: Risks are specific uncertain events that might have a negative effect on conservation outcomes and strategies, or that may pose a risk to TNC as an institution. They often focus on enabling conditions. Our ability to deliver conservation outcomes is influenced by our capacity to assess the risks associated with our investments, and by our ability to manage these risks through time.

Examples:

Example Risk Assessment: Global Forests and Climate

1. ***Countries can't deliver*** – beyond perhaps a few countries, governments may be unwilling or unable to confront entrenched interests and make fundamental changes in their development strategies to achieve REDD+ goals. Rapid growth in demand and prices for high-carbon products such as oil palm, beef and timber products may out-compete incentives and support from REDD+.
2. ***TNC programs lack capacity to drive change*** – TNC's capacity in field programs and the global team is limited, particularly in some specific locations, and without improvements TNC will be challenged to have the impact needed to change business as usual.
3. ***Policy, funding and incentives for REDD+ are stalled*** – U.S. and global policy may not be adopted, or may not include adequate incentives for REDD+. In addition, the $5 billion and other commitments to get REDD+ off the ground may not be fully spent, or be spent on low-impact activities with few results.
4. ***Measurement standards are weak*** – the standards by which forest carbon emissions reductions are calculated may be weak, resulting in claimed emissions reductions that have low credibility in terms of their real, additional impact on the environment. This would result in our strategy achieving limited real impact, and would undermine efforts to advance policy and funding for REDD+.
5. ***Local communities are harmed*** – REDD+ implementation may not adequately involve or benefit local communities living in and around the forest, and could in fact harm their interests. This would have several adverse impacts – our goals for improving the welfare of people would not be achieved, our ecological goals would not be long-lived without the support of local people, and international policy and funding support for REDD+ would be greatly damaged.

The Global Forest and Climate project has been designed to minimize and manage each of these risks as much as possible, although we remain exposed to significant risk in these and other areas.

Process Recommendations:

11.1 Prepare for a risk assessment. ⊙R&D Topic.

- A wide diversity of views and experience will strengthen the risk assessment – don't restrict participation. Strive to include a wide range of project staff, senior managers, field staff, policy folks, partners, etc. Participants can limit their input to the subject areas with which they are most comfortable.

- **Revisit/Refine OUTCOMES.** Clearly and unambiguously re-define project outcomes, so that risks are evaluated based on a common understanding of the intended results.
  - Frequently used terms relating to outcomes, such as "effectively", "sustainably", "managed", "protected", and "capacity," can be ambiguous in meaning. Make sure everyone participating in the risk assessment uses common definitions.

11.2 Conduct a Social Impact Assessment for strategies that will restrict access to natural resources or displace people.

- Social Impact Assessments identify and prioritize social issues associated with an initiative, and suggest ways to mitigate negative impacts and enhance benefits for affected communities and individuals. (See link in Additional Guidance.)
- Social Impact Assessment investment levels should be commensurate with the potential for negative impacts.
  - For strategies that will displace people, **a full Social Impact Assessment** and approval by the Board's Risk Committee **is required**.
  - If a strategy is likely to negatively impact more than a small number of people, a full Social Impact Assessment should be conducted.
  - If a strategy is likely to have only modest and short-term negative impacts, a desk study of likely local winners and losers may be sufficient.

11.3 Identify a set of candidate risks.

- See examples of risks for TNC's Global Forests and Climate (above).
- Review assumptions identified in the theory of change:
  - Where do the greatest uncertainties and pivotal assumptions lie, and what information will help you make go/no-go decisions or adjust course when needed?
  - Are there key assumptions or factors that are subject to a high level of uncertainty?
  - Are there key partnerships that could make or break the project?
  - What key assumptions are being made about knowledge needs? Have these been verified?
- Conducting a pre-mortem can be an excellent means of identifying risks.

- Ask individuals and/or key project staff to imagine that the project has gone ahead and is now halfway completed (e.g., in 5 years' time), but something has gone horribly wrong. Each person then describes briefly what they imagine when they consider why the project may have failed.

- Be specific.
  - For example, consider the risk of loss of government funding for co-purchasing land for indigenous protected areas. What does "loss of funding" mean? A small loss of funding might be very likely and not severe, while a total loss is very unlikely but potentially catastrophic.
  - In order to compare different people's assessments of risk, they need to be thinking about the same thing. This might require splitting the risks up, for example evaluating two levels of the risk, one a 100% loss of funding, and one a 25% loss of funding.
- Avoid redundancy in the list of risks by combining risks with similar properties.
  - For example, a number of risks related to carbon pricing and investment might be enveloped in a single risk labeled "failure of carbon market."
- Avoid groupthink.
  - Participants should provide initial judgments of risk independently and privately; these ratings can even be gathered remotely, before convening in a workshop setting.
- Direct participants to assess risks for each individual outcome separately, rather than evaluating risks for all outcomes together.
  - For example, a very significant perceived risk for one outcome may influence the assessment of risks to other outcomes.
- If starting a new program in a new geography, find out what went well, or what went wrong, for other new programs in the past, and add those ideas to the pool of potential risks to discuss. For instance, what has gone well and what hasn't, when partnering with just one partner.

11.4 Estimate magnitude of risks.

- Quantify risk magnitude via team discussion, or through qualitative or quantitative ranking methods.
  - For example, TNC's Northern Australia program asked individual risk assessors to independently evaluate risks for each of four outcomes, by assigning a Likelihood Index score and a Consequence Index score (using the following scoring matrices), and then multiplying these scores together to calculate an overall risk score.

Likelihood Index		
Description	**Probability**	**Score**
Extremely unlikely	<0.01%	1
Very unlikely	<1%	2
Unlikely	1-20%	4
Fairly likely	21-49%	8
Likely	50-85%	12
Highly likely	Over 85%	16

Consequence Index		
Description	**Scenario**	**Score**
Negligible / insignificant	29-30%	1
Marginal / minor	25-29%	3
Substantial / moderate	15-25%	20
Sever / major	10-15%	100
Disastrous / catastrophic	<10%	1000

- Risk assessment scores can be used as inputs in dedicated and free software programs, such as the *Subjective Risk Assessment tool* developed at the University of Melbourne (see Additional Guidance).
- Look at variation across respondents, as well as variation in consequence and likelihood estimates across risks. Ranks can be strongly influenced by one or two very severe assessments, so it is generally worth discussing the ranks and offering respondents a chance to adjust their assessments.
- Identify a specific time horizon over which risks will be evaluated, based on the timing of intended outcomes; for example, for a 10-year CBP, calibrate the risk levels with outcomes at the 10-year mark.

11.5 Communicate risk results and mitigation plans.

- Choose the top 2 or 3 risks for each outcome, and describe how each will be mitigated, monitored, and addressed if it arises (see MEASURES for additional information on monitoring risks).
- Highlight any "red flag" risks that are identified during this process.
- When communicating about risks to sponsors or TNC's Risk Committee, provide likelihood and consequence estimates along with the list of risks, and indicate plans for mitigation and monitoring.

11.6 Revisit and refine OUTCOMES and STRATEGY LOGIC

- During the risk assessment process, some strategies and outcomes may have been eliminated due to a determination that the risks outweighed potential gains. If so revise outcomes and strategy logic/theory of change accordingly.
- Consider documenting these decisions for the benefit of your own team in the future, and for the benefit of future business planners who can learn from your experience.

11.7 Expect risk assessment to be an ongoing process.

- Project team members should be alert to changing circumstances that may warrant a reevaluation of strategies, at any point during project implementation.

Additional Guidance Links

- WWF Standard 2.3 – Operational Plan (Risk Assessment and Mitigation Strategy)
- WWF Standard 2.3 – Risk Ranking and Mitigation Template
- Center for Good Governance – Comprehensive Guide to Social Impact Assessment
- Subjective Risk Assessment tool

DESIGN: **MEASURES**

How will measures be used to manage and adapt?

Project teams regularly answer questions about their **progress** and **impacts** for managers, donors, and other key stakeholders. Oftentimes these answers are based on intuition, experience, and anecdotal evidence, but it is also necessary to quantify results through **measures**. Using measures is a key part of the Conservancy's overall strategy for results-based conservation (see link to TNC's Measures Business Plan in Additional Guidance).

Conservation business planning requires project teams to carefully consider the measures information needs of different **audiences**, the kinds of **decisions** the information will support, and how best to effectively **communicate** measures.

The Conservation Business Plan needs to assure key audiences that:

1. Measures will accurately track the status of project outcomes and provide them with the information they need in a format they can use for managing and decision-making;
2. Uncertainties and risks affecting the success of the plan are realistic and there is a data-driven approach to managing them;
3. There is an appropriately rigorous plan for establishing the efficacy of any proof-of-concept or demonstration projects before scaling up or leveraging the results;
4. If applicable, impacts to human well-being will be monitored and reported.
5. Results will be appropriately captured and shared to help others learn.

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APPENDICES

REQUIRED CORE CBP ELEMENTS: *

- Draft CIM dashboard with brief narrative explaining key contextual information.
- A 2-3 paragraph, high-level summary of key measures information

SUPPORTING CPB ELEMENTS:

- Table or other summary of measures to be reported to key audiences

KEY TERM

Measures and Indicators The terms measures and indicators are often used interchangeably at The Nature Conservancy. Though many competing definitions exist, herein we use measures and indicators to refer to the specific information collected to determine, directly or indirectly, whether intended project outcomes are being attained. Indicator data may be collected using quantitative or qualitative methods.

Conservation Impact Measures *

The measures used for outcome reporting in the Conservancy's Global Challenges, Global Solutions framework are called Conservation Impact Measures (CIMs). Each GCGS Strategy team must develop and report on a limited set of CIMs that measure the changes a project or strategy aims to achieve in human and ecological systems in five categories – Ecological; People; Policy; Management and Practice; and Sustainable Finance. CIMs are reported via online dashboards, with a purpose similar to that of an annual report to stockholders. The intended audiences for the dashboards are the Executive Team, Board of Directors, and selected key Conservancy supporters.

The Conservation Impact Measures reported are specific to each GCGS Strategy. The Conservancy will not aggregate or "roll-up" CIMs across GCGS Strategies, nor is there an expectation that OU- and regional-level results will roll up to global level results via common impact measures across scales.

See APPENDIX D for detailed guidance for developing and reporting on Conservation Impact Measures.

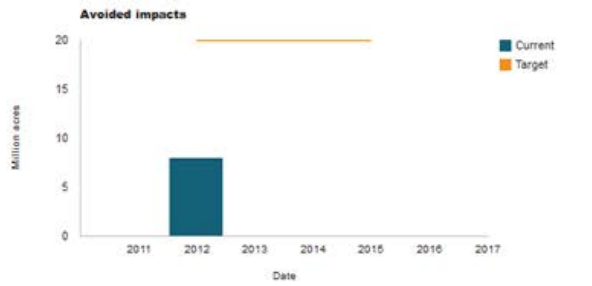
hub

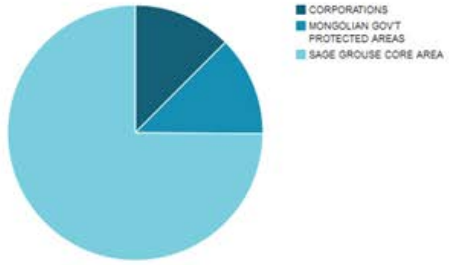
Project Contact: Bruce McKenney Project Description

Related projects: Africa Go...

ECOLOGICAL

IMPACTS AVOIDED ON 20 MILLION ACRES BY 2015



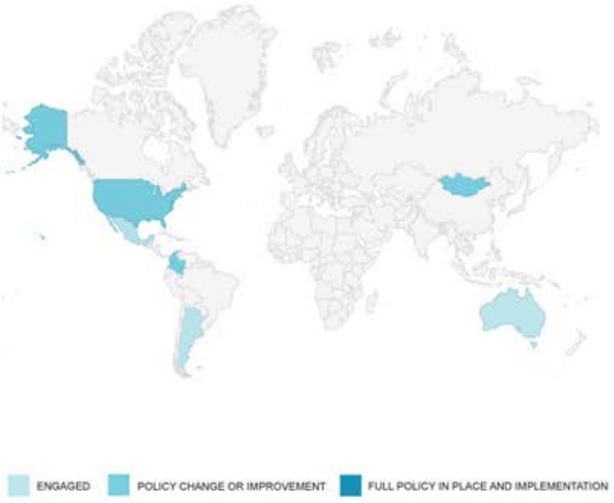


PEOPLE

IN PROGRESS

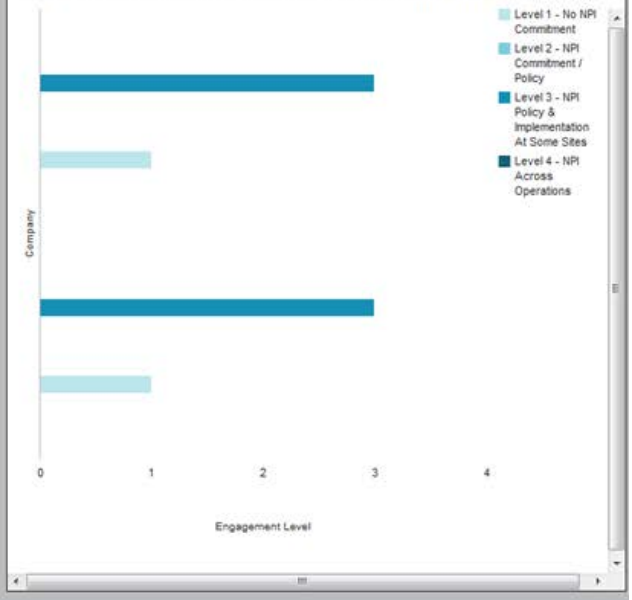
POLICY: GOVERNMENT ENGAGEMENT

10 HIGH-BIODIVERSITY COUNTRIES ADOPT EFFECTIVE MITIGATION POLICY BY 2015



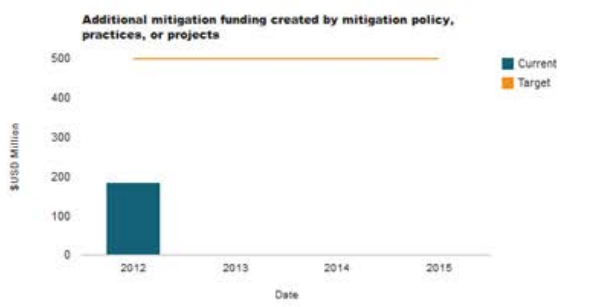
POLICY: CORPORATE

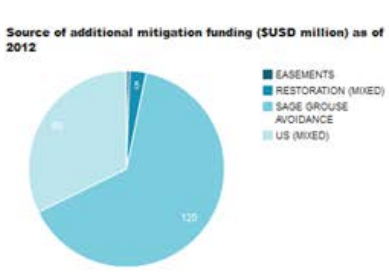
10 MINING ENERGY COMPANIES SUPPORT NET POSITIVE IMPACT BY 2015



SUSTAINABLE FINANCE

$500 MILLION IN ADDITIONAL MITIGATION FUNDING BY 2015





Process Recommendations:

12.1 Identify the measures that will be used to assess and report on project outcomes.

- This includes the Conservation Impact Measures (CIMs) that GCGS Strategy teams must report to the Executive Team and Board of Directors. (See text box for an overview of CIMs, and APPENDIX D for detailed guidance.)

12.2 Define other key audiences and their measures information needs.

- Define the key audiences[9] who want or need information on progress toward meeting project outcomes, including project managers, senior managers at different levels, donors, partners, board members, trustees, etc. Also consider other practitioners whose work will be enhanced or made more efficient through access to your information.
- For each key audience, define what they most need to know about project outcomes, intermediate results, and activities accomplished.
  - Identifying how measures information will be used is central to determining what information to collect. Collecting monitoring data that is nice to know but is never used in managing and decision-making is not a good use of resources.
    - Be very clear about the **decisions** and other purposes measures need to support
    - Refer to the project's theory of change to identify key decision points and areas of uncertainty.
  - Measures for different users are not simply a "roll-up" of monitoring data and detailed information up the management chain.
  - Think holistically about the kinds of results and outcomes information each audience needs.
    - Consider not only ecological and human well-being impacts, but also policy; sustainable finance; and management and practice. Other kinds of measures, such as assessments of key partnerships, may be important.
    - Other kinds of measures, such as assessments of key partnerships, or government or implementation capacity, may be important.
- Review the results of your risk assessment. Be sure to include the top few risks in your list. Identify any audiences – in addition to the project director – who need risk monitoring information.

[9] There may be many potential audiences for measures. To simplify matters, it may help to focus on the three or four most important audiences.

12.3 Select indicators that address audience needs.

- Consider which attributes of each outcome or critical intermediate result are of greatest interest to the target audiences.
  - It may be helpful to define this in the format of a question that the indicator will answer (e.g., *how is management of marine protected areas improving?*).
- Consider whether the audience's needs are better met by indicators that gauge how likely an outcome is to be achieved (sometimes called a "leading" indicator) or indicators that measure the extent to which the outcome has happened ("trailing" indicators).
  - e.g., Outcome: carbon trading legislation enacted

    Leading indicator (answers the question: How are we doing at getting legislation enacted?): # of legislators making verbal commitments of support

    Trailing indicator (answers the question: Was legislation enacted?): legislation enacted (yes/no)
- Note that the information needs of different audiences are often alternative ways to measure and communicate the same or similar information.
  - For example, a project site director may want to know how nitrogen levels have changed at high flow times each year, and the relationship of these changes to land-based interventions. A program director who manages many sites may want to know the mean and range of changes in nitrogen levels, whereas a donor may want to know how many sites have had improvements in water quality. The measures information provided to each audience is derived from the same information, communicated in different forms.
- Solicit input from each audience on information needs as well as preferred reporting format and frequency.
- Consider the appropriate level of investment.
  - How much to invest depends upon the characteristics of your strategies (greater risk = greater monitoring effort), scaling and leverage intentions, and the needs of critical audiences.
  - Discuss factors such as risk, leverage potential, tolerance for error, and their implications for monitoring and evaluation effort[10] and costs with senior managers, to decide on an appropriate level of investment in measures.
- For each indicator, identify:
  - The audience for the information
  - The attribute it describes and/or question it answers

[10] "Effort" includes having a plan for tracking indicators that includes time and resources for collecting and analyzing data and information, as well as feeding those results back to the project/strategy management team to improve strategies and actions as needed.

- Consider whether there is a certain level or range of values that are triggers for management action, and what that action would be

- Necessary strength of inference and other considerations (see *Measures Working Paper #2* in Additional Guidance)
- Likely methods for measuring the indicator (briefly stated) and/or existing and external data sources
- How often it should be measured
- How often it needs to be communicated to each audience, and how

- Start small. If this is a new project or strategy, or your first time implementing measures for your project, consider phasing in your implementation of measures.
  - Select just a few outcomes and indicators to begin collecting data on. Variable data quality is fine. See whether the information generated is useful and meaningful to you and key audiences. If not, adjust.
  - When selecting an initial set of indicators, be sure to include those requiring a high strength of inference, since baseline data collection may be necessary.

12.4 Develop a draft CIM dashboard or other mock-up of how you will report measures to key audiences.

- Approach measures selection as an iterative process. Several iterations may be necessary to narrow it down to the essentials – the minimum needed to meet the information needs of project managers and other key audiences.
- Develop a draft of your CIM dashboard (for GCGS Strategies) and/or mock-ups of measures reports for other key audiences to accompany your draft CBP. This is an excellent way to get feedback on whether the proposed measures and communication approach will be effective for the audience before investing in data collection and analysis. See APPENDIX D for specific guidance on visualizing the information and developing accompanying contextual information.
- Not all of the measures information generated in this section of the guidance belongs in the main text of the CBP; only the most important measures information needed by the most important audiences of the plan should be included.
- Most of the detail needed to operationalize measures should be hammered out after the plan has received high-level endorsement. Some of this information may be included in appendices to the final plan, in stand-alone monitoring plans, or in other operational plans such as annual plans and communications plans.
- The project team and upper management will likely have additional measures needs for effectively managing the project and resources in the short term and making operational decisions. These should be identified within operational planning processes, not in the CBP.
- How will other practitioners facing similar challenges learn from the efforts at this project / strategy?

12.5 Create a measures summary table.

- Summarize measures information in a table, listed by audience: outcomes, activities, and risk-based reporting of greatest interest to that audience; the questions or attributes of interest and the indicators to be used to report on each; expected use by audience; data types and sources to be used. Also include information on how the measures results will be reported, when, and how often. Keep it short and consider limiting it to the top 3-4 audiences.

12.6 Generate a high-level summary to include in the CBP that describes how outcomes and most important results will be tracked and reported to key audiences.

- Characterize the extent to which TNC's actions, as opposed to those of other players or external factors, are likely to contribute to the observed results (see Box 1 for a discussion of contribution/attribution).
- Explain how results of any proof-of-concept or demonstration projects will be quantified, and justify the level of strength of inference you expect the indicator data to have.
- Create a summary of the most important RISKS and how you will monitor and mitigate them. This may be included in the CBP with other measures information, in the Strategy Selection section or a separate Risks section.
- Consider the specific mechanisms for capturing and disseminating the knowledge gained and lessons learned to key audiences (see *Incorporating Knowledge Sharing into Your Business Plan* in Additional Guidance)

12.7 Incorporate the costs of collecting needed measures information into the financial section of the CBP (see **CAPACITY & FINANCES**).

Additional Guidance Links

General measures information:

- Open Standards Training Manual (pp. 105-119)
- Measures Demystified Online Course
- Open Standards Measures Online Course (available 2013)
- TNC's Measures Business Plan
- Evaluating the Conservation Work of the Nature Conservancy (Measures Working Paper #1)
- Investing in Monitoring Strategy Effectiveness (Measures Working Paper #2)
- Contribution Analysis (Mayne 2008)
- TPI partnership review template
- Incorporating Knowledge Sharing into Your Business Plan

Special measures topics:

Human Well-being

- Most Significant Change Framework (Wilder & Walpole 2008)
- Guide to Social Impact Assessment (Center for Good Governance)
- Example of a full human well-being impact monitoring framework with indicators
- Conservation Gateway resources for measuring the social impact of conservation

Policy & Advocacy

- Guide for Measuring Advocacy and Policy (Casey Foundation)
- A Handbook of Advocacy and Policy Data Collection Methods (Casey Foundation)
- Measuring Champions and Champion-ness (Aspen Institute)
- Unique Methods in Advocacy Evaluation (Innovation Network)

Alternative Measures Approaches for Complexity **⊙R&D Topic**

- A Primer on Developmental Evaluation (McConnell Foundation)
- Evaluating Systems Change: A Planning Guide (Mathematica Policy Research)

Capacity, Knowledge Management, and Partnerships

- Capacity Development CONNECT Community,
- Outcome Mapping
- Organizational Learning CONNECT Community, Measures library
- KM4dev online community measures threads
- Conservation Partnership Center, Section 5

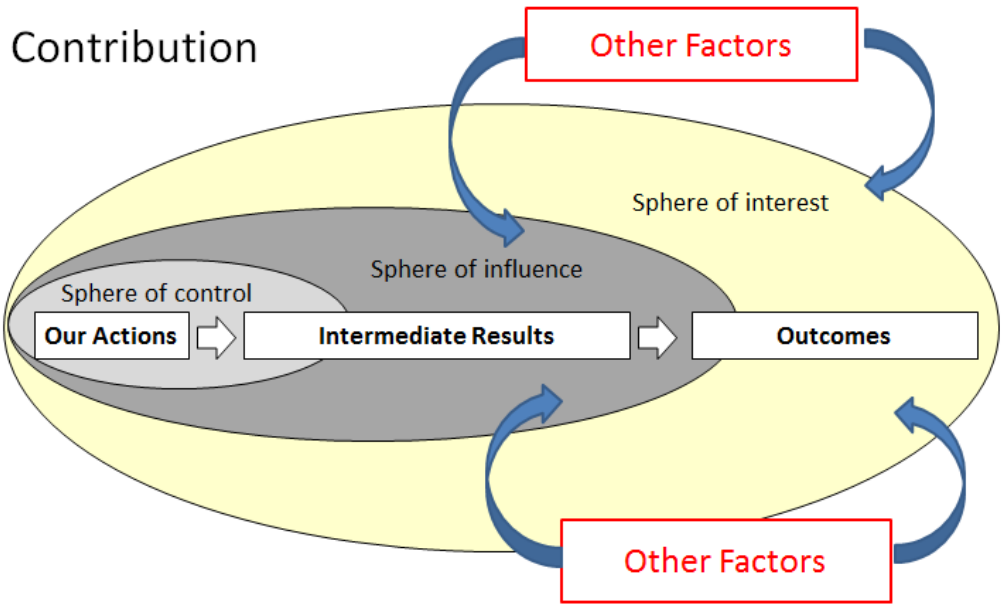
Box 1. Attribution versus contribution. ⊙ R&D Topic

How important is it that results be attributed to specific actions and implementers (TNC and/or others)?

Our conservation work, especially whole systems and leverage strategies, is complex and involves many players, multiple scales, and various outcomes. Even as we learn from our actions and our understanding improves, the external world changes. We are challenged to assert whether observed changes are a consequence of our specific actions or a combination of our actions, the actions of partners, and/or external factors outside of our control.

We generally have the greatest confidence in results that are the immediate consequences of our actions, that is, outputs that lie within our "sphere of control" (see figure below). We hope our actions lead to intermediate results within the "sphere of influence" and that these in turn lead to outcomes that fall within our "sphere of interest." As we move from the sphere of control to those of influence and interest, other factors in addition to our actions are influencing the observed results.

Attributing cause-and-effect relationships with high strength of inference typically requires experimental approaches or counterfactual analysis. These types of approaches often involve significant cost and are therefore best reserved for situations with high risk (e.g., financial, reputational) and high uncertainty (see *Measures Working Paper #2* in Additional Guidance). For other situations, consider using contribution analysis (see link in Additional Guidance). This approach seeks to build a reasonably credible case for defining plausible links between actions and results by measuring changes in the intermediate results and outcomes defined in the project's theory of change. Make sure managers understand the attribution limitations associated with whatever measures are selected. We need to acknowledge complexity and the contribution of our partners and find new and creative ways to assess progress over time while maintaining flexibility in our measures plans.



IMPLEMENT: **ACTIVITIES**

How will strategies be implemented over time?

Ultimately, every strategy defined in a CBP is implemented over time by means of a negotiated and integrated set of **activities.** A multi-year Conservation Business Plan breaks strategies into major activities and logical **phases** and assigns them to programs, conveying specifically how the project's theory of change will be realized over time.

Conservation Business Plans directly support **organizational alignment** around a project's outcomes by ensuring that strategies and activities are agreed upon and supported by the managers and staff responsible for their implementation.

Multi-year conservation business planning provides the foundation for annual work planning, but they are different processes. Activities in CBPs are described at a relatively high level, while annual planning will be more detailed, including assignment of activities to individuals and budget centers.

Conservation Business Planning Topics & Process
PREPARE
1 – Preparing to Plan
ASSESS
2 – Primary Interests
3 – Conservation Situation
4 – Scope
5 – Strategic Advantage
ENVISION
6 – Goal
7 – Outcomes & Indicators
DESIGN
8 – Strategy Generation
9 – Strategy Selection
10 – Strategy Logic
11 – Risks
12 – Measures
IMPLEMENT
13 – Activities
14 – Capacity & Finances
Required Core Elements (Appendix A)
APPENDICES

REQUIRED CORE CBP ELEMENTS: *

- Subset of most important activities associated with each strategy.

SUPPORTING CPB ELEMENTS:

- Table listing strategies; activities; accountable programs, teams, or individuals; and implementation dates.
- Timeline diagram or table indicating phasing

KEY TERM

Activities: A set of specific actions and related results*, typically deployed and achieved in a certain order, undertaken by project staff and/or partners, as part of implementing a strategy in service of achieving specified outcomes.

**Note: In TNC's planning framework, we have adopted a simplified solution where actions and the related results of those actions are combined into a single category called "activities". In many planning and evaluation frameworks, activities are described separately from results and the term "output" is often used to describe the most immediate product of activities.*

Examples:

A single strategy and associated activities from Global Forests and Climate

1. ***Strategy*: Shape global policy frameworks.** Create financial incentives to direct investment into low-carbon development, forest conservation and restoration through effective policies, standards, and regulations, globally and in key countries.

    1.1 Launch constituency-building coalitions in key U.S. States and engage in California climate program rule-making to increase the number of legislators supporting U.S. climate legislation. (FY14) (US Government Relations*)*

    1.2 Design solutions for measuring REDD+ carbon emissions reductions and engage with the various forums to create jurisdictional-level standards for measuring REDD+ carbon emissions reductions, including the Verified Carbon Standard, World Bank Carbon Fund, California AB32 program, and UNFCCC process. (FY15) (Global Forest and Carbon Team)

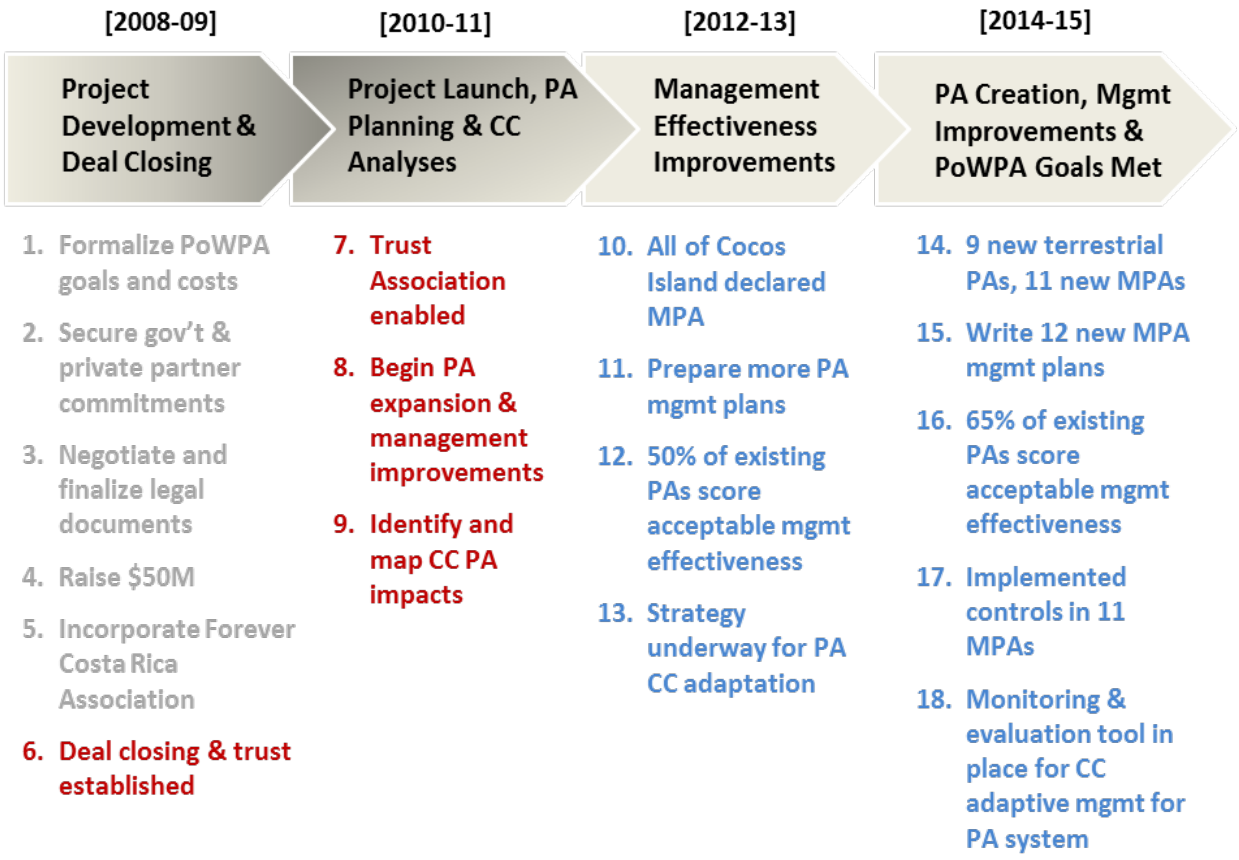
    1.3 Advise, support, and assist selected nations to develop REDD+ policies and programs and their international climate positions. (FY18) (International Government Relations)

    1.4 Advocate in appropriate international forums (e.g., UNFCCC, MEF, G20) to secure existing and new financial commitments that incentivize REDD+ (FY18) (International Government Relations)

Examples:

Forever Costa Rica Phasing CY 2008-2015

Major Activities/Deliverables Completed, in Progress, Planned



NOTE: Phases are organized around major milestones, which is one potential way to organize and illustrate a multi-year high-level work stream.

Process Recommendations:

13.1 Describe the major activities associated with each strategy.

- The list of activities should be comprehensive, but each activity need not be detailed. Provide just enough detail to enable decision-makers and operational staff to understand what kinds of activities are needed to implement strategies, in generally what sequence over time, and which programs need to lead or be engaged.
- During **annual work planning** these multi-year activities will be adapted, broken down into more specific deliverables and tasks, aligned with funding sources and budget centers, and assigned to teams and individuals for implementation.
- Describe any partner-led activity where our strategies depend on other organizations for implementation.
- Key characteristics:
  - Includes action plus result, i.e., do X to achieve Y
  - Needs to be product-oriented, and quantitative - e.g., specifying the number, size, area, or other metric by which achievement can be assessed (i.e., train 500 people, raise $1 million, increase public support for climate change legislation)
  - Variable in total number, although only a subset of 3-5 of the most important activities per strategy will be reported to executive leadership (e.g., most costly, most critical) and only activities being implemented in the next fiscal year will be reported in annual plans
  - Have variable start and end dates and tend to focus on the nearer-term, generally 1-3 years out
  - Includes or incorporates a brief “short-hand” title that highlights the action
  - Details include: Activity lead; contributors; start date and estimated end date; and implementation status (no issues, minor issues, major issues)

13.2 Review and improve activity statements until they meet the key characteristics.

- See “EVOLUTION OF AN ACTIVITY STATEMENT” table at the end of this section for a critique and iterative improvement of a draft Activity statement

13.3 Organize strategies and activities into phases, with emphasis on near-term.

- Implementation phases should be defined by major set of integrated activities, often defined by intermediate results rather than annual time steps (see example above).
- Generally, near-term phases will be more certain and will include more detail than later phases.

13.4 Include knowledge development and dissemination activities too.

- Consider the knowledge needs associated with individual strategies. Do you seek to change behavior or improve knowledge among key actors and stakeholders? If so, identify the activities necessary to develop and disseminate knowledge products to these audiences.
- Activities may also include your efforts to harvest and refine best practices and discoveries through communities of practice and other means and what you do to share that learning with other practitioners and colleagues around the world.
- Use the tool that is part of *Incorporating Knowledge Sharing into Your Business Plan* to identify these activities (see Additional Guidance).
- Annual work planning will further break these activities into more specific deliverables and tasks.

13.5 Negotiate strategies and activities and assign implementation responsibilities to specific teams or programs.

- Assigning strategies and activities to TNC programs is essential for alignment and accountability and directly supports capacity and funding assessments (see CAPACITY & FINANCES and APPENDIX I).
- Negotiate responsibility for implementing each activity with the responsible teams and programs.
- TNC's new Conservation Information Hub will facilitate both multi-year and annual work planning by integrating GCGS-related work planning across all programs.

13.6 Integrate annual work planning and budgeting under the overall framework of a multi-year Conservation Business Plan.

- Convene all of the involved programs in an annual review of the project's theory of change, strategies, and supporting activities and progress prior to beginning annual work planning and budgeting.
- Adjust the CBP as needed to reflect lessons learned, obstacles encountered, and changing circumstances. Expect that strategy details, major activities, and phasing will need to be revised when obstacles are encountered or tasks take longer (or happen more quickly) than anticipated.
- Confirm agreement and responsibility for major activities and deliverables by specified programs.

EVOLUTION OF AN ACTIVITY STATEMENT (adapted from TNC's Forest & Climate project)

Strategy: Shape global policy frameworks. Create financial incentives to direct investment into low-carbon development, forest conservation and restoration through effective policies, standards, and regulations, globally and in key countries.

Iteration	Evolving Activity Statement	Critique
1	Work with partners to increase support for implementing carbon reduction incentives	+ Good early foundation – Vague action and result – Implementation date not clear – Implementing program not clear
2	Launch constituency-building coalitions in four U.S. States in FY14	– All action, no result – Implementing program not clear + Implementation date included
3	Increase the number of legislators supporting U.S. climate legislation (FY14) (US Government Relations)	– All result, no action + Implementation date included + Implementing program clear
4	**Launch constituency-building coalitions in four U.S. States** to increase the number of legislators supporting U.S. climate legislation. (FY14) (US Government Relations)	+ Includes clear action plus result, i.e., do X to achieve Y + Action highlighted with bolded text + Implementation date included + Implementing program clear

Additional Guidance Links

- WWF Standard 2.3 – Operational Plan
- Joint work planning template
- Incorporating Knowledge Sharing into Your Business Plan
- A Tool for Identifying Knowledge Products and Strategies by Audience

IMPLEMENT: **CAPACITY & FINANCE**

What capacity and resources are needed and how will we secure the required funding?

In order to have any chance of being successful, CBPs must estimate the **full cost of implementation** and include a solid plan for **funding costs over time**. It is often said that "conservation without funding is just conversation."

Sound budget estimates directly support fundraising in the near term—especially major gift fundraising. Well-grounded analyses will give TNC managers and donors confidence that costs are both necessary and reasonable, and that the team has carefully considered how it will cover costs based on identified sources.

Establishing **realistic bounds** for aspirational budgets is one of the most difficult parts of preparing a CBP. Budgets must be ambitious and based on estimates of what it will actually require to achieve outcomes over the long term, but also be realistic and based on real funding prospects and TNC's ability to staff up and show progress in the near term.

Developing sound budgets and funding plans is a four-step process and feedback loop:

1. Strategies are broken down into ACTIVITIES and phases, providing the basis for estimating costs over time.
2. A multi-year budget is developed by estimating the human resources and capital needed to implement activities.
3. Funding opportunities are assessed and a likely funding scenario is determined.
4. If projected resources are insufficient, then outcomes or strategies will need to be revised.

Conservation Business Planning Topics & Process
PREPARE
1 – Preparing to Plan
ASSESS
2 – Primary Interests
3 – Conservation Situation
4 – Scope *
5 – Strategic Advantage
ENVISION
6 – Goal *
7 – Outcomes & Indicators *
DESIGN
8 – Strategy Generation
9 – Strategy Selection *
10 – Strategy Logic
11 – Risks
12 – Measures *
IMPLEMENT
13 – Activities *
14 – Capacity & Finances *
* Required Core Elements (Appendix A)
APPENDICES

Required Core CBP Elements: *

- Summary of full staffing at all organizational levels – list existing staff and specify additional new hires necessary to implement the project. Clarify % of time spent on the project for fractional FTEs.
- Graphic or table of estimated historical and current project funding sources.
- Multi-year FTE-based budget organized by strategy, geography, or function that clearly identifies current spending and total future needs.
- Graphic or table of projected funding mix by source, with narrative explanation.

Key Terms

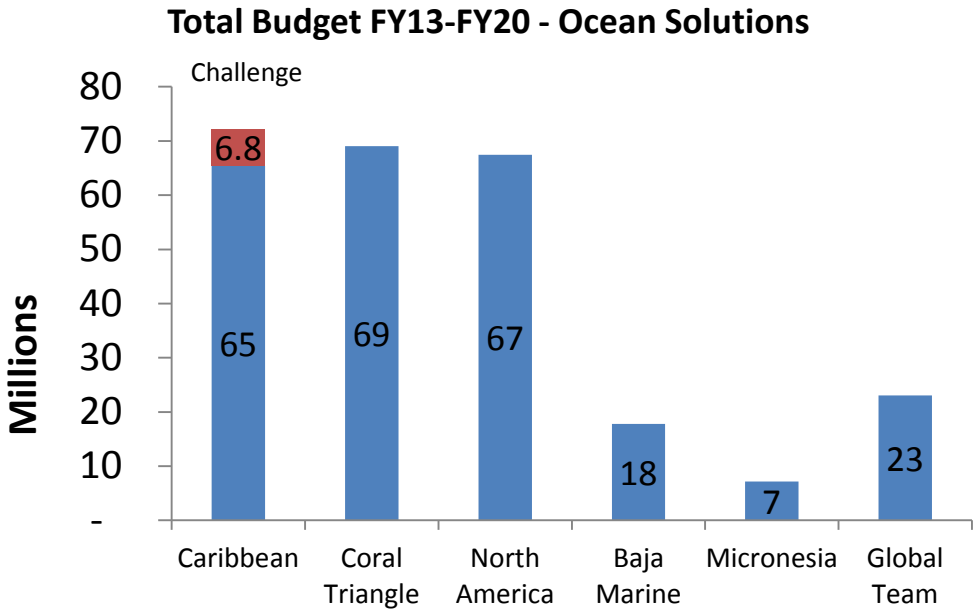
CBP budgets support, but are not the same as, annual budgets

CBP budgets are *multi-year estimates* of the capacity needs and full costs of achieving outcomes and supporting large, multi-year asks of major donors.

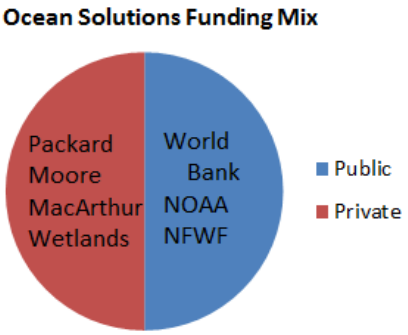
Annual work plan budgets are precise estimates of the capacity and costs of implementing strategies *in the next year* based on funding in hand or likely funding.

Teams are accountable for implementing within annual budgets, but not CBP budgets.

Examples:



Historical funding for Ocean Management has been 50% private, 50% public. In the future, public component are expected to grow slightly, as opportunities around the Gulf of Mexico and Climate Adaptation funding become available.



Process Recommendations:

(see Appendix H for detailed guidance):

14.1 Summarize human resource needs based on ACTIVITIES.

- For most TNC projects, people represent the most significant expense. Projects should attempt to estimate current and future staffing as accurately as possible, but also establish some threshold below which they will not include a fractional FTE in the budget, such as 20%.
- Full costs. Teams should present the most complete budget possible. Obviously, budgets include core team costs (central and regional), but also the costs of dedicated functional support (Marketing, External Affairs, Operations, etc.).
- Account for staffing at all organizational levels that are charged with implementing or supporting activities identified in the CBP.
- For activities associated with developing and disseminating knowledge products, consider TNC programs with capacity and expertise (use the *tool* that is part of *Incorporating Knowledge Sharing into Your Business Plan* to identify these internal contributors as well as contractual options – see Additional Guidance).

14.2 Develop an Excel-based or Miradi-based budget for the project, using the cost information from above.

- Keep in mind that costs in the CBP are estimates. These are projections, not actual budgets to be entered in the general ledger.
- Organize budgets around strategies rather than expense categories. CBP budgets should be organized into meaningful pieces that readers can easily understand, such as by strategies, work streams, and/or places.
- These pieces should closely follow the rest of the CBP so that the reader is not confused by strategies, place-based projects, or job titles referenced in the budget.
- For future planning purposes, the CBP budget may be cross-walked into the standard TNC expense categories (personnel, contracts, travel, etc.) in an appendix, but exact category costs may vary in actual implementation.
- Consider estimating costs and capacity in two phases.
  - The first phase (1-3 years) can be a realistic estimate of costs and capacity needed to implement strategies in the near term based on projections of current spending, FTEs, and absorptive capacity.
  - A later phase (2-5 years) can include more ambitious costs and capacity based on a realistic estimate of what it will actually take to achieve outcomes over the long term.

14.3 Summarize historical funding (if available) for the complete project.

- Work with Philanthropy, Finance, and External Affairs. Estimating historical funding may be challenging due to the variety of funding sources.

14.4 Estimate future required funding for the project, based on the budget.

- Work with Philanthropy, Finance, and External Affairs. Clearly identify the sources of funding for particular place-based projects, strategies or phases of the work, so that both public and private funding goals are clear (see examples at beginning and end of this section for different approaches).

14.5 Prepare a "sensitivity analysis" to indicate the impact of major changes in costs or reduction in funding sources.

- How would the project manage under changes in funding scenarios? What work or places would be prioritized?

Revise OUTCOMES and revisit STRATEGY SELECTION as needed.

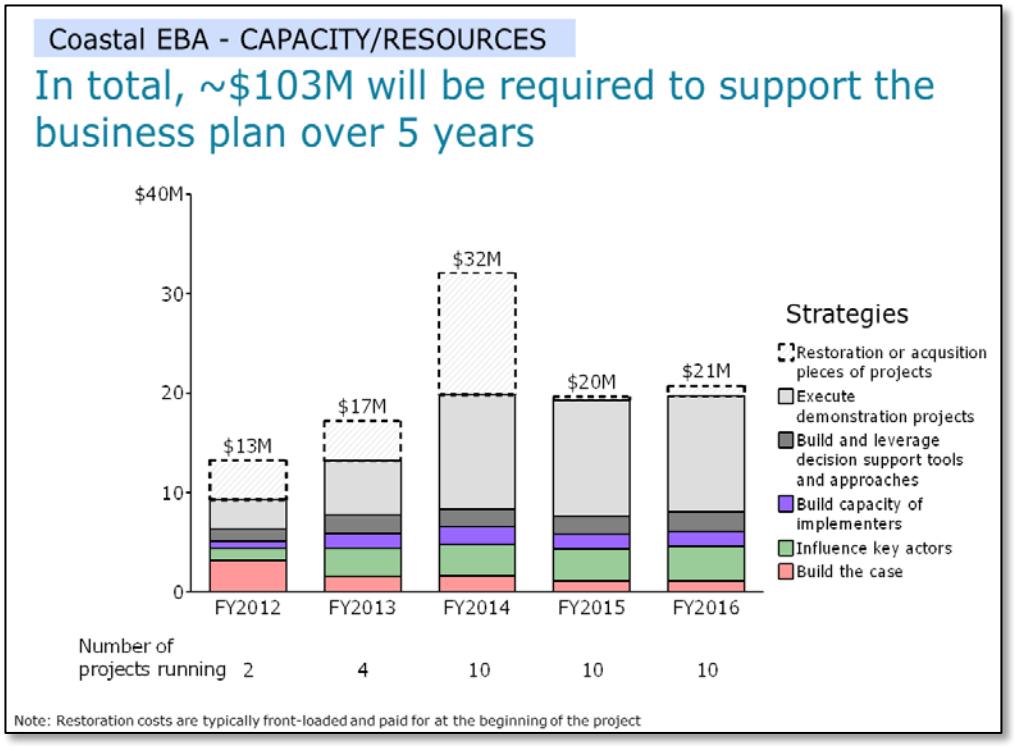


Figure 1. Example of how one project depicted an estimated budget and funding uses over a 5-year timeframe.

Additional Guidance Links

APPENDIX I. Budgeting & Funding Analysis

- Incorporating Knowledge Sharing into Your Business Plan
- A Tool for Identifying Knowledge Products and Strategies by Audience

APPENDICES

APPENDIX A: **Required Core Conservation Business Plan Elements***

Required Core Elements (v. April 2013)

Having a Conservation Business Plan (CBP) is mandatory for managers and teams supporting GCGS Strategies and a set of standardized plan elements are required. However, the core concepts, terms, and processes for CBPs are applicable to any TNC conservation strategy or project. Consult your manager if you are unsure about whether your team needs to develop a CBP.

Any team recording their CPB in the Conservation Information Hub will need to use the standard lexicon and formats as specified here and in the Conservation Information Hub. For more information on a particular element, navigate to that topic in the guidance.

* Required core elements: GOAL, SCOPE, OUTCOMES & INDICATORS, STRATEGIES, ACTIVITIES, and FINANCES

Requirements are subject to change—check the Conservation Business Plan section of the Conservation Information Hub or Conservation Planning & Measures Community CONNECT workspace for the latest requirements.

Required core elements are used during management and progress reviews and in other venues to support strategic implementation. These are the primary building blocks of CBPs and the content is shared by a set of management tools.

Conservation Business Planning Appendices
A – Required CBP Elements
B – Business Plan Outline
C – Transition: CAP to CBP
D – Cons. Impact Measures
E – Terminology Crosswalk
F – Strategy Selection & Logic
G – Integrating Spatial Plans
H – Human Well Being
I – Financial Plan
J - Glossary
Overall Table of Contents

GOAL

Goal definition: High-level summary of the Conservancy's main outcomes and key strategies relative to the scale of an important conservation need or challenge.

Example: Global Forests and Climate

The Conservancy will help reduce annual tropical deforestation and degradation by 50% from the historical 2000-2010 average, avoiding annually 2 billion tons CO2 emissions and 6 million hectares of deforestation and degradation by: demonstrating and promoting learning from REDD+ in strategically important forest nations; mobilizing public and private capital; shaping global policy frameworks; and engaging governments and industry in reduced-carbon supply chain practices.

Selected Characteristics

- The statement should be succinct, typically one to two sentences.
- Timeframe should be aligned with the Conservancy's next capital campaign, ending around 2020, or addressing a trajectory of change that can be accomplished by 2020.
- Use simple, clear, non-technical language that can be adapted by marketing and philanthropy for different audiences and purposes.
- Should make clear how the world will change as a result of our actions.
- Explain why the project matters by stating TNC's goal relative to the scope and scale of an important problem or need (e.g., mining companies representing 50% of global industry market cap adopt mitigation policy)
- The goal may reflect contributions from multiple actors.

SCOPE

Scope definition: Scope summarizes agreement on what a project is—and what it is not. It makes explicit a project's strategic and geographic boundaries, including reference to specific TNC places, programs, or projects (sometime termed "project relationships").

Example: Global Sustainable Agriculture

Strategic Scope

- Sectors
  - Grazing, ranching, agroforestry, and biofuels.
  - Excluded: forestry, fisheries, and extractivism (harvesting of products in the wild)
- Commodities
  - Sugar cane, corn, rice, wheat, potatoes, soybeans, beef

Example continued on next page

Example: Global Sustainable Agriculture (continued)

- Funding and policy actors
  - Gates, Moore, Rockefeller, Packard, Walton, McKnight, Buffet, and MacArthur; USAID, CGIAR, FAO, BNDES in Brazil.
  - Chinese and African targets TBD.
- Corporations
  - Top 10 agricultural companies: Cargill, Bunge, Monsanto, ADM, Mosaic, Syngenta, JBS, Marfrig, John Deere, Pioneer.
  - Key influencers in retail/processing: Wal-Mart, McDonalds, China Foods, Brasil Foods

Geographic Scope

- 2014-2016 core TNC countries and subregions
  - United States: Iowa, Indiana, Illinois, Minnesota, California, Nebraska, Idaho
  - Brazil: Amazon and Cerrado
  - China: TBD
  - East Africa: TBD
  - Colombia: Magdalena and Llanos
- 2016-2020 expansion/pipeline:
  - Argentina, Australia, Indonesia, and Mexico

Selected Characteristics

- Strategic scope defines TNC's specific focus relative to a problem or place. Specifics vary but may include, for example, particular socioeconomic sectors, institutions, actors, policies, or threats that are the focus of strategies and actions. Identifying what is not included helps further clarify and narrow scope.
- Geographic scope defines where TNC will work to directly implement strategies and produce results. Geographic scope may include an entire country (e.g., national policy) or specific places in that country (e.g., particular watersheds). Identify particular TNC projects where we are working directly on the ground or in the water. If needed for clarification, also identify where TNC will not work (or is no longer working), and any places where expansion is expected to occur within the timeframe of the plan.

OUTCOMES & INDICATORS

Outcome definition: Conservation outcomes describe the most important conservation results we* intend to achieve as a result of our strategies and within the scope and timeframe of a plan or project. Outcome statements include context, are measurable, and are the basis of "Conservation Impact Measures." See APPENDIX D: Conservation Impact Measures for specific information on indicators.

*Other actors, partners, and stakeholders will make important contributions to most outcomes and few if any outcomes will be solely attributable to TNC's actions; sometimes TNC will be leading and others times will be providing critical support.

Example: Global Forests and Climate (with Conservation Impact Measure Category and Indicator)

1. Annual tropical deforestation and degradation is reduced by 50% from the historical 2000-2010 average, avoiding annually 2 billion tons CO2 emissions and 6 million hectares of deforestation and degradation by 2020. *(CIM Ecological - Mha/year [demonstration countries and global]; Carbon emissions [tCO2/year])*
2. 100,000 people with "significant" increase in human-well-being level in priority TNC demo programs (Berau, Sao Felix, and Three-State Yucatan) by 2020. (*CIM People – indicators for material opportunity, security, and participation are under development*)
3. Annual global public funding [disbursements] for REDD+ reach $5 billion by 2020 (*CIM Sustainable Finance - $ secured for REDD+ at demo sites and REDD+ global funding*)
4. Full achievement of forest sector policy goals within the Copenhagen commitments by Brazil, Indonesia, Mexico, and China by 2020.(*CIM Policy - % of forest sector policy goals achieved*)
5. Increase countries with approved Readiness Packages by the Forest Carbon Partnership Facility to 7 by 2015 and 15 by 2020 (*CIM Management - # of countries with implementation readiness packages approved (demo programs and global*)

Selected Characteristics

- Generally 5-10 in total number, although only a subset of 3-5 will typically be included in reports to executive leadership
- Outcome timeframe is generally 10 years, but is determined by realistic estimates of required time, resources and effort required to achieve an outcome; if a 10-year timeframe is not feasible, state what portion of the outcome will be achieved within 10 years

  A complete outcome statement includes five parts:

  1. **what** we are trying to change described in specific terms
  2. a specific measurable **quantity** or **change in trend**
  3. **context** for TNC's intended outcome (e.g., relative to geographic scale of widespread threat; economic impact relative to an entire economic sector, etc.)
  4. **timeframe** within which outcome or portion of an outcome is expected to occur
  5. specific measurable **indicator** that will be used to assess achievement of the outcome

STRATEGIES

Strategy definition: A broad course of action with a common focus designed (alone or together with other strategies) to achieve specified outcomes and related intermediate results. Strategies focus on "means" – the "how" for achieving particular results.

Example: Global Forests and Climate

1. **Demonstrate REDD+ in strategically important forest nations**. REDD+ is complex, and unproven at the scales needed. Show how REDD+ can succeed in a "strategic portfolio" of specific places, including sub-national demonstration programs and national "readiness" activities.
2. **Promote learning on REDD+ program development.** Draw from successful concrete experiences to support implementation in a broader set of locations, and to inform policy makers on the appropriate design of REDD+ laws and regulations.
3. **Shape global policy frameworks.** Create financial incentives to direct investment into low-carbon development, forest conservation and restoration through effective policies, standards, and regulations, globally and in key countries.
4. **Mobilize public and private capital.** Structure financial mechanisms and investment to promote tangible REDD+ results, and direct the flow of funding and incentives to priority needs**.**
5. **Engage governments and industry on supply chain practices.** Work to reform public policies and corporate practices to promote the supply and consumption of low-carbon products.

Selected Characteristics

- Descriptions consist of brief summaries that articulate the "means" TNC will use to achieve outcomes
- Strategies arise from the situation analysis and are backed by a robust theory of change
- The number of strategies varies depending on the scope and complexity, desired outcomes, and overall theory of change
- Each strategy description includes a brief "shorthand" title that captures its essence
- Reference the scale of strategy implementation (e.g., global, demonstrate site)

ACTIVITIES

Activities definition: A set of specific actions and related results*, typically deployed and achieved in a certain order, undertaken by project staff and/or partners, as part of implementing a strategy in service of achieving specified outcomes.

*Note: In TNC's planning framework, we have adopted a simplified solution where actions and the related results of those actions are combined into a single category called "activities". In many planning and evaluation frameworks, activities are described separately from results and the term "output" is often used to describe the most immediate product of activities.

.

Example: One strategy and set of activities from Global Forests and Climate

1. **Shape global policy frameworks.** Create financial incentives to direct investment into low-carbon development, forest conservation, and restoration through effective policies, standards, and regulations, globally and in key countries.

   1.1. **Launch constituency-building coalitions in key U.S. States and engage in California climate program rule-making** to increase the number of legislators supporting U.S. climate legislation. (FY14) (US Government Relations*)*

   1.2. **Design solutions for measuring REDD+ carbon emissions reductions and engage with the various forums** to create jurisdictional-level standards for measuring REDD+ carbon emissions reductions, including the Verified Carbon Standard, World Bank Carbon Fund, California AB32 program, and UNFCCC process. (FY15) (Global Forest and Carbon Team)

   1.3. **Advise, support, and assist selected nations** to develop REDD+ policies and programs and their international climate positions. (FY18) (International Government Relations)

   1.4. **Advocate in appropriate international forums (e.g., UNFCCC, MEF, G20)** to secure existing and new financial commitments that incentivize REDD+ (FY18) (International Government Relations)

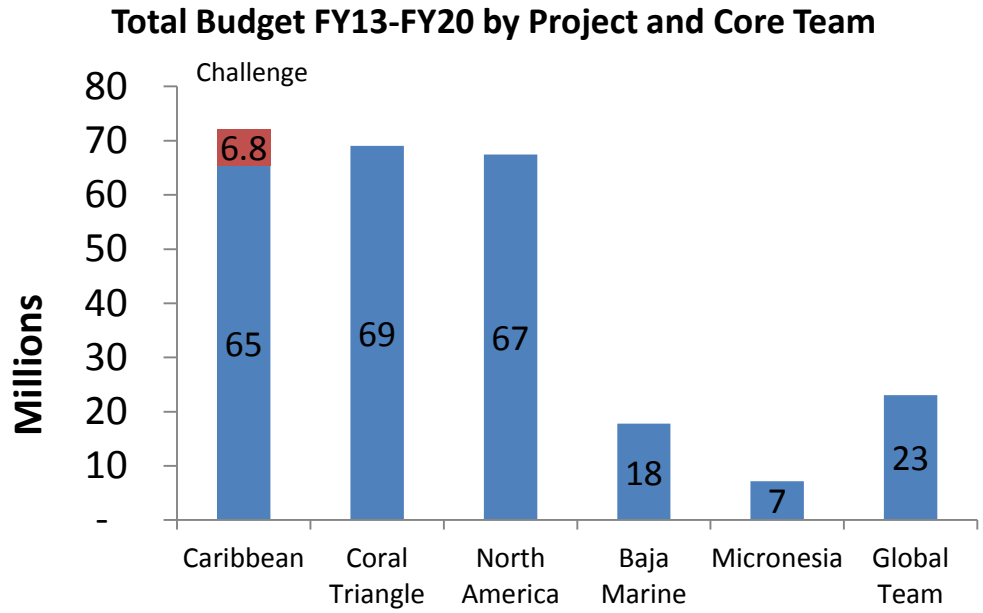
Selected Characteristics

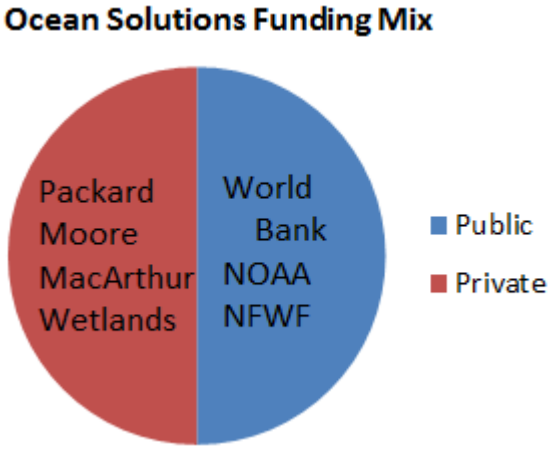
- Includes action plus result, i.e., do X to achieve Y
- Needs to be product-oriented, and quantitative - e.g., specifying the number, size, area, or other metric by which achievement can be assessed (i.e., train 500 people, raise $1 million, increase public support for climate change legislation)
- Variable in total number, although only a subset of 3-5 of the most important activities per strategy will be reported to executive leadership (e.g., most costly, most critical) and only activities being implemented in the next fiscal year will be reported in annual plans
- Have variable start and end dates and tend to focus on the nearer-term, generally 1-3 years out
- Includes or incorporates a brief “short-hand” title that highlights the action
- Details include: Activity lead; contributors; start date and estimated end date; and implementation status (no issues, minor issues, major issues)

FINANCES

Finances definition: Comprehensive budget of all costs associated with the project at every organizational level, including staffing, capital, major contracts, EBA.

Example: Integrated Ocean Management





Historical funding for Ocean Management has been 50% private, 50% public. In the future, public component are expected to grow slightly, as opportunities around the Gulf of Mexico and Climate Adaptation funding become available.

Selected Characteristics:

- Includes all "indirect" expenses from functional areas, regional teams, and administrative support
- Should include current expenditures and forecast future years with detailed expenses and revenues for 3 years and estimates out to 2020
- Ideally organized around strategies, to facilitate reporting to funders
- Revenues and expenses (sources and uses) broken into clear streams. Example: revenue – public and private; Example: expenses – personnel and fringe, contracts, travel, supplies, etc.

APPENDIX B: **Conservation Business Plan Outline and Contents**

Conservation business planning concepts, terms, and processes are applicable to any TNC conservation strategy or project. Conservation Business Plans (CBPs) are mandatory for managers and teams supporting GCGS Strategies. Consult your manager if you are unsure about whether your team needs to develop a CBP. All plans include a minimum set of required[11], standardized elements (in bold below) (see APPENDIX A). Required content is shared by a set of integrated management tools via the Conservation Information Hub. Information recorded in the Hub should be the same as the information in a written plan. The content in written CBPs provides a record of the team's thinking and supports a variety of internal audiences and external needs. CBPs support, but are not, marketing brochures, funding proposals or annual plans. Plans and content should be concise and specific, so that it can be adapted for different audiences and purposes. The length and exact content of CBPs will vary; be clear about audience, purpose and what decisions the written plan and content are intended to support. For internal audiences, the main body of CPBs should be approximately 10-20 pages.

Conservation Business Planning Appendices
A – Required CBP Elements
B – Business Plan Outline
C – Transition: CAP to CBP
D – Cons. Impact Measures
E – Terminology Crosswalk
F – Strategy Selection & Logic
G – Integrating Spatial Plans
H – Human Well Being
I – Financial Plan
J - Glossary
Overall Table of Contents

[11] Requirements are subject to change—check the Conservation Business Planning section of the Conservation Information Hub or Conservation Planning & Measures Community page on Connect for the latest information.

Following standardized format (below) will make plans more accessible and comparable. Future versions of the Hub will support the ability to upload CBP information from Miradi.[12]

Conservation Business Plans	Term Sheets	Annual Work Plans & Budgets	Management Dashboards
I. Executive Summary			
A. Goal	**Goal**		**Goal**
B. Conservation Situation			
C. Scope	**Scope**		
D. Outcomes & Indicators	**Outcomes & Indicators**	**Outcomes**	**Outcomes & Indicators (CIMs)**
E. Theory of Change			
F. Strategies	**Strategies**	**Strategies**	**Strategies**
G. Activities & Phases	**Activities**	**Activities**	**Activities**
H. Capacity & Finances	**Finances**	**Finances**	**Finances**
I. Risks			
J. Progress to date			Progress to date
Appendices			
• ***Conservation Impact Measures***			
• *TNC Strategic Advantage*			
• *Team Charter*			
• *Measures table*			
• *Conceptual or logic models*			
• *Other*			

Core Required ✪ **plan elements**[13] are used during management and progress reviews and in other venues to support implementation. These elements are summarized in APPENDIX A and described in more detail in each topical section. They are the primary building blocks of plans and the content is recorded in the Hub.

➲ *Required:* Goal ✪, Scope ✪, Outcomes & Indicators ✪, Strategies ✪, Activities ✪, Finances ✪, Measures ✪

[12] Many of the information needs addressed in this guidance are supported by the desktop software program Miradi (www.miradi.org), which will be able to exchange information with the Hub (in addition to exporting to Word and Excel). The use of Miradi is optional.

[13] Requirements are subject to change—check the Conservation Business Planning section of the Conservation Information Hub or Conservation Planning & Measures Community page on Connect for the latest information.

Supporting elements include products developed for sponsors, managers, philanthropy staff, compliance staff, peer reviewers, and donors. Some products are useful precursors to developing required core elements. Supporting elements may be included in the main body of written conservation business plans or in appendices. These elements and related processes are described in each topical section.

- *Supporting*: Team charter; narrative situation analyses and conceptual models; stakeholder/actor interest assessments; narrative theories of change and logic models; TNC strategic advantage analysis; risk analysis; measures tables; and capacity assessments.

APPENDIX C: **Transitioning from Conservation Action Planning to Conservation Business Planning**

Planning with Partners

All TNC conservation work includes implementation partners and other stakeholders. However, collaborative planning is a strategic decision, not an assumed practice (see PREPARING TO PLAN). If you decide to plan with partners, you should be familiar with conservation business planning but are encouraged to use whatever collaborative planning process makes sense for your situation, including the Open Standards (see below). If your project or strategy is a Global Challenges-Global Solutions priority, you'll be required to have an up-to-date TNC CBP using accepted CBP terminology and concepts, regardless of which process you use externally.

The Open Standards & Conservation Business Planning

TNC's Conservation Business Planning is derived from Conservation Action Planning (CAP) and the Open Standards (OS) for the Practice of Conservation,[14] but has been adapted to support TNC's organization-wide adoption of result-based management across all levels, functions, programs, and systems, not just project-level management. As a result, conservation business planning is somewhat TNC-centric. Similarly, TNC's planning terminology and definitions are not identical to the Open Standards, but have been adapted for TNC's management processes and internal and external communication.

[14] http://conservationmeasures.org

Using the CAP "Brand"

Conservation Action Planning and the CAP brand have been adopted by a number of important TNC partners. TNC practitioners should feel free to use the CAP acronym if it serves a strategic purpose, but should use the underlying concepts, methods, and tools of the revised Open Standards and/or draw from conservation business planning, both of which are more up-to-date than CAP guidance. TNC is not currently updating CAP-related tools or content on the Conservation Gateway.

Conservation Targets and Primary Interests

In the Open Standards (and in Conservation Action Planning), "conservation targets and goals" have been used to represent TNC's traditional conservation interests, usually in reference to a specific geography. With this version of the guidance, and rather than continuing to dilute the useful "target-goal" concept, the more neutral term "primary interests" was chosen to encompass both traditional biodiversity conservation targets and "what matters" to influential actors and important stakeholders (see PRIMARY INTERESTS). The revised Open Standards (April 2013) has adopted the same term and similar concept.

This isn't just a name change, but represents a philosophical shift in TNC's mission that opens the door to more fully, creatively, and strategically integrating other kinds of needs and values. Where this leads or how it becomes fully operationalized is not yet known – this is definitely a work-in-progress. Focusing on ecosystem services is one avenue but likely not the only one.

Most past TNC conservation planning focused on landscape-scale projects and the conservation of a small number (e.g., < 10) of representative biodiversity targets. These targets then served as the basis for defining and measuring ultimate conservation success and focusing conservation actions. These concepts were operationalized by methods and tools including viability analyses and target-based threat analyses. That original concept (and recent Open Standards adaptations), along with traditional viability and threat analyses, is still applicable in many situations.

However, TNC's portfolio of strategies and projects has expanded to include attempts to solve large-scale "problems" (e.g., unsustainable agriculture) threatening hundreds of places and thousands of traditional TNC targets, affecting the livelihoods or well-being of tens of thousands of families, and impacting the non-conservation interests of influential actors (e.g., the bottom lines of businesses and corporations). The direct focus of most large-scale problem-based strategies is focused on understanding the major drivers of change and influencing the enabling conditions at very large scales, for example, influencing corporate or public policy, regulations, enforcement, incentives, or markets.

Because of the changing nature and scope of TNC's conservation portfolio, the traditional conservation target-based approach may be cumbersome, particularly when the focus is a widespread problem (e.g., reforming energy and mining sector policies and practices at a global scale). Because TNC's GCGS strategies start with a specific identified issue (i.e., problem or threat), they truncate the typical target, threat identification, and threat-ranking steps that are typically used in target-based projects for identifying the focus of attention. Clarifying the biodiversity conservation targets for GCGS strategies is still important, but in many cases the

targets are likely to be very broadly defined. For example, TNC's REDD+ strategy is specifically addressing deforestation of *tropical forests* (not all forests). Determining how to best select primary interests that encompass re-defined types of targets and additional things "that matter" to influential actors and important stakeholders represents an evolving conservation planning need associated with our transition from CAP to Conservation Business Planning.

APPENDIX D: **Conservation Impact Measures Guidance**

Executive Summary

Conservation Business Planning Appendices
A – Required CBP Elements
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The Nature Conservancy uses Conservation Impact Measures (CIMs) to report on Priorities in the Global Challenges, Global Solutions framework. CIMs track the most important conservation outcomes across five categories: Ecological; People; Policy; Management and Practice; and Sustainable Finance.

CIMs do not represent a "new" kind of measure. They are a carefully selected set of metrics for reporting to a very specific audience: the Executive Team and high-level, knowledgeable supporters of the Nature Conservancy, including the Board of Directors, foundations, principal donors, and impact investors. Interactive, online, dashboard-style CIMs provide an overview of our progress and enable constructive conversations between these key audiences and project staff concerning lessons learned and opportunities for improving performance. Over time, CIMs may also inform decisions about strategic alternatives and allocation of effort.

This document is a how-to guide for selecting and communicating the outcomes and indicators for CIMs. It does not address data collection and analysis considerations in support of a full plan for impact monitoring, or fundraising or capacity-building issues related to this type of monitoring program.

I. The Conservation Impact Measures Framework

CIMs reflect the most important aspects of our most important work. They tell us how we are doing in achieving those outcomes upon which we "hang our hat," visually documenting our success. ***Beginning in FY2013, all global and regional Priorities are expected to articulate and begin reporting on CIMs every year.***

A. Intended Audience and Uses

The primary audiences for CIMs are the Executive Team and high-level knowledgeable supporters of the Nature Conservancy, including the Board of Directors, foundations, principal donors, and impact investors. For these audiences, CIMs serve a purpose similar to that of an annual report to stockholders, answering the question, "What are we getting for our investment?". Online dashboards displaying CIMs provide these key audiences with an at-a-glance picture of our work. They are also used by the Executive Team and the Chief Conservation Officer in annual management reviews. Each CIM dashboard may be viewed stand-alone or in combination with other project information, such as the management review dashboards, which provide information on shorter-term achievements, and financial dashboards, which report on project finances.

B. Components and Categories

CIMs have two principal components:

- *outcomes,* the major conservation results (big wins) that we intend to achieve
- *impact measures,* the indicators/metrics you will track and use to report progress in achieving outcomes.

The outcomes on which CIMs are based derive directly from the project's Conservation Business Plan (CBP; see OUTCOMES). CIMs must be organized by the five categories listed in Box 1, but CIMs should only be reported for the categories that are relevant to the project. (Categories that are not relevant to your project should be left blank and labeled "not applicable" in the CIM dashboard.)

Box 1. Conservation Impact Measures Categories (with example CIMs from the Micronesia Challenge)

➲ **<u>Ecological</u>** – What are the desired changes in ecological health and integrity? This includes changing or restoring the structure, processes or composition of targeted ecological systems or populations, and/or increasing system resilience. It also includes changes in ecological factors that affect the delivery and flow of ecosystem services.

Outcome*:* Improved ecological health conditions for key marine resources

Indicator 1*:* fish biomass inside and outside of Marine Protected Areas

Indicator 2*:* coral cover inside and outside of Marine Protected Areas

- **People** – How will our conservation strategies benefit human well-being? This includes expanding economic opportunities and assets, increasing security while reducing vulnerability, and empowering people. Typical benefits to people include new livelihoods, higher income, better education, greater participation, better health, and stronger social cohesion. This category also includes efforts to maintain or increase the value of specific ecosystem services that benefit people, such as production of goods (food, timber) and life-support processes (soil fertility, water purification, flood mitigation).

  ***Outcome**:* Effective MPAs increase food security (perceived and actual availability) in all jurisdictions

  ***Indicator 1**:* percent of households who perceive improved seafood availability since MPA establishment

  ***Indicator 2**:* number of edible invertebrates

- **Policy** – What transformative policy changes are we aiming for? This includes typical policy goals such as new laws, regulations, treaties, or conventions. It also encompasses other arenas such as corporate policy or creation of new certification systems, legal entities, or more effective governance arrangements that guide the practice of private, public, or community entities. Also included are the enactment of land, water, and other resource protection mechanisms, such as zoning and protection designations.

  ***Outcome**:* 30% of nearshore marine resources are under enhanced management or legal designation in each jurisdiction by 2020.

  Indicator: percent of nearshore marine area under protection by jurisdiction

- **Sustainable Finance** – How will the flow and sustainability of funding for conservation gains continue and increase? This reflects efforts to secure sustained financial resources from public or private sources for ongoing conservation, create a new conservation financing vehicle that didn't previously exist, or deliver conservation in a more cost-effective way by altering market structure and incentives. Examples include creation and funding of conservation trust funds, conservation fees and other mechanisms, appropriations, new taxes, private sector investments, and payments for ecosystem services. (While TNC's fundraising results occasionally fit within this category, fundraising for and the costs of TNC operations and management are generally excluded.)

  ***Outcome**:* Each jurisdiction contributes 100% of their share of the Micronesia Challenge endowment by 2020.

  ***Indicator**:* dollars received in endowment fund for each jurisdiction compared with total dollar amount of each jurisdiction's share

- **Management and Practice** –What changes are we seeking in how governments, corporations, communities, and individuals directly manage and use critical lands, waters, natural resources, and ecosystem services? This includes changes in conservation management status, such as improved human capacity and infrastructure to effectively manage resources over the long term and avoid "paper parks." It also encompasses the many ways that corporations, governments, and communities directly impact resources, including corporate practices, resource allocation, activity-siting, and implementation of specific management practices, methods, and tools. Development of plans is included here as well, if the plans outline direct actions taken to manage natural resources.

  Outcome: Increase management effectiveness of all Marine Protected Areas within Micronesia Challenge

  Indicator: management level of Micronesia Challenge pilot sites calculated using the Marine Protected Area Management Effectiveness (MPA-ME) Scorecard

C. What is the Appropriate Time-scale for CIMs?

There is no standard specified timeframe for the conservation outcomes used for Conservation Impact Measures. The timeframe should be defined by realistic estimates of the required time and effort to achieve an outcome, which need not necessarily correspond to the timeframe of the CBP. For long-standing projects, it is conceivable that a major conservation outcome could lie only two to three years ahead. For newer or formative projects, major conservation outcomes are likely to take much longer to achieve. Tracking progress towards achieving outcomes associated with longer timeframes can be addressed through the careful selection of indicators (see section IV.B below).

D. Will We Aggregate Measures across Priorities?

Conservation Impact Measures provide a standard format for The Nature Conservancy to document the impact of the Global Challenges, Global Solutions initiative. The intention is to report our impacts at the level of each Global Priority, and explicitly **not** to roll them up to a single measure in each CIM category to indicate our overall impact. Our experience in reporting on the 2015 goal suggests that it is very difficult to articulate a single metric that can be used across very different types of projects to report something meaningful about our impact and can also be useful in decision-making. (Note though that reporting impacts at the scale of a Global or Regional Priority may require aggregating or summarizing data from multiple field or demonstration sites. Guidance on when and how to do this is included below in Section IV.C.) In the longer term we may explore ways to summarize our impact across Priorities, for example by category at the level of a Global Strategy (as a subset of Global Solutions). For now however, Priority teams should focus on identifying the most relevant, meaningful, and cost-effective metrics that illustrate project impact.

E. Attribution, Contribution, and the Work of Partners

The results TNC aspires to achieve are often dependent upon contributions from partners. Big places, challenges, and solutions involve many actors and complex dynamics. As the scale and complexity of our work increases, so does the challenge of attributing conservation impact to any one actor, including ourselves. CIMs outcomes often specify results related to our sphere of influence or sphere of interest (see Figure 1) that are causally separated from our direct actions (sphere of control). This makes it challenging to define our contribution and separate it from the contribution of partners.

There isn't an easy, one-size-fits-all answer to the attribution issue. It can however be addressed in part by: having a robust cause and effect theory of change that makes plausible linkages between our actions and desired outcomes; collecting evidence that predicted intermediate results have occurred; clearly differentiating our niche and role from other actors; and using proof of concept projects with well-designed measures to validate our direct impact at one scale, so that we can credibly infer impact at larger scales.

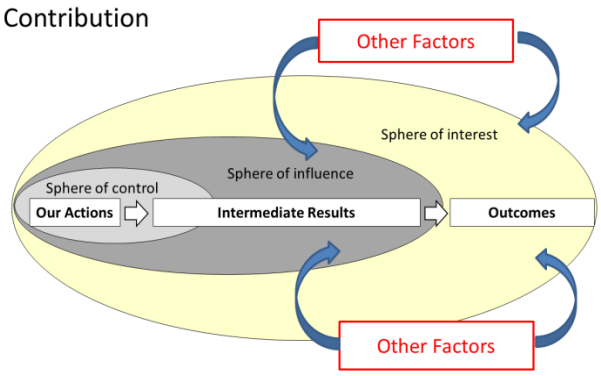


Figure 2. Spheres of Control, Influence, and Interest. (Adapted from: Robert Chipimbi and Simon Hearn. 2009. *Outcome mapping: Bringing learning into development programs*.)

We continue to experiment with effective means of characterizing and transparently communicating the Conservancy's contribution to reported Conservation Impact Measures. For now, Priority teams should document the Conservancy's role in achieving each outcome (as lead, partner, influencer, etc.), and provide a succinct description of the Conservancy's contribution to the observed results.

II. Selecting Outcomes for CIMs Reporting

Generally, the conservation outcomes used in reporting CIMs will come from the list of 3-5 outcomes typically defined in the Conservation Business Plan. The outcomes tracked in CIMs should reflect the most important outcomes, or biggest wins, in each of the five Conservation Impact Measure categories relevant to the project. (Projects working with a larger number of outcomes should refer to the *Special Situations* section below.) For long-standing projects with plans that pre-date the current conservation business planning approach (e.g. conservation action planning; ecoregional planning; or previous iterations of conservation business planning), the modified approach described below (III.B.) can be used.

A. Criteria for Selecting Outcomes for CIMs Reporting

All outcomes used in CIMs reporting should meet the characteristics of outcomes as defined in the CBP guidance (OUTCOMES):

- Concise, "end-oriented" statements
- Generally 3-5 in number (variable depending on scope, scale, and complexity of project)
- Capture only the most important results TNC is trying to achieve within project scope
- Measurable as written
- Reference the scale of the external conservation need and include contextual information (such as a reference value)
- Include a timeframe defined by realistic estimates of required time and effort
- Ideally, each outcome describes a single important result. If an outcome incorporates two or more important results, it may need to be split into more than one outcome for reporting CIMs.

CIMs must be organized by the five categories listed in Box 1. No more than 1-2 conservation outcomes can be reported per CIM category. Remember that CIMs should only be reported for the categories that are relevant to the project. Categories that are not relevant to your project should be left blank and labeled "not applicable" in the CIM dashboard. Similarly, if an outcome has not yet been adequately developed for a category, it can be labeled "in progress." It is better to leave a category blank than to invest resources in collecting and reporting data for an outcome that is ill-defined.

Special Situations

If 3-5 outcomes have been identified via the conservation business planning process, then it is likely that all of these outcomes will be used in CIMs reporting. Here are some suggestions for other situations:

1) More than ~8 outcomes, and/or multiple outcomes that fall into a single CIM category.

You will have to choose which 1-2 outcomes to use for each category. This requirement reflects the needs of the target audience for CIMs reporting and does not imply that the other outcomes are not important or should not be tracked. Here are some ideas to consider in choosing which outcomes to report as CIMs:

- Consider the audience – what are the Executive Team and major donors likely to consider the most important outcomes?
- Which outcomes play a more significant role in your theory of change?
- Which outcomes are most closely related to TNC's contribution?
- Consider an outcome and ask, "so what?": If the answer points to another, bigger outcome that falls within the same category, then this bigger outcome should be used.

2) A few "ultimate" outcomes that reflect ecological health, and many outcomes reflecting intermediate results.

It is probable that several intermediate results match up to different CIMs categories. To decide which ones to report for CIMs, err towards the most significant achievement within each category. If a results chain has been developed (STRATEGY LOGIC), the most significant results are typically those furthest on the right side of the chain, closest to the outcome. Keep asking yourself "so what?" to identify the most significant outcome.

B. For Projects with Outdated Outcomes and/or Theory of Change

For longer-standing projects, a robust set of outcomes and/or theory of change may not be available at the time you are drafting your first CIMs. For example, existing outcomes and theories of change may have been developed at a different spatial or temporal resolution than seems currently relevant, or the project may be based on leveraging demonstration sites, but the leverage pathway is not yet clear.

For these types of situations, consider these questions to help identify the most important aims of the project and formulate a set of Conservation Impact Measures:

- What data are currently being collected that are related to the essence of this project?
    - Why is the data being collected? Who thought it was important? What questions did they hope it would answer?
    - Who paid for the data to be collected? Has it been analyzed and if so, who did or would pay for this?
- Is there information for which project managers keep a "running tab" or monitor informally? Why do they pay attention to this information? What decisions are likely to be made based on a "gut" assessment of this information? Even an informal system of keeping tabs on global trends takes time, and rarely do we invest this time without some intuition that it will be useful to guide our work and make strategic decisions.

Once the outcomes for CIMs have been identified, review existing outcome statements and revise for the Conservation Business Plan.

C. Overall Tips

- Selecting just one outcome per CIM category is strongly recommended. However, up to two outcomes per category can be included in the CIM dashboard.
- Consider reporting the outcome that is more closely related to TNC's contribution alongside a bigger outcome that results from the collective work of TNC and our partners. Box 2 shows an example from the Forest Carbon Priority that includes CIMs for TNC pilot sites in Berau and Sao Felix, where results are directly related to TNC contributions, as well as CIMs associated with global reductions in tropical deforestation rates, where TNC's contributions play a less significant role. This approach provides useful context for the dashboard's audience.
- Inherent overlap exists among CIMs categories. Use the category definitions, illustrative examples, and peer input as a guide, but do not aim for perfection.
- Be sure that ecological outcomes do in fact reflect changes in ecological health. Traditionally, TNC projects have used increased protection from development or other impacts as a proxy for ecological outcomes. For example, consider this outcome statement:

    By 2018, 30% of the Mongolian grassland and Gobi desert ecoregions are under formal protection for people and nature.

    While the intent of increasing protection is to benefit nature, this outcome reflects **policy change, not a change in ecological health**. Protection-related outcomes should be included in the **Policy** category, not Ecological.

Box 2. CIMs: Global Forests and ClimatePriority. (Note that for the Ecological category, one CIM focuses on TNC-specific outcomes, while the other provides a broader perspective.)

Ecological

- Annual tropical deforestation and degradation is reduced by 20% from the historical 1996-2005 average, avoiding annually 800 million tons CO2 emissions and 2.4 million hectares of deforestation and degradation
  Indicators: Mha/year [global]; Carbon emissions [tCO2/year])
- Annual tropical deforestation and degradation for priority TNC demo programs (Berau, Sao Felix, and Three-State Yucatan) is reduced by 80% from ten-year historical average (2000-2010) average avoiding ____ hectares of deforestation.
  Indicators: Mha/year [demonstration countries]

People

- 100,000 people with "significant" increase in human-well-being level* in priority TNC demo programs (Berau, Sao Felix, and Three-State Yucatan).
  ** Indicators in development for material opportunity (e.g. jobs, social services); security (e.g. rights to land, food and water security); participation (e.g. role in land-use decisions making)*

Sustainable Finance

- Annual global public funding [disbursements] for REDD+ reach $5 billion by 2020.
  Indicators: $ secured for REDD at demonstration sites and REDD global funding

Management and Practice

- Increase countries with approved Readiness Packages by the Forest Carbon Partnership Facility to 7 by 2015 and 15 by 2020.
  Indicators: # of countries with implementation readiness packages approved (demonstration programs and global)

III. Selecting Indicators for Conservation Impact Measures

A. Developing and Selecting Indicators

Selecting indicators for reporting Conservation Impact Measures is the most important part of the CIMs process. This step is about figuring out what is most important for determining project success, and what is most important to share with the primary audiences about conservation outcomes. All programs collect a variety of information for annual work planning, reporting on grants, and making strategic and tactical decisions. Selecting 1-2 salient indicators for each CIM category prompts the discipline of taking a step back and saying, "What is really important here?"

The terms *indicators* and *measures* are often used interchangeably at The Nature Conservancy. Indicators are measurable entities related to a specific information need. They are the specific metrics or data collected to determine, directly or indirectly, whether you are attaining an

outcome. Indicator data may be collected using quantitative or qualitative methods. Regardless of the method chosen, good indicators meet the following criteria:

- Measurable: able to be recorded and analyzed
- Clear: presented or described in such a way that its meaning will be the same to all people
- Sensitive: change proportionately in response to actual changes in the condition or item being measured

The indicators selected for any one conservation outcome may not show change on an annual basis, whether due to the actual rate of change or the sampling interval. However, it is assumed that in any given year, at least some of the indicators across all CIMs categories are likely to demonstrate change.

B. Selecting Indicators for Longer-term Conservation Outcomes

Some conservation outcomes, particularly those in the Ecological and People categories, may take a very long time to be realized. For example, a desired conservation outcome of the Great Bear project is restored old-growth forest, which has a timeframe on the order of two hundred years. Using the age structure of forest types of interest as an indicator, while accurate, is not likely to be very interesting when reported on an annual or even triennial schedule. For this type of situation, there are several approaches that can be taken:

1. Look for **early response variables**. Ecological systems may have components that respond more quickly to conservation interventions than do the system features of interest. For example, some fish populations respond more quickly to restricted access to marine areas or reduction in terrestrial pollution runoff than they do to coral reef coverage. This is also true for some aspects of human well-being – for example, some jobs may be created quickly as a result of a conservation initiative, while empowering a local community to make sustainable natural resource management decisions will likely take more time.
2. Consider reporting indicators associated with a **key intermediate result**. For example, the results of bellwether surveys, which assess where an issue or proposal is positioned on the policy agenda of key decision-makers, can give an indication of progress toward a major policy outcome. However, it is probably best not to include indicators for intermediate results that themselves represent a different CIM category, such as using increased management effectiveness (Management and Practice category) as an indicator for changes in ecological health.
3. If the long-term outcome is expensive or difficult to measure, consider using **proxy or surrogate measures** for evaluating progress at several time intervals. For example, some programs enlist volunteers to conduct annual photo points to ensure a qualitative record of ecological condition in the absence of regular funding for quantitative ecological monitoring.

C. Aggregating Data from Field Sites

Reporting on the organization-wide 2015 goal led to many efforts to find ways to summarize impacts across multiple projects and project scales and to roll them up into a single indicator. This is very challenging, if not impossible, and is one reason why TNC has shifted to reporting impacts via the Conservation Impact Measures framework. However, depending on the Global or Regional Priority and its theory of change, reporting on conservation outcomes may require thoughtfully aggregating or summarizing data across field sites or even scales.

It is appropriate to aggregate data from individual field or demonstration sites when doing so:

1. answers a question that is important in a way that is useful to management and decision-making; and
2. does not place undue burden on any individual field site.

There is a delicate balance involved in aggregating information, particularly across scales, while still ensuring that the end- result is meaningful and useful to the primary audience as well as for individual sites. In some cases, such as the Micronesia Challenge (see Box 1), sites and regions can successfully identify suites of indicators that benefit both the management needs of sites and, when aggregated, answer the most important questions at a large scale. This process requires patience, investment of time, and the discipline to hone ongoing site and regional program monitoring endeavors to best meet information needs.

On the other hand, sometimes the measure that really matters is an emergent property of a larger system; in these cases, aggregating data across sites is not appropriate. Whole systems are an illustration of the saying that, "the whole is greater than the sum of its parts." For example, The Nature Conservancy has many smaller preserves in the Central Appalachians system, but when trying to measure our conservation impact in the Central Appalachians, it does not make sense to simply add up the impacts from the preserve level; the importance of the Central Appalachians has more to do with great swaths of intact forestland than results from individual preserves. Thus, the Central Appalachians team has settled on a 400-acre forest matrix block as the indicator unit for detecting response, a spatial scale that far exceeds the size of most individual preserves.

D. Required Metadata

Data Source(s)

The source(s) of all data used to report on Conservation Impact Measures must be documented. Peer-reviewed journal articles, technical and government reports, publicly accessible databases, or primary monitoring conducted by staff, volunteers, and consultants are all excellent sources of data. For all articles and reports, include the full citation; for public databases, indicate the name, web address, and date accessed; and for unpublished monitoring data and informal analyses, provide the reporting person/organization and date.

If the indicator data stems from expert opinion, a "back of the envelope" calculation, or best guess, this needs to be clearly documented. Where expert opinion is used, you must document

the approaches used, if any, to reduce bias. Current evidence[15] shows that expert opinion, if collected without carefully structured approaches, is often no better than random guesses.

Strength of Inference

In addition to the sources of the data for your CIMs, you must also document the "strength of inference" to help the reader understand what the data and analysis reasonably tells you about the results. At The Nature Conservancy, we consider the following elements of experimental design to categorize the strength of inference, using a scale that ranges from 0 (no ability to demonstrate a causal effect) to 4 (strong evidence of causal effect). The scoring rubric awards one point for each "yes" answer to these questions:

a. *Was the conservation intervention (treatment) controlled by observer?* If you are looking at how a shoreline restoration project holds up to a hurricane, for example, you can probably not control the hurricane. But there are other cases, such as prescribed flooding released by dams that you can control.

b. *Was the conservation intervention (treatment) replicated in independent locations?* We often conduct conservation fairly opportunistically, but repeating our work in independent locations helps us have more confidence that the outcomes attributed to our work are more than just a coincidence.

c. *Did the method of evaluation employ a control site/group or other plausible form of assessing a counterfactual outcome?* This addresses the issue of understanding what might have happened if we had not done our conservation work. It can be accomplished by monitoring carefully selected similar areas we are not working or using certain forms of modeling.

d. *Was the conservation intervention (treatment) in some way randomized?* We recognize that it is not always possible to randomize where we do our work, but some element of randomization in how we site or implement our work can help build confidence in the results.

More details on determining an appropriate level of strength of inference can be found in *Investing in Monitoring Strategy Effectiveness: Measures Working Paper #2* (see Resources section).

E. Tips and Process Suggestions

Guiding Questions

Narrowing down the list of potential indicators for use in Conservation Impact Measures requires not just science but also communication and visualization skills. In particular, it is critical to consider the contextual information that makes the measures meaningful to the audience. Working through the following list iteratively may help for developing indicators that best reflect the status of project outcomes.

[15] See: Martin, T. et al., 2012. Eliciting expert knowledge in conservation science. *Conservation Biology 26*: 29–38.

1. Conservation outcome:
2. Associated indicator and brief description:
3. Why does this measure/indicator matter?; What does it tell you about the conservation outcome?
4. How might this information impact actions or decisions?
5. How is the indicator calculated? What are the data sources?
6. What is the level of strength of inference for this indicator?
7. Are there any target values for this indicator? If so, what? (If it is not possible to state a specific value that is meaningful, use an approximation or range of values.)
8. How often will data be collected for this measure/indicator? (monthly/annually/biennially)
9. What are the key comparisons for this measure/indicator? (for example: trend over time, change over time, parts of a whole, ranking, deviation, distribution, correlations)
10. What graph or visualization will most effectively communicate project impact? Sketching out a graph or visualization is strongly recommended before finalizing the indicator. (See V. below for ideas on further developing the visualization, once the indicators have been finalized.)

(See Box 4. for this list in worksheet format.)

Process Tips

Selecting outcomes and indicators for CIMs reporting is an iterative process that is quicker and easier for some groups than others. It is easier for groups who have been working closely together for a long time and have had these discussions implicitly over many years. It is also easier for groups that have a concise, clear set of outcomes and theory of change: It is clear what they want to accomplish and why, therefore it is easier to know what to measure and who will use this information.

Selecting outcomes and indicators can be more challenging for groups that are loose coalitions of ongoing programs, particularly those with broad geographic or conceptual scope and for whom issues such as funding and decision-making may not be clear. This is because what is important to each faction of such a coalition may be highly variable and the conversation about indicators may be charged with an undercurrent of uncertainty around team management issues.

A typical conversation or workshop focused on selecting CIMs will work through the following process:

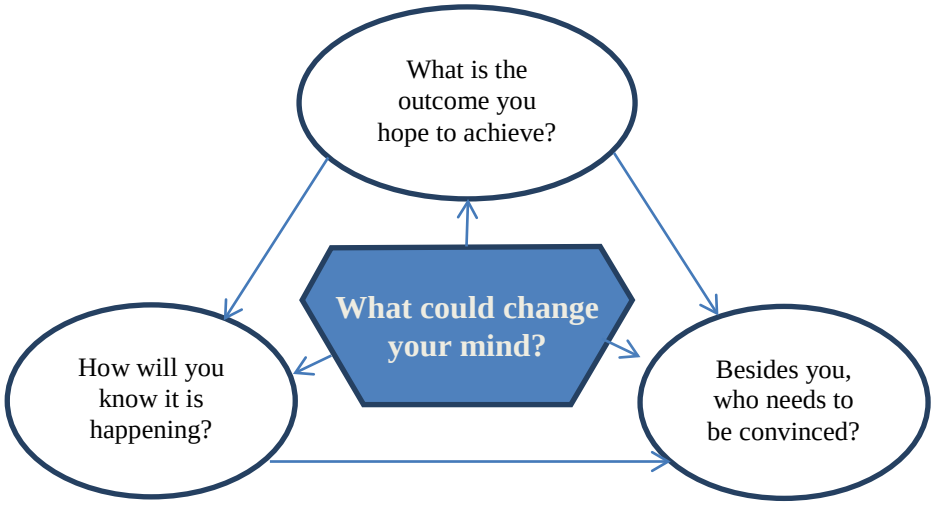


Figure 2. Suggested process for selecting CIMs.

Figure 2 illustrates the relationship between what is important to the project team, how it can be measured, and who else might need to be convinced that the selected CIMs really represent both the most important work and the best way to learn about it. It also suggests those who should likely be part of the conversation: program managers and directors who can decide what is most important, science or technical staff who can define what indicators and methods will answer important questions, and senior decision-makers who can identify the critical audiences to whom they must report.

Peer Review and Vetting

The filtering and selection of CIMs from the broader suite of measures a project is likely to be tracking is a challenging exercise that benefits from peer review and vetting with targeted audiences. Seek input from other Global Priority teams working on similar strategies. Create draft versions of CIM dashboard graphs and share them with the managers or sponsors responsible for securing ongoing support for the project. For CIMs that account for TNC contributions distinct from those of partners, seek review and endorsement from the partners that attribution has been equitably defined.

Finally, where appropriate, consult with your regional management, the Chief Conservation Officer and/or Executive Team Conservation Leadership (ETCL). The ETCL's existing conservation business planning review process is an excellent avenue for obtaining this input.

IV. Reporting Conservation Impact Measures Effectively

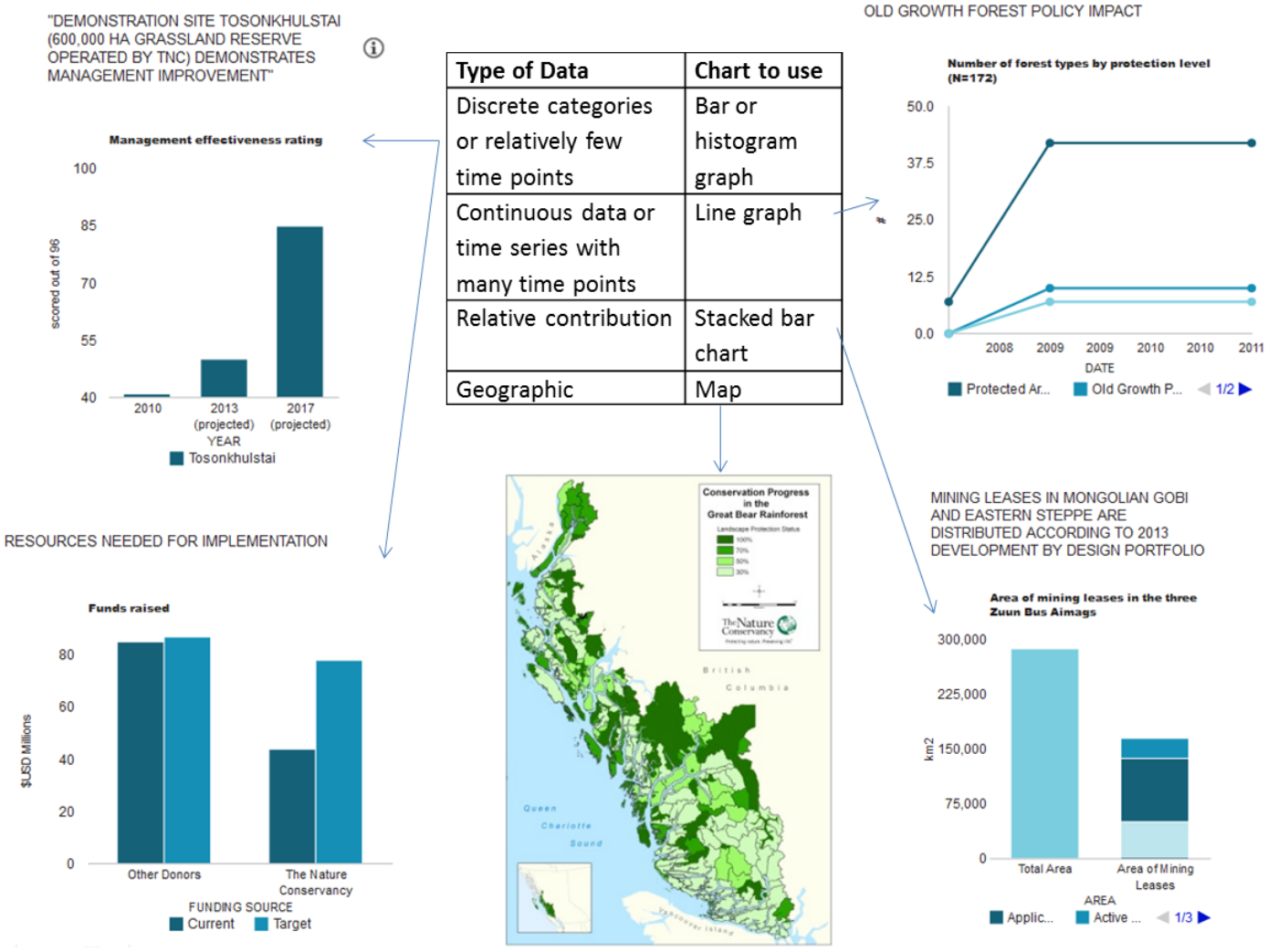
A. Selecting a Visualization

The visualizations you use to report CIMs are the heart of your story. Many science texts offer detailed recommendations on the particular kind of graphics to choose for indicators. Box 3

illustrates some of the most common types of data visualizations, with examples from pilot TNC CIM dashboards. The most important rules of thumb are:

- **Make every drop of ink (or screen pixel) count**. Our brains are delicate, complex organs that respond to what we see. Keep text, dots, lines (including gridlines) and even color contrasts (including tone and hue) to the absolute minimum needed to make your point – this will help prevent the viewer from being distracted from what you want them to learn.
- **Drama can be the enemy of understanding**. Even commonly used spreadsheet programs now have a wide variety of graphic visualizations to choose from. Steer away from 3-D features and anything that uses proportion to make its point. Pie and bubble graphs are common and interesting, but studies show that our brains don't tend to process this information effectively, unless it is a drastic relationship, in which case most any kind of visualization will communicate this message.
- **Familiarity trumps perfection.** Some key audience members may not be familiar with sophisticated graphs or may be reviewing a number of CIM dashboards in one sitting. Where possible, CIMs should employ a consistent format, in which the x-axis of graphs and charts shows time (years) and the y-axis shows indicator values.
- **Everyone needs a little air**. It can be tempting to try to cram as much data as possible into a single visualization. Sometimes combining several indicators in a single graph can be an effective way to maximize the amount of information conveyed, but be wary of multiple axes, lines, or units that may make it hard for someone who is new to your work to follow along. When in doubt, test your visualization on an unversed friend or colleague to see if it is understandable.
- **Don't hide the story**. Be sure the title of the graph clearly and succinctly states the conservation outcome you are reporting. Label all axes and include legends where needed. Include target values for indicators, even if the target is a ballpark range.

Box 3. Selecting an Appropriate Visualization



B. Incorporating Contextual Information

Online dashboards provide a means for integrating essential and useful contextual information through web features such as roll-over text, pop-up boxes, and hyperlinks, to help the audience interpret CIMs visualizations. The following are essential contextual information to include:

For each Global or Regional Priority:

- Brief (100-word) and straightforward description of the project that touches upon the overall project goal, outcomes, and major strategies. Avoid adjectives.

For each conservation outcome:

- Succinct statement of the outcome. Where needed, this can be supplemented with a more detailed outcome statement via pop-up box or a notes field
- Short explanation of why the outcome is important
- Brief description of TNC's role in achieving the outcome

For each indicator:

- Succinct description of the indicator and explanation of what it tells you about the outcome
- Explanation of how the indicator is calculated and how often it is collected
- Data sources for the indicator and the level of strength of inference
- Any caveats in interpreting results
- A qualitative assessment of TNC's contribution to the observed changes

For all contextual information, use language that non-TNC people will understand. Avoid TNC jargon! We strongly recommend having Communications or Marketing staff edit the contextual information to make it accessible to a sophisticated but non-technical audience.

C. Resources

GENERAL

- Measures Demystified online course
- Evaluating the Conservation Work of the Nature Conservancy (Measures Working Paper #1)
- Investing in Monitoring Strategy Effectiveness (Measures Working Paper #2)
- Contribution Analysis (Mayne 2008)
- TPI Partnership Review Template

PEOPLE

- Most Significant Change framework (Wilder & Walpole 2008)
- Guide to Social Impact Assessment (Center for Good Governance)
- Example of a full human well-being impact monitoring framework with indicators
- Conservation Gateway resources for measuring the social impact of conservation

POLICY

- Guide for Measuring Advocacy and Policy (Casey Foundation)
- A Handbook of Advocacy and Policy Data Collection Methods (Casey Foundation)
- Measuring Champions and Champion-ness (Aspen Institute)
- Unique Methods in Advocacy Evaluation (Innovation Network)

V. Reporting Conservation Impact Measures: Dashboard System

Separate guidance on reporting Conservation Impact Measures via the online CIM dashboard system will be available once the new CIM dashboard system is launched.

Box 4: Conservation Impact Measures Worksheet

1. Conservation outcome:

2. Associated indicator and brief description.

3. Why does this measure/indicator matter? What does it tell you about the conservation outcome?

4. How might this information impact actions or decisions?

5. How is the indicator calculated? What are the data sources? (Include references, URLs etc.)

6. What is the level of strength of inference for this indicator?

7. Are there any target values for this indicator? If so, what? (If it is not possible to state a specific value that is meaningful, use an approximation or range of values.)

8. How often will data be collected for this measure/indicator? (monthly/annually/ biennially)

9. What are the key comparisons for this measure/indicator? (for example: trend over time, change over time, parts of a whole, ranking, deviation, distribution, correlations)

10. What graph or visualization will most effectively communicate project impact? Sketching out a graph or visualization is strongly recommended before finalizing the indicator.

APPENDIX E: **Crosswalk of commonly used terms for actions and intended results**

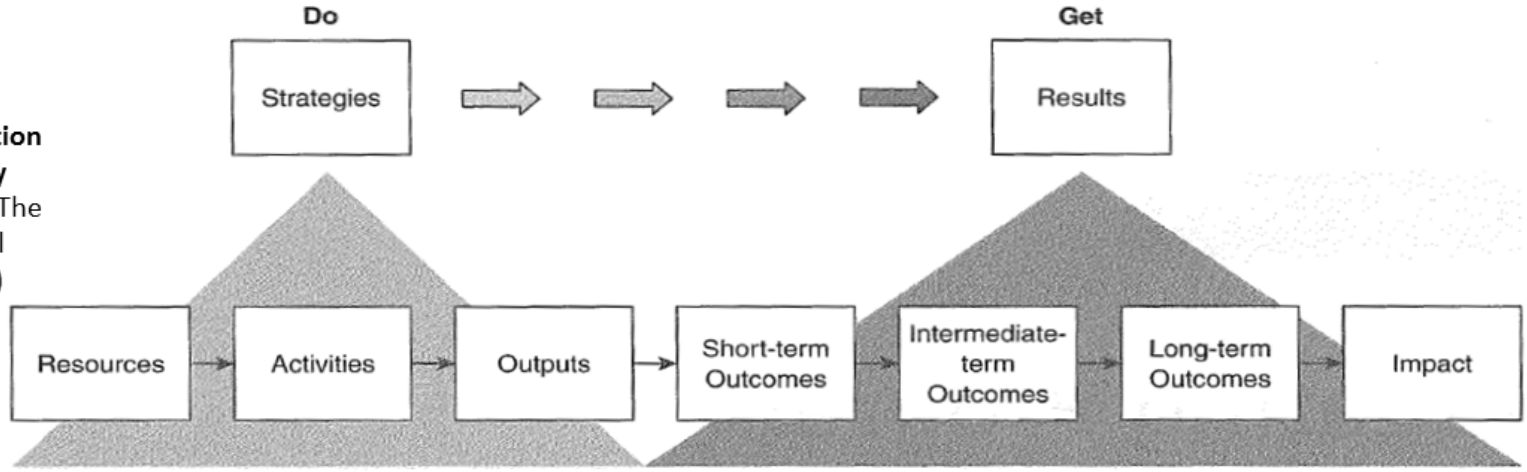
See also a Rosetta Stone Table for key terms used by funders to describe results-based management or theory of change

APPENDIX E: TERMINOLOGY CROSSWALK

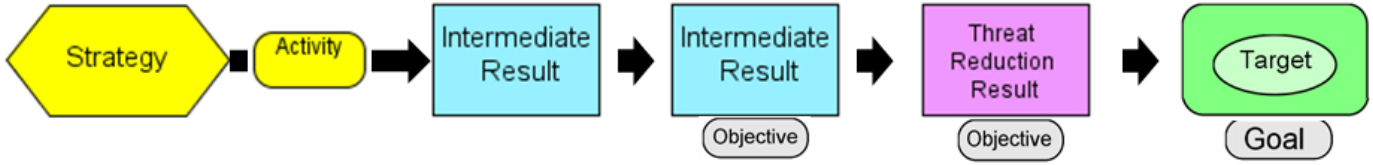
Crosswalk of commonly used terms for actions and "intended results"

Means vs. Ends

Typical Evaluation Terminology (graphic from: The Logic Model Guidebook)



Open Standards for the Practice of Conservation



TNC Conservation Business Planning

APPENDIX F: **Strategy Selection and Strategy Logic - Details and Examples**

Approaches for Strategy Selection:

Four alternative approaches are described below, presented in order of increasing level of rigor.

Approach 1: Identification of Pros and Cons via Team Discussion

LEAST RIGOROUS, most rapid method

- At a minimum, a listing of the pros and cons associated with alternative strategies, including those considered but rejected, should be documented in a table.
- See Box 6 for an example of a pros/cons table, along with a comparison to the more rigorous consequence table approach (Approach 4).

Approach 2: Rapid Qualitative Ranking

LOW RIGOR

- The Open Standards for the Practice of Conservation and the supporting Miradi adaptive management software program include a rapid qualitative ranking approach designed to winnow down longer lists of candidate strategies to a smaller subset for making more detailed comparisons. (See Boxes 1 and 2 below, and links to *Open Standards Training Manual* and *Open Standards Online Tutorial* in Additional Guidance in STRATEGY SELECTION.)
- Candidate strategies are rated using Very High, High, Medium, and Low ratings for two criteria: Potential Impact and Feasibility (see Box 1 for definitions for each of the 4 rating choices).
- Potential Impact and Feasibility ratings are combined to create an overall rating (Very Effective, Effective, Less Effective, Not Effective). See Box 1 for scoring rules.
- Miradi includes a brainstorm mode that displays a color-coded overall rating for each of the candidate strategies. (See Box 2 for an example.)

Box 1. Approach 2: Open Standards and Miradi Rapid Strategy Rating Method

1. Rank each strategy emerging from the brainstorming exercise using Potential Impact and Feasibility as the initial strategy screening criteria.
   - **Potential Impact** – Degree to which the strategy (if implemented) will lead to desired changes in the situation within the scope of your project
     - Very High – The strategy is very likely to completely mitigate a constraint/problem/threat or restore a conservation target.
     - High – The strategy is likely to help mitigate a constraint/problem/threat or restore a conservation target.
     - Medium – The strategy could possibly help mitigate a constraint/problem/threat or restore a conservation target.
     - Low – The strategy will probably not contribute to meaningful constraint/problem/threat mitigation or conservation/restoration of target.

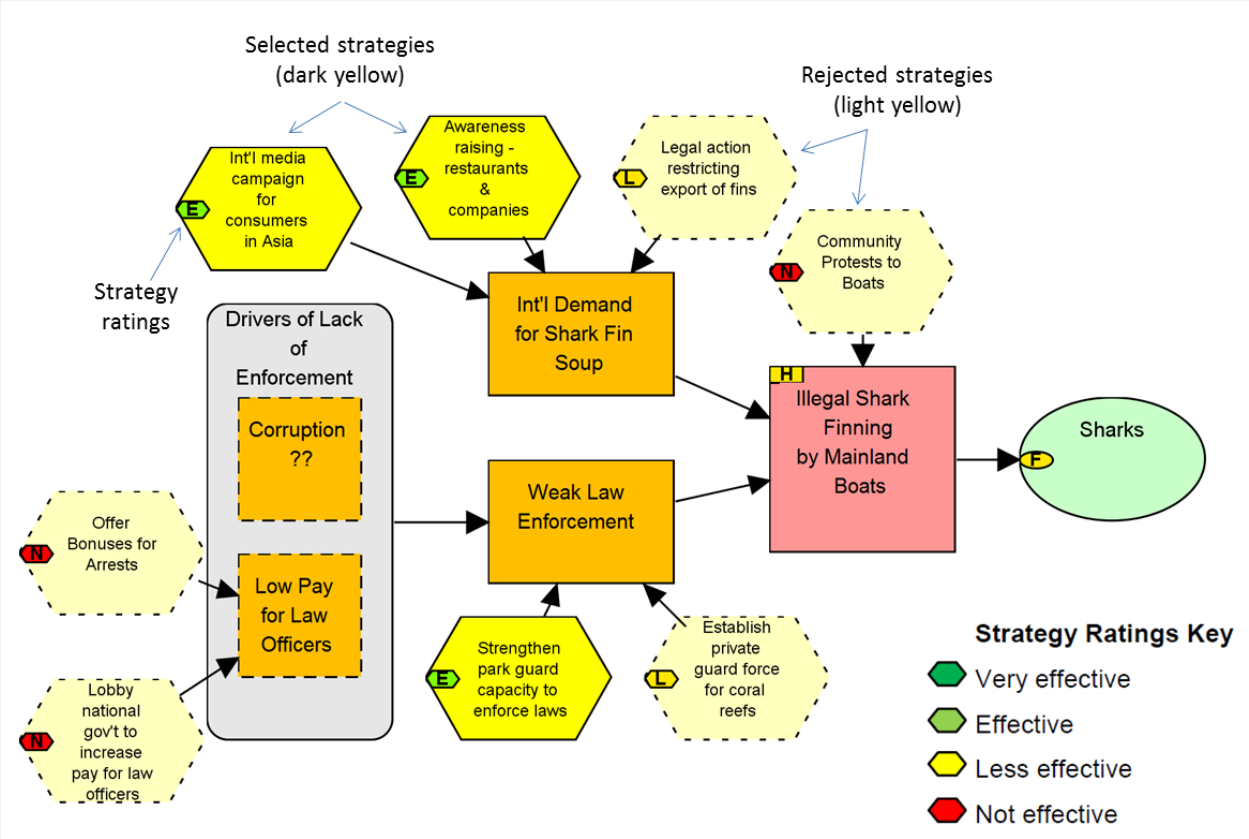
   *Note that there are at least two dimensions rolled into this rating: **probability of positive impact** and **magnitude of change**. These two dimensions must be mentally integrated into the Potential Impact rating.*

   - **Feasibility –** Degree to which your project team could implement the strategy within likely ethical, financial/staffing, and technical/time constraints
     - Very High – The strategy is ethically, technically, AND financially feasible.
     - High – The strategy is ethically and technically feasible, but may require some additional financial resources.
     - Medium – The strategy is ethically feasible, but either technically OR financially difficult without substantial additional resources.
     - Low – The strategy is not ethically, technically, OR financially feasible.

   Note that there are three feasibility criteria rolled into this rating that must be mentally integrated into the Feasibility rating.
2. An overall estimated Effectiveness rating can be calculated by integrating the Potential Impact and Feasibility ratings using the following matrix.

		Potential Impact			
		Very High	High	Medium	Low
Feasibility	Very High	Very High	High	Medium	Low
	High	High	High	Medium	Low
	Medium	Medium	Medium	Medium	Low
	Low	Low	Low	Low	Low

Box 2. Approach 2. Brainstormed strategies with overall ratings derived from method described in Box 1. Strategies for addressing illegal shark-finning labeled with Miradi rapid ratings. The three selected strategies appear in dark yellow, while rejected strategies are light yellow.



Approach 3: Strategy Matrices with Relative Ranks

INTERMEDIATE RIGOR

- The Open Standards guidance describes an additional strategy ranking process where each strategy surviving the brainstorm selection process (Approach 2) is evaluated against a set of criteria and then ranked relative to the other strategies.
- The Open Standards guidance recommends consideration of the following as potential evaluation criteria:
    1) Potential impact on primary interests (i.e., threats and/or targets)
    2) Added value/impact
    3) Unique contribution
    4) Value of primary interests (i.e., targets) impacted
    5) Probability of successful implementation
    6) Risks to TNC associated with implementation
    7) Cost of implementation
    8) Opportunity for implementation (given current opportunities/enabling conditions)
- Strategies are compared in a matrix with the strategies in rows and the criteria in columns.
- The Open Standards guidance recommends using a relative ranking method, where the strategy likely to perform best for a particular criterion is assigned the highest ranking (e.g., a 6 if you have 6 strategies) and the one likely to have the lowest impact ranked 1.
- Scoring allows decision-makers to transparently select strategies that optimize primary interests. Box 3 shows an example from the Open Standards training materials.

Box 3. Approach 3: Relative Ranking of Strategies – Reducing Sturgeon Harvesting.

Scores are provided on a scale of 1 to 5, with 5 representing the optimization of a fundamental need, and the highest total score indicating a strategy that optimizes multiple, often competing, fundamental needs. In this example, strategies B and D maximize the fundamental needs of the conservation NGO and stakeholders, compared to the other strategies under consideration.

Possible Strategies	Conservation NGOs Fundamental Needs				Sub-total 1	Stakeholder Fundamental Needs		Sub-Total 2
	Maximize potential biodiversity impact	Maximize Feasibility (tech, financial, political)	Minimize Cost	Maximize funding leverage		Maximize fishers' access to income	Minimize cultural impact	
A. Support regulations to reduce sturgeon harvesting levels	5	5	4	3	17	1	1	2
B. Media campaign	4	4	5	4	**17**	2	2	**4**
C. Develop economic alternatives for fishers	2	2	1	2	7	3	3	6
D. Promote MSC certification of fishery	3	3	3	5	14	4	5	**9**
D. Stock sturgeon	1	1	2	1	5	5	4	9

Approach 4: Consequence Tables ⊙R&D Topic

HIGH RIGOR, Requires substantial time and significant expert assistance

- Consequence tables are one of the tools in the Structured Decision Making (SDM) toolbox. SDM links in Additional Guidance in STRATEGY SELECTION for more information.)
- Alternative strategies (or portfolios of alternative combinations of strategies) are arranged on one axis of the table.
- The other table axis lists the key outcomes and other evaluation criteria, with indicators/metrics used to evaluate each strategy.
- The cells of the table describe the probable outcomes of each of the alternative strategies.
- See a simple example in Box 4 and a hypothetical example in Box 5 below. Additional examples can be found in Boxes 6 and 7.
- Evaluation criteria (including indicators for selected outcomes) provide the ability to distinguish the relative degree of impact across alternatives, either qualitatively or quantitatively. (See Box 8 for an example of how to simplify consequence tables using evaluation criteria.)
- Evaluation criteria in consequence tables can be quantified on natural or constructed scales (See Box 9 for more information on selecting scales.):
  - Natural scales are those that reflect an actual attribute of the criteria we are interested in
  - Constructed scales are those developed for use in the decision at hand but that do not naturally exist.
- Multiple approaches and tools are available for evaluating trade-offs and supporting decisions among alternate strategies.
- See Box 10 for detailed recommendations to follow when relying on expert opinion to estimate consequences.

Box 4. Approach 4. Simple Consequence Table: [Wind Energy and Bird Mortality]

Most consequence tables list the outcomes or objectives as rows in the table

A performance measure or indicator is a specific metric associated with each outcome/ objective that can be used to consistently estimate and report on the anticipated consequences of the alternatives. The performance measures can be "natural" (1st three examples) or "constructed" (final example)

Most consequence tables list alternative strategies (or portfolios of strategies) as columns

Objective	Indicator	Alt A	Alt B	Alt C
Minimize Bird Deaths	Expected number of bird deaths per year (50th %ile estimate)	5,000	200	200
	Expected number of bird deaths per year (10th %ile estimate)	2,000	10,000	2,000
Minimize Costs	Levelized $ per year	$ 1million	$ 2 million	$ 3 million
Minimize Visual Impacts	Scale (1= Worst and 0= Best)	0	1	1

Box 5. Approach 4: Hypothetical Consequence Table for the Northern Rangelands Trust

The first four columns represent the range of outcomes for the project, while the last three columns are additional evaluation criteria considered important for selecting the best strategy. The second row provides the metrics for each outcome/criterion. The bottom four rows represent each of the alternative strategies being considered.

	Outcomes -->	**Improved Security**	**Increased Income**	**Better Range-land condition**	**More Wildlife**	**Minimize Cost**	**Alignment with niche/ Global Direction**	**Likelihood of success**
	Metrics -->	# of cattle rustling incidences per year	# of households receiving conservancy-related income	% perennial grass cover	Pop. size of key species	$ or index of sustain.	Constructed scale	Probability
Strategies	**Livestock program**	60	30%	30%	1000-1500	$500k	Low	70%
	Range mgt.	50	80%	60%	2100-3000	$150k	High	70%
	Increase scouts	30	10%	20%	2000-2200	$200k	Low	90%
	Promote tourism	50	40%	20%	700-1100	$100k	Medium	70%

Box 6. Comparison: Pro and Con Table (Approach 1) and Consequence Table (Approach 4)

Pro and Con summary lists for three alternative strategies:

Table 8.1 Summary assessment, showing pros and cons.

Alternative 1: status quo	Alternative 2: conservation strategy	Alternative 3: moratorium on logging
Pro • Does not require additional resources • Low impact to timber supply or forestry revenues • No change required to regulation or legislation • Maintains high rates of recreational use	*Pro* • Government seen to be serious in taking the lead on conservation actions • Moderate risk that endangered plant species will become extinct • Establishes legally enforceable measures for conservation • Meets international treaty obligations	*Pro* • May win support from NGOs and result in additional funding opportunities • Government seen to be actively leading conservation actions • Moderate risk that endangered plant species will become extinct • Buys time until a more comprehensive strategy is developed
Con • High risk that endangered plant species will become extinct • Government will not be seen as responding to an emerging issue • Moderate risk that endangered plant species will become extinct • Is a deferral, not a resolution, of the issue	*Con* • Requires changes to policy, regulations • Continued complaints and NGO pressures • Potential impact to timber supply and forestry revenues • NGOs will likely continue to pressure government for greater conservation	*Con* • May require compensation to the forestry sector • Impact to timber supply and forestry revenues • Will require substantial additional resources • Will likely result in continued legal challenges and NGO pressures

The same type of information conveyed in a consequence table:

Objectives	Evaluation criteria	Alternative 1	Alternative 2	Alternative 3
Conservation	Probability of plant species becoming extinct within the next 10 years	30%	10%	10%
Financial	Average annual additional costs to government ($000)	10	20	35
	Average annual loss of government revenue (taxes, license fees) ($000)	60	62	57
	Average annual forestry sector revenue ($000)	0–20	20–140	120–180
Social	Public and NGO support	Widespread complaints and organized legal challenges	Widespread complaints	Moderate support by most NGOs
	Recreation opportunities (additional visitor days)	300	175	400
Cultural	Altered archaeological resources (no. of culturally modified trees affected)	40	25	80
Strategic	Government leadership via legislative change	Government seen as unresponsive	Government seen as competent	Government seen as innovative leader

[1]From: McDaniels, T.; Gregory, R.; Failing, L.; Harstone, M.; Long, G.; Ohlson, D. (2012). *Structured decision making: A practical guide to environmental management choices*. John Wiley and Sons.

Box 7. Consequence Table: Planning for Climate Change[2]

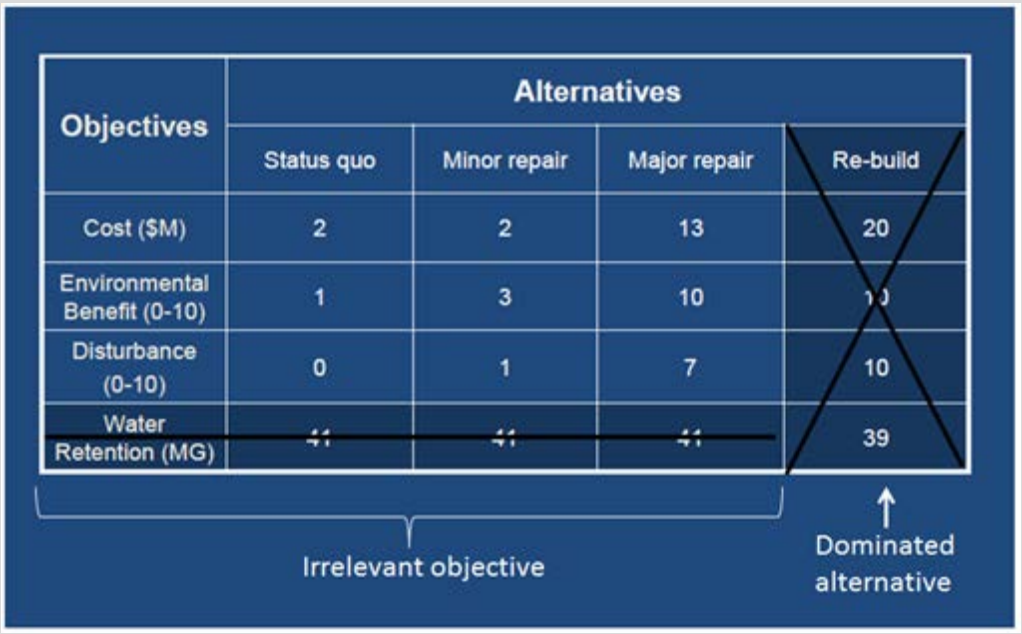
Two flood management strategies are being considered for a low-lying coastal settlement. Data from a combination of modeling, expert judgment, and local knowledge elicitations were used to create this consequence table.

OBJECTIVE		PERFORMANCE MEASURE	STRATEGY A	STRATEGY B
END	MEANS		Hard Engineering Approach	Green Restoration Approach
Conserve the environment	Protect the mangrove forests	Hectares of mangrove swamp	✘ 200	✔ 2500
	Reduce GHG emissions	GHG tons (construction & maintenance)	✘ 1500	✔ -200
Support a prosperous economy	Improve road infrastructure	# of potential days / year of inaccessibility	✔ 20	✘ 100
Promote community wellbeing	Reduce Flood Risk	Annual flood probability	✔ 2	✘ 5
	Protect drinking water supply	Days of undrinkable water (scale 1-10)	10 to 20	10 to 20
Promote financial health	Minimize costs (long term)	Levelized annual cost (over 30 years)	✘ 500	✔ 100

[2] http://www.unhabitat.org/downloads/docs/PFCC-14-03-11.pdf

Box 8. Simplifying Consequence Tables

The consequence table below illustrates the process for eliminating dominated alternatives (i.e., other alternatives perform the same or better on all criteria) and irrelevant criteria (i.e., ratings do not vary over alternatives, therefore are not helpful for drawing comparisons among alternatives).



From: Introduction to Structured Decision Making (SDM Lite). March 21, 2011
Angela Fuller & Bill Fisher. NY Cooperative Fish & Wildlife Research Unit

Box 9. Consequence Tables: Selecting Scales for Evaluation Criteria

- Evaluating strategies based on a standard set of criteria provides the ability to distinguish the relative degree of impact across alternatives, either qualitatively or quantitatively, in a consistent and appropriate manner.
- Natural or constructed scales can be used to evaluate criteria for each strategy.

Natural scales:

- Natural scales are those that reflect an actual attribute of the criterion we are interested in.
- Natural scales might also be proxy scales that do not reflect the criterion directly, but are closely related to it and could be expected to give a relative indication of performance. For example, air emission levels could serve as a proxy for adverse health effects caused by poor air quality.
- The great benefit of natural scales, where they exist, is that they can provide an objective assessment – i.e., based on data rather than expert opinion.
- When possible, using actual data for natural scales is the best option. It may seem time-consuming initially, but the results will be more robust. Look widely for data; in many cases useful data do indeed exist.
- It is good practice to work out the current value for any natural scales being considered. This will provide a baseline and give an indication of the feasibility of measuring each criterion using the scale.

Constructed scales:

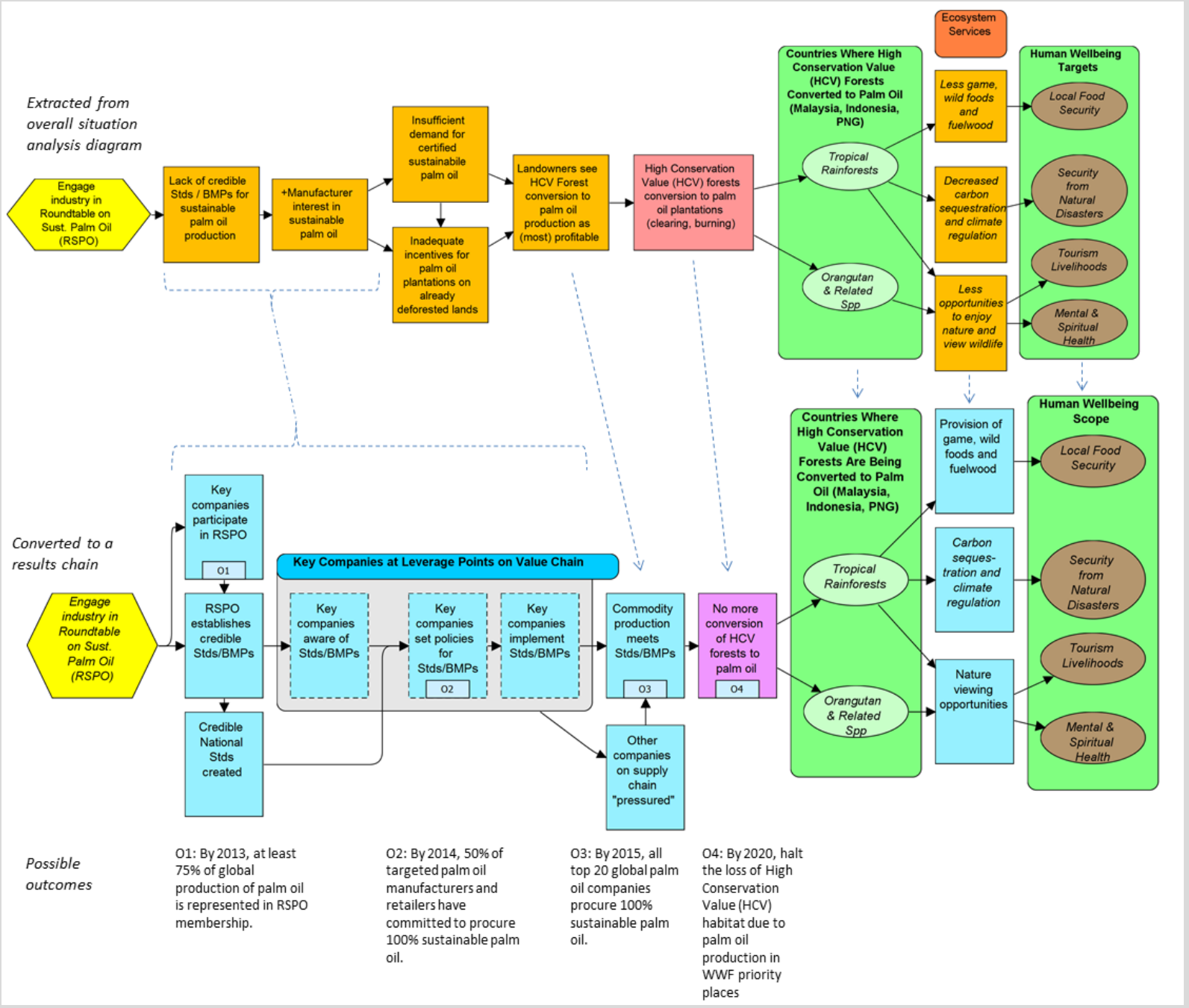
- Constructed scales, such as those commonly used in survey instruments, are developed independently of criteria attributes (e.g., assigning each strategy a score from 1 to 10 for each criterion).
- The strength of constructed scales is that they are easy to develop and can reflect any property relevant to the criterion, rather than relying on those attributes for which data is available.
- Constructed scales carry the very significant weakness of ambiguity. The values are essentially arbitrary, lending bias and subjectivity to the ratings.

Box 10. Using Experts

In many cases, when it is not possible to obtain objective data on predicted performance, a group of experts are asked to provide estimates. Some guidelines:

- Reduce ambiguity as much as possible. Do not leave it up to participants to interpret the task of scoring strategies against criteria. This introduces uncontrolled variation in the responses, meaning that they are unlikely to be equivalent and therefore cannot be sensibly combined.
- People often have a preference for estimating performance on constructed (rather than natural) scales, believing that they standardize responses. However, using a constructed scale DOES NOT remove uncertainty, and makes it challenging to evaluate accuracy.
- If using a constructed scale, ask participants what metrics they are using to provide estimates – this may reveal natural scales not previously considered.
- If using constructed scales, do not ask for scores or ranks to be forced (e.g., using a ranking of 1 to 6 for six alternative strategies). Forced ranking can lead to cognitive laziness, with experts unconsciously basing the ranking on something other than the criteria being considered. Forcing a rank also means losing information and makes it more difficult to sensibly combine the values (ranks are ordinal numbers and they have no standard distance between them; a rank of 3 is not necessarily 3 times as good as a rank of 1, so it is not appropriate to add ordinal rankings together).
- Allowing participants to give each strategy whatever score they feel is appropriate will likely focus them more specifically on the criterion under consideration, because the task is cognitively more challenging. It will also deliver a better sense of where the strategies actually sit relative to each other for each criterion.
- Be clear that two or more strategies can receive the same score for a given criterion, e.g., all strategies could score 100 for a particular criterion. Strategies might legitimately rank the same on a given criterion, so respondents should be given that option.
- Work through the criteria one at a time, estimating the performance of all strategies against each criterion before proceeding to the next one. This greatly reduces the risk of systematically biasing the results. For example, if an expert rates one strategy very positively for one criterion, immediate ratings for the other criteria may be artificially inflated. Providing estimates criterion-by-criterion rather than strategy-by-strategy helps provide focus on how each strategy performs against the criterion under consideration. This also helps experts to avoid conflating the weighting of each criterion's relative importance with judging the predicted performance of each strategy for each criterion.
- Be aware of obvious biases; people's likes and dislikes influence their beliefs and interpretation of trends and data.
- Estimates of strategy performance should be collected anonymously, so that the opinions of influential group members do not bias others. This can be accomplished by providing lists of the strategies to each participant with the criterion under consideration noted at the top. Strategies can then be rated, and the slips of paper passed in before proceeding to the next criterion, for entry into a spreadsheet.

Box 11. Converting Situation Analysis Diagrams to Results Chains: WWF Palm Oil Project



APPENDIX G: **Integration of Spatial and Strategic Planning in The Nature Conservancy**

Introduction

Conservation Business Planning Appendices
A – Required CBP Elements
B – Business Plan Outline
C – Transition: CAP to CBP
D – Cons. Impact Measures
E – Terminology Crosswalk
F – Strategy Selection & Logic
G – Integrating Spatial Plans
H – Human Well Being
I – Financial Plan
J - Glossary
Overall Table of Contents

Since at least the mid-1990s, The Nature Conservancy has invested in two forms of conservation planning as highlighted in the various versions of the Conservancy's former conservation framework – *Conservation by Design*. The first of these forms of planning – ecoregional assessments (ERAs) or plans, as they were variously called – were used to set the organization's priorities. These priorities were essentially a "portfolio of sites" – a set of potential "on the ground" or "in the water" conservation areas. In today's conservation planning parlance, we refer to ecoregional assessments as spatial planning.

A second form of planning – Conservation Action Planning, or CAP – was used to develop strategies to conserve these "sites"(although CAP has also been used more broadly to develop strategies for all types of conservation projects, including those that are not specifically tied to a place on the ground). In essence, it was the Conservancy's form of strategic planning for conservation projects.

In part due to their origins and advocates in TNC, these two types of planning tended to be conducted by different groups of staff with often poor linkage and feedback of information between the two processes. In addition, ERAs and CAPs had distinctly different purposes and products. The primary purpose and product of ecoregional assessments was to produce the aforementioned "portfolio of sites," and very few of these assessments gave consideration to strategy at the scale of ecoregions. For CAPs on the other hand, the primary purpose was to develop a set of strategies. However at the increasingly larger spatial scales at which the Conservancy was working, only a few conservation action plans gave serious consideration to

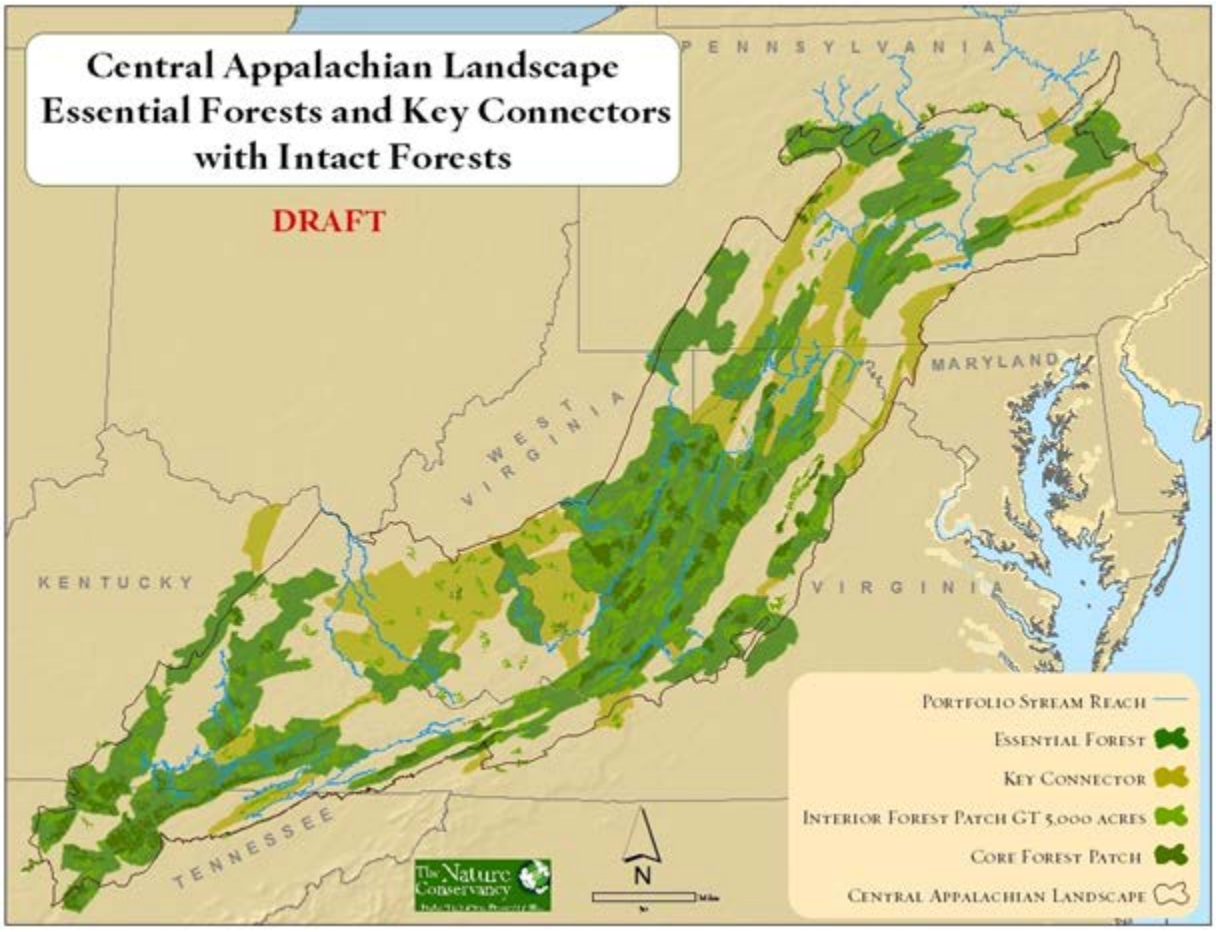
the issue of setting spatial priorities, even though the quality of biodiversity elements and threats to them often varied significantly over these larger areas.

As our Conservation Approach has changed (see January 2012 article in Science Chronicles on our "Evolving Conservation Approach"), it makes a great deal of sense for several reasons to merge and integrate these two previously separate forms of planning under what we now call conservation business planning – the focus of these guidelines. First, many of the Conservancy's Global and Regional Priority Projects are now being conducted at the scale of ecoregions. The Whole System Projects of North America such as the Colorado River or Central Apps are prime examples. In these projects, strategies are being developed at a variety of scales while at the same time there are spatial priorities being set for these strategies. Second, in many of the Conservany's priority projects, establishing spatial conservation priorities is a strategy unto itself. For example, in many coastal marine projects, one of the principal strategies is marine spatial planning, which in simplest terms involves land-use planning or zoning in the seas and coastal areas. Similarly, in Development by Design projects that often involve mitigation and examining of tradeoffs for energy development, spatial planning is also a principal strategy. In other words, spatial planning is a means and an end in these types of projects. Third, although ecoregional assessment still contribute to setting priorities, these priorities or Global and Regional Priorities as we now refer to them (as seen in the adjacent figure on TNC's evolving conservation approach) are being set through the lens of the *Global Challenges – Global Solutions* framework and include other criteria such as importance for people and opportunity to have impact at scale. For example, among the Global Priorities there are often a set of "proof-of-concept" or demonstration projects that are critical to taking a particular strategy within a Global Priority to scale. These "proof of concept" projects need to be melded with a local operating unit's (state or country program's) own priorities, which may have originally been established through ecoregional assessments. As a result, we need to integrate locally established spatial priorities with regionally or globally emerging strategic priorities. Finally, recent scientific literature and examples from outside the Conservancy demonstrate that setting spatial priorities without some consideration of the strategies and actions associated with those place-based priorities falls short of defining the entire conservation problem for a region, and precludes us from giving adequate consideration to both the costs and opportunities of doing conservation across a set of conservation areas. In other words, there will never be enough resources to work on all of the places that might emerge from an ecoregional assessment, but at least a high-level consideration of the strategies, costs, and opportunities for conservation of those individual areas will better position the Conservancy to focus on those places that are most cost-effective, to consider multiple-site strategies, examine tradeoffs, and integrate global strategies with regional and local ones.

Examples

Central Appalachians Whole System

The goal of the Central Appalachians Program is to conserve a NETWORK of large, representative and connected conservation areas, across political borders and boundaries, which has the adaptive capacity to maintain large-scale ecological functionality even in the face of threats like climate change. The figure below illustrates that network and is based on a spatial analysis of resiliency conducted by Dr. Mark Anderson and colleagues in the Eastern Division Science Program of TNC. As project director Thomas Minney notes, "(the spatial analysis) shaped our overall Vision for what we want to achieve, it is the foundation of the Ultimate Outcome we are trying to achieve, and it is the basis for doing prioritization and planning for project implementation from land acquisition to shaping partner goals and planning to developing landscape scale restoration efforts. Spatial planning is not only essential, it is a foundation to our thinking about what a whole system is."



The Central Apps Whole System is focused on four core strategies: 1) conserve a resilient, adaptive, and connected conservation network, 2) reduce energy development impacts, 3) restore forest health on public and private lands, and 4) prevent and slow the spread of invasive species and forest pests and pathogens. The spatial analysis that resulted in the network map

above is central to all of these strategies and, as noted above, to the overall vision and outcomes for the entire project. As such, it is an excellent example of how spatial and strategic planning are being integrated in whole system projects in North America. The identification of "essential forests" and "key connectors" is based on the work of Dr. Mark Anderson and colleagues (Anderson et al. 2012), and is an application of the "conserve the stage" approach for climate adaptation (Anderson and Ferree 2010).

For more information, contact Thomas Minney (tminney@tnc.org) and Mark Anderson (manderson@tnc.org). At this time, the Central Apps CBP (from which this information was drawn) is still in draft form. Additional information is also available at the team's Connect Site: https://connect.tnc.org/teamsites/conservation/appalachiansproject/default.aspx

References:

Anderson, M. G., M. Clark, and A. O. Sheldon. 2012. *Resilient sites for terrestrial conservation in the Northeast and Mid-Atlantic Region*. The Nature Conservancy, Eastern Conservation Science Arlington, VA

Anderson, M.G. and C. E. Ferree. 2012. Climate change and the geophysical underpinnings of species diversity. *PLoS one* , 5(7): e11554.

Mid-Atlantic Bight Whole System

The Mid-Atlantic Bight is developing its Conservation Business Plan during the summer and fall of 2012. Their visions is to transform the culture and practice of regional ocean management in the Mid-Atlantic by providing the expertise, knowledge, and tools to facilitate more sustainable and rational ocean management decisions for people and nature. They have developed five major strategies for the Mid-Atlantic Bight:

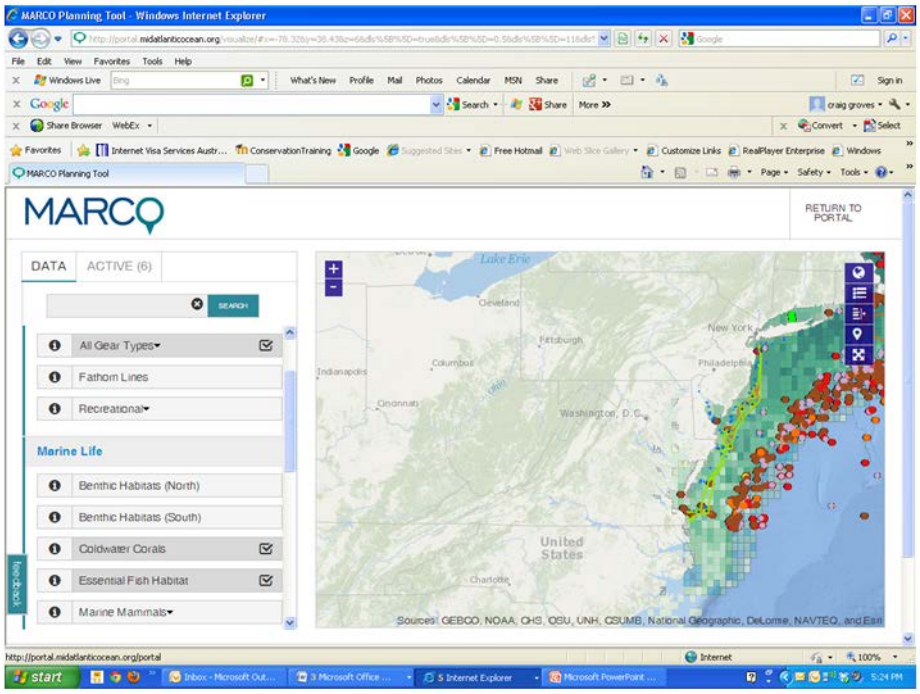
- **Regional ocean planning**: *TNC takes actions to ensure that MARCO/the Regional Planning Body begins implementation of first iteration of a Mid-Atlantic Regional Ocean Plan that considers conservation a key objective and becomes a national demonstration site for effective ocean planning.*
- ***Offshore energy****: TNC works closely with the Bureau of Ocean Energy Management and industry to ensure that both renewable and conventional energy development in Mid-Atlantic Outer Continental Shelf avoids, minimizes, and offsets impacts to maximize conservation of priority marine habitats and living resources.*
- **Fisheries policy engagement**: *Ecosystem overfishing, by-catch of threatened and endangered species, and destructive bottom fishing practices are significantly reduced in the Mid-Atlantic through amendments to priority fishery management plans.*

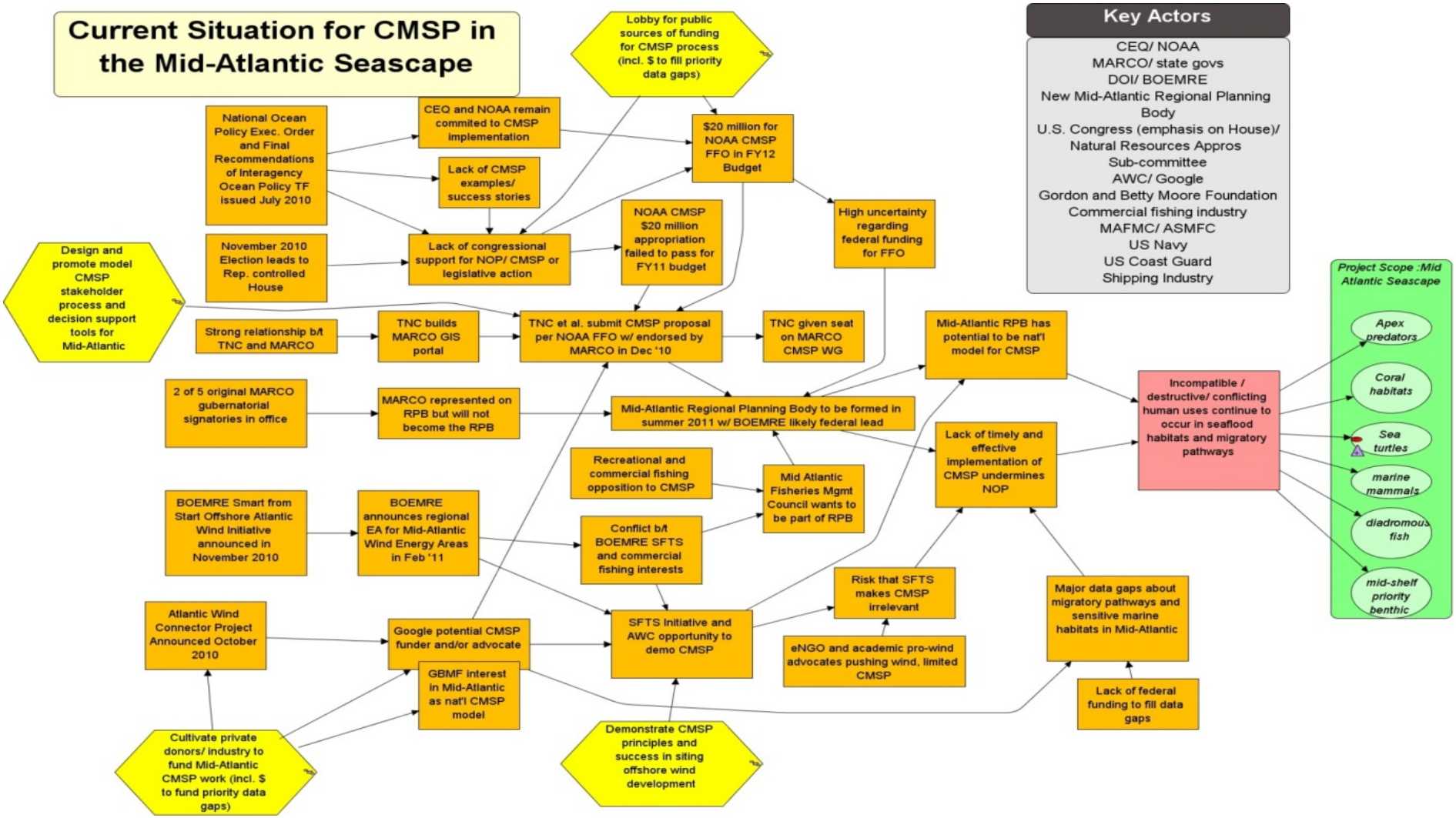
- **Adaptation and restoration of coastal ecosystems**: *TNC's application of ecosystem-based adaptation strategies, primarily coastal restoration (e.g. oyster reefs, eelgrass meadows, tidal wetlands, riparian forests), results in more resilient network of coastal areas within the Mid-Atlantic Seascape in face of climate change and accelerated sea-level rise.*

- **Highly migratory species** (shorebirds): *The MAST is helping to lead identification and abatement of threats to highly migratory species within hemispheric-scale conservation partnerships; shorebird network is fully developed and at least one other target group network is initiated.*

Regional ocean planning (their term for marine spatial planning) is one of the five key strategies of this coastal whole system. That planning is intended to happen through a regional marine planning body known as MARCO (see figure below). MARCO has developed a web mapping portal accessible to anyone from the public , for examining different datasets that can be added to a base map. Although marine spatial planning is a strategy unto itself, it also underpins strategies on fisheries policy and offshore energy development (see CMSP results chain below). In summary, this is an example of where spatial planning is a strategy, as well as both a means and an end to achieving other outcomes in a whole system project.

For more information, please contact Gwynn Crichton (gcrichton@tnc.org) or see the regularly updated team Connect site for many project-related documents: http://connect.tnc.org/sites/MidAtlSeascape/Whole%20System




Current Situation for CMSP in the Mid-Atlantic Seascape
Key Actors
CEQ/ NOAA
MARCO/ state govs
DOI/ BOEMRE
New Mid-Atlantic Regional Planning Body
U.S. Congress (emphasis on House)/ Natural Resources Appros Sub-committee
AWC/ Google
Gordon and Betty Moore Foundation
Commercial fishing industry
MAFMC/ ASMFC
US Navy
US Coast Guard
Shipping Industry
Lobby for public sources of funding for CMSP process (incl. $ to fill priority data gaps)
National Ocean Policy Exec. Order and Final Recommendations of Interagency Ocean Policy TF issued July 2010
CEQ and NOAA remain commited to CMSP implementation
$20 million for NOAA CMSP FFO in FY12 Budget
Lack of CMSP examples/ success stories
NOAA CMSP $20 million appropriation failed to pass for FY11 budget
High uncertainty regarding federal funding for FFO
November 2010 Election leads to Rep. controlled House
Lack of congressional support for NOP/ CMSP or legislative action
Design and promote model CMSP stakeholder process and decision support tools for Mid-Atlantic
Strong relationship b/t TNC and MARCO
TNC builds MARCO GIS portal
TNC et al. submit CMSP proposal per NOAA FFO w/ endorsed by MARCO in Dec '10
TNC given seat on MARCO CMSP WG
Mid-Atlantic RPB has potential to be nat'l model for CMSP
2 of 5 original MARCO gubernatorial signatories in office
MARCO represented on RPB but will not become the RPB
Mid-Atlantic Regional Planning Body to be formed in summer 2011 w/ BOEMRE likely federal lead
Recreational and commercial fishing opposition to CMSP
Mid Atlantic Fisheries Mgmt Council wants to be part of RPB
Lack of timely and effective implementation of CMSP undermines NOP
Incompatible / destructive/ conflicting human uses continue to occur in seafood habitats and migratory pathways
Project Scope :Mid Atlantic Seascape
Apex predators
Coral habitats
Sea turtles
marine mammals
diadromous fish
mid-shelf priority benthic
BOEMRE Smart from Start Offshore Atlantic Wind Initiative announced in November 2010
BOEMRE announces regional EA for Mid-Atlantic Wind Energy Areas in Feb '11
Conflict b/t BOEMRE SFTS and commercial fishing interests
Atlantic Wind Connector Project Announced October 2010
Google potential CMSP funder and/or advocate
SFTS Initiative and AWC opportunity to demo CMSP
Risk that SFTS makes CMSP irrelevant
eNGO and academic pro-wind advocates pushing wind, limited CMSP
Major data gaps about migratory pathways and sensitive marine habitats in Mid-Atlantic
GBMF interest in Mid-Atlantic as nat'l CMSP model
Lack of federal funding to fill data gaps
Cultivate private donors/ industry to fund Mid-Atlantic CMSP work (incl. $ to fund priority data gaps)
Demonstrate CMSP principles and success in siting offshore wind development

Indonesia REDD

The Nature Conservancy's Indonesia Program is working with national, district, and provincial governments in Indonesia to implement a REDD+ (Reduced Emissions from Deforestation and Forest Degradation) project in the district of Berau on the island of Borneo. The District of Berau, a 2.2 million-hectare area the size of Belize, has retained more than 75 percent of its forest cover, including one of the largest intact areas of lowland rainforest in Indonesia. However, as in other parts of Indonesia and in other developing countries, Berau seeks economic development opportunities for its people mostly through natural resource management activities , and its forests face multiple threats from legal and illegal logging, clearing for oil palm and timber plantations, expanding coal mining operations, and other sources. Currently, approximately 39,000 hectares of land in Berau are deforested or degraded each year, generating 20 million tons of carbon dioxide emissions – equivalent to the annual emissions of more than three million cars. The BFCP offers a unique opportunity to demonstrate how REDD+ can be applied across an entire political jurisdiction that is large and complex enough to provide important lessons for national implementation, but at a realistic scale for near-term results.

The vision for the BFCP is: Implementation of an integrated, District-scale, low-carbon development strategy creates sustainable economic growth and improved livelihoods for the people of Berau, while also protecting forests, thereby reducing annual greenhouse gas emissions by 50% from business as usual by 2020 and safeguarding critical watersheds and species habitat. Berau becomes a model of low-carbon development in East Kalimantan, across Indonesia, and globally.

BFCP will achieve its goals through an integrated set of low-carbon development strategies that include both strengthening the enabling conditions for success (improved planning, governance, stakeholder engagement, and finance), as well as site-based investments in key areas.

Strengthening Enabling Conditions

BFCP will build enabling capacity in the following key areas:

1. Planning: BFCP will support the integration and enhancement of the existing planning processes in Berau, resulting in an economic development strategy, spatial plan, permitting approach, and private land-use practices that are consistent, represent key stakeholder primary interests, and promote low-carbon development.
2. Governance: BFCP will support building the capacity of key public institutions in Berau, strengthening the legal and regulatory framework to support low-carbon development strategies, and enhancing transparency and accountability.
3. Stakeholder Engagement: BFCP will work with local stakeholders to build understanding and support for low-carbon development among key public sector, private sector, and community stakeholders, and involve these groups in the design and implementation of the program.

4. Finance and benefit sharing: BFCP will attract upfront funding largely from public sources for the five-year demonstration phase, access pay-for-performance /carbon market mechanisms for longer-term sustainable program funding, and equitably invest and distribute funds that flow through the program among Berau stakeholders.

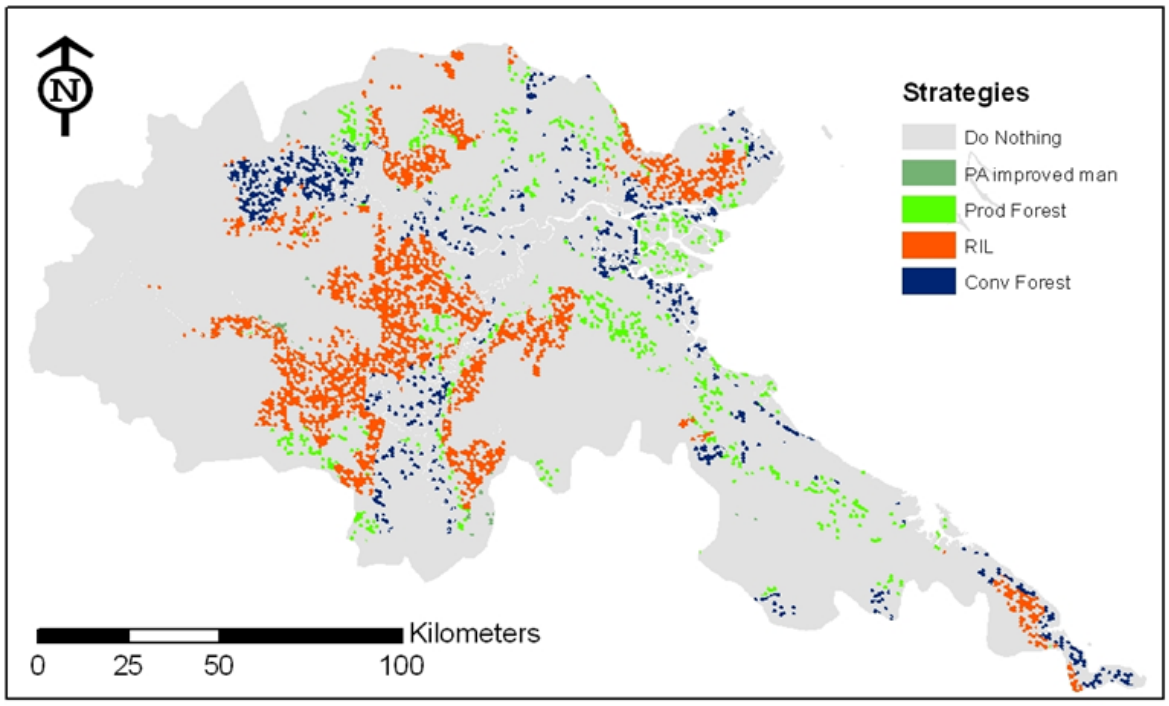
Key Site-based Investments

In addition to supporting the enabling conditions, BFCP will invest in specific locations to demonstrate tangible, site-based outcomes, with a focus in two key areas – the Kelay and Segah watersheds:

1. Communities: BFCP will involve communities in program design and implementation, consistent with the principles of free, prior, and informed consent (FPIC). Communities will benefit from systematic investments in village-level governance, improved livelihood opportunities from forest monitoring activities, sustainable timber, agriculture, and agro-forestry businesses, and from sharing in anticipated REDD revenue streams
2. Production Forest: BFCP will engage with the 13 timber concessions in Berau, building from ten years of TNC experience in this sector, to support them in their transition to legal, sustainable, and lower-carbon timber management practices.
3. Forest protection and conservation: BFCP will support developing an integrated forest conservation plan across protection forest and other land use categories to identify and conserve priority conservation areas based on carbon storage benefits, biodiversity richness, environmental services, and social values of forests.
4. Oil Palm: BFCP will support mapping of suitable sites for oil palm development, integrate this information into land-use planning decisions, and pilot incentive agreements to re-locate at least 20,000 hectares of existing oil palm permits on forested land to these low-carbon areas.

   Several of the strategies of the BFCP directly involve spatial planning, including working with district and provincial governments as well as forest and oil palm industries on land-use planning (Strategy 1 – planning), and examining the tradeoffs in allocating different portions of the forested landscape to different uses (see figure below). In addition to the planning strategy, all of the site-based investment strategies involve a spatial planning component as well. Much of the tradeoff analysis and spatial planning has been accomplished via a decision support tool – Marxan with Zones. Detailed information on this software, its applications, and free download are available at: http://www.uq.edu.au/marxan/index.html?page=77640&p=1.1.2.1

   For more information on the BFCP, contact Lex Hovani in the Indonesia Terrestrial Program in Jakarta (lhovani@tnc.org).



Key reference on spatial planning in Berau:

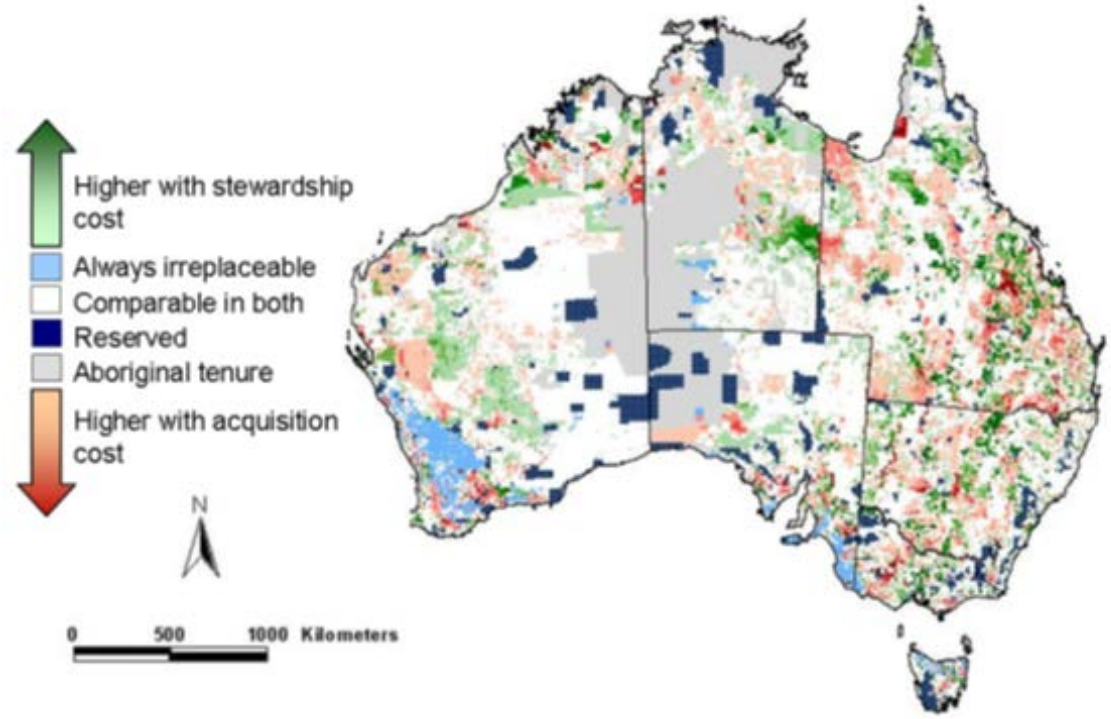
Venter, O., et al. 2012.Using systematic conservation planning to minimize REDD+ conflict with agriculture and logging in the tropics. *Conservation Letters*: in press.

Australia Project

Drs. Kerrie Wilson (formerly of TNC Australia) and Josie Carwardine, among others, have published several articles on the topic of integrating spatial and strategic planning. These articles focus specifically on the importance of defining actions and costs associated with spatial priority-setting. As Cowardine and colleagues point out, " We believe that a a further important reason for the lack of consideration of economics in conservation planning is inadequate problem formulation: often areas are identified as important with no clear statement of the overall objective of the prioritisation process, the conservation action required, or the cost of its implementation."

They identified conservation areas in Australia with two alternative conservation actions – land acquistion and stewardship. They demonstrated that by using a cost surrogate that was closely related to proposed conservation actions that the cost of achieving biodiversity goals could be reduced by 50%. The figure below demonstrates the differences in priorities depending on which major strategy is considered. The main point is, of course, that spatial planning without some critical thinking about strategies and actions is financially inefficient in terms of how conservation funding is spent, and also precludes any high-level assessment of what strategies

are going to be needed to achieve the overall goals of the project. In short, spatial planning without some consideration of strategy means that strategies and actions will only be considered at the level of the site or project area, and that there will be no ability to take these strategies to scale.



More information and examples on the importance of integrating spatial and strategic planning from the scientific literature can be found in the following references:

Carwardine, J., et al. 2008. Avoiding Costly Conservation Mistakes: The Importance of Defining Actions and Costs in Spatial Priority Setting. *PLoS ONE*, **3**(7): e2586.

Carwardine, J., et al. 2010. Conservation Planning when Costs Are Uncertain. *Conservation Biology*, **24**(6): 1529-1537.

Wilson, K.A., J. Carwardine, and H.P. Possingham. 2009. Setting Conservation Priorities. *Annals of the New York Academy of Sciences*, **1162**(1): 237-264.

Additional Guidance

Hundreds of scientific articles have been published on spatial planning or the identification of important terrestrial, freshwater, and marine conservation areas. The Conservancy has previously published a handbook (*Geography of Hope*), a book (*Drafting a Conservation Blueprint*, Island Press, 2003), and a set of "standards" guidance for ecoregional assessments (see "setting priorities" on the Conservation Gateway web site). Although some of the guidance in these materials remains useful, much of it is dated, including the material on the Conservation Gateway. For example, because the Gateway guidance on ecoregional

assessments was developed over seven years ago and the field of conservation planning has been rapidly evolving, it has no information on multiple objectives (including social objectives or human well-being), no consideration of ecosystem services as "targets" or as goals or objectives, little to no consideration of strategy as part of the spatial planning process, no mention of climate impact and adaptation, and little consideration of "cost" data layers in spatial planning. As a result, for now practitioners will need to rely more heavily on more recent spatial planning articles in the primary literature, real examples of spatial and strategic planning mentioned in this appendix and elsewhere, and on the larger conservation business planning guidance of which this appendix is a part.

The integration of spatial and strategic planning in CBPs will not be nearly as systematic, "cookbook," or consistent a process as it has been in the past. The variety of scales at which projects are taking place, as well as the variability in their complexity, levels of previous planning, data availability, partners involved, enabling conditions, and a host of other factors are all responsible for making the integration of spatial and strategic planning a more flexible but "messy" process than the previously separate ERA and CAP processes. In addition, there are now many more planning tools at the Conservancy's disposal than there have been in the past, and these can be tailored to the needs of specific projects. In short, the integration of strategic and spatial planning will involve a number of ongoing "experiments" that we will learn from and improve the guidance for over time.

A few additional guidance tips are warranted:

- Many spatial planning efforts will still focus on various biodiversity "targets," while others will also direct more attention to ecological process and ecosystem services. It will still be useful to set quantitative "goals" for these targets – but these goals should not be set in a vacuum. They need to take into account what data are available as it makes little sense to set a goal if there are no data to measure progress toward that goal.
- There has previously been little guidance on conservation planning for ecological processes or ecosystem services. Two key references that will be of some assistance on these topics are:

  Kareiva, P. et al. (Eds.) 2011. *Natural capital: Theory and practice of mapping ecosystem services*. Oxford University Press.

  Pressey, R.L., et al. 2007. Conservation planning in a changing world*. Trends in Ecology & Evolution,* **22**(11): 583-592.

- It is important to recognize that some level of strategic planning needs to occur at large spatial scales such as ecoregions or "whole systems." However, such strategic planning cannot preclude the fact that the Conservancy and its partners will often be taking action at smaller spatial scales within these larger planning units. At these smaller scales of what we once might have called "traditional sites," there will likely be data on

biodiversity, social and economic assessments, and other important data for conservation planning that are not consistently available at larger scales, as well as local institutions that we work with only at these scales. Appropriately, we will still need to do some level of strategic planning at these smaller scales and sites. For example, in the Central Apps Whole System, there is a strategy in the CBP focused on protecting a network of resilient sites. TNC will be working at local levels to protect some of those resilient sites (e.g., core forest interior patches greater than 5000 acres) and will also be engaged in conservation planning at these smaller scales and sites.

- Recent research has shown that factors other than biodiversity are often the "drivers" of selecting a particular area for conservation action. These "drivers" may be, for example, availability of local partners, opportunities to take action, governance factors, "costs" (financial and otherwise) of taking action, or poor chances of long-term persistence of conservation outcomes. Practitioners need to be looking for and including data and information on these "drivers" of conservation when they are available.

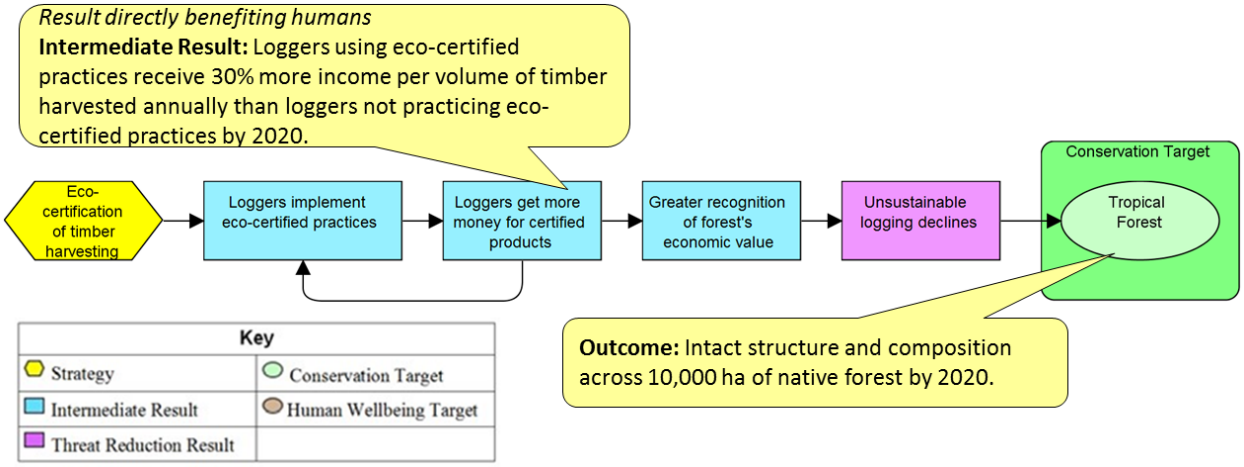
APPENDIX H: **Addressing human well-being in conservation planning**

There are many approaches to integrating human well-being needs in conservation plans. There is still a lack of consensus in the conservation community regarding the best way to address this topic.

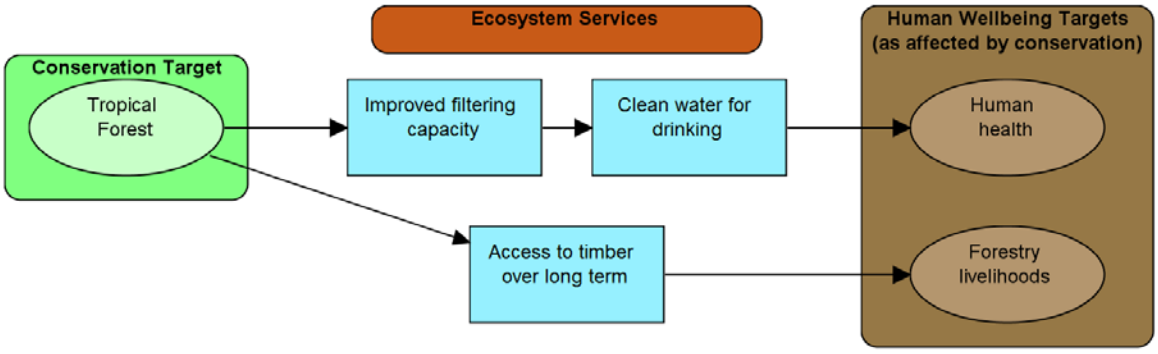
This topic was the focus of a Conservation Measures Partnership working group and a detailed guidance document[16] was produced in June of 2012. To illustrate alternative approaches, three examples are included using results chains, one without human well-being targets and two including human well-being targets. See CMP guidance for additional examples, and discussion of feedback loops, unintended consequences, and tradeoffs.

[16] DRAFT-Guidance-on-HWT-and-Social-Results-in-Conservation-Projects-v2012-06-27.pdf

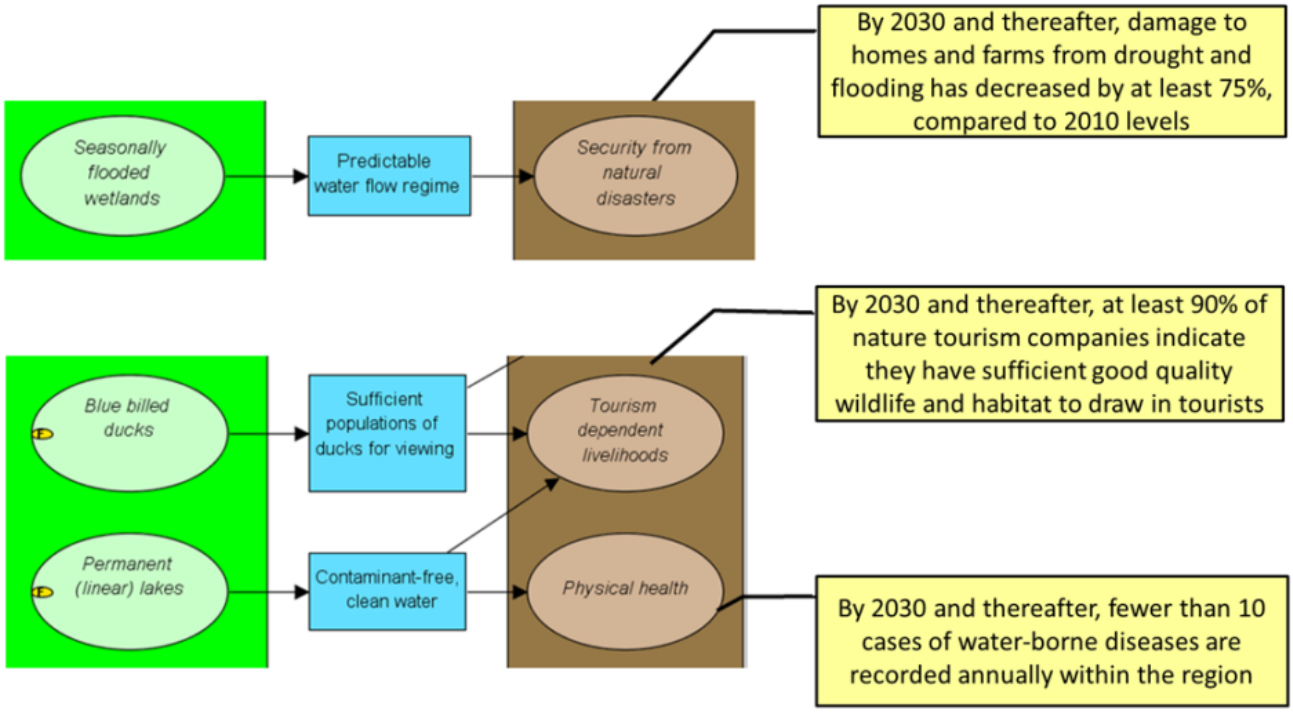
Case 1. Human Well-being Enhanced Directly via a Socially Oriented Strategy: In this case, the conservation strategy (eco-certification of timber harvesting) provides social benefits that are derived from a strategy done in service of conservation. The social benefits (increased income for loggers) are a direct and necessary result of the strategy, as shown below. Note that the figure does not show human well-being targets, because this team did not feel a need to explicitly address human well-being as an additional, further downstream benefit of the project.



Case 2. Human Well-being Enhanced via Ecosystem Services: In the second case, a conservation team first describes conservation targets and then explores how the primary interests of humans will be enhanced or achieved as a result of the ecosystem services produced by successfully conserving the conservation targets. Outcome statements can be written for both conservation targets and human well-being targets, but conservation target outcomes provide the dominant focus.



Case 3. Human Well-being Targets & Outcomes. Similar to Case 2, but human well-being targets and outcomes are identified along with conservation targets as part of a multi-objective, multi-stakeholder planning process. Outcomes are defined for all targets (shown here only for human well-being targets), and linkages between targets are documented.



APPENDIX I: **Financial Plan: Budgeting and Funding Analysis**

General principles for budgeting and funding:

- **The budget and funding sections of a Conservation Business Plan (CBP) are not the same as accounting records or audited financial statements.** CBP financials enrich and make real the outcomes, strategies, and activities.
- **Teams should present the most complete budget possible.** Obviously, budgets include core team costs, but it is also essential that they include the costs of dedicated functional support (marketing, XA, ops, etc.).
- **CBP budgets should <u>not</u> be structured around the standard TNC expense categories (personnel, contracts, travel, etc.).** Instead, teams should present a financial and funding plan organized into meaningful pieces that readers can easily understand, such as by strategies, major expense lines, and/or places. These pieces should closely follow the rest of the CBP so that the reader is not surprised by the job titles, strategies, or place-based projects referenced in the budget.

- **It is essential that the core planning team work together with Finance and Philanthropy staff to prepare the CPB budget and funding analysis.** Finance staff principally use TNC's General Ledger to track revenue and expenses, whereas Philanthropy staff use Team Approach to track pledges. To complete the CBP, teams will need information from both systems, and come to agreement on how to accurately portray past and future funding.

- **Consider estimating costs and capacity in two phases:**
  - The first phase (1-3 years) can be a realistic estimate of costs and capacity needed to implement strategies in the near term based on projections of current spending, FTEs, and absorptive capacity.
  - A later phase (2-5 years) can include more ambitious costs and capacity based on a realistic estimate of what it will actually take to achieve outcomes over the long term.

The CBP Financial Plan should contain four elements:

1. Current spending/funding analysis
2. Budget for the proposed Conservation Business Plan
3. Funding plan for the proposed budget
4. Sensitivity analysis of budget and funding

1. Current spending/funding analysis

Core question: What has historical spending been for this project? Why do this?

Before we can look forward toward future years, it is essential that the CBP present an accurate picture of a project's financial track record: its recent past and present finances. A clear picture of historical spending and fundraising allows readers to evaluate the relative growth potential ("absorptive capacity") and existing obligations of the project.

What information should be communicated?

The historical review should be organized by groupings consistent with the major strategies and supporting functions presented in the CBP. Readers should easily get a tangible sense of past spending levels – e.g. $XX per river basin, $$ for government policy change, $$ for learning and knowledge sharing activities. Unless the future plan represents a major divergence in strategy, these same groupings should stay consistent and be used in the proposed budget as well.

How much data is needed?

The review should be thorough enough to clearly communicate past spending trends. If spending has been inconsistent or has grown rapidly, it makes sense to present more data to account for irregular years, or make notes to explain differences between years. If budgets have been consistent, less data is necessary. Generally, three to five years of data is adequate.

How should teams find historical data?

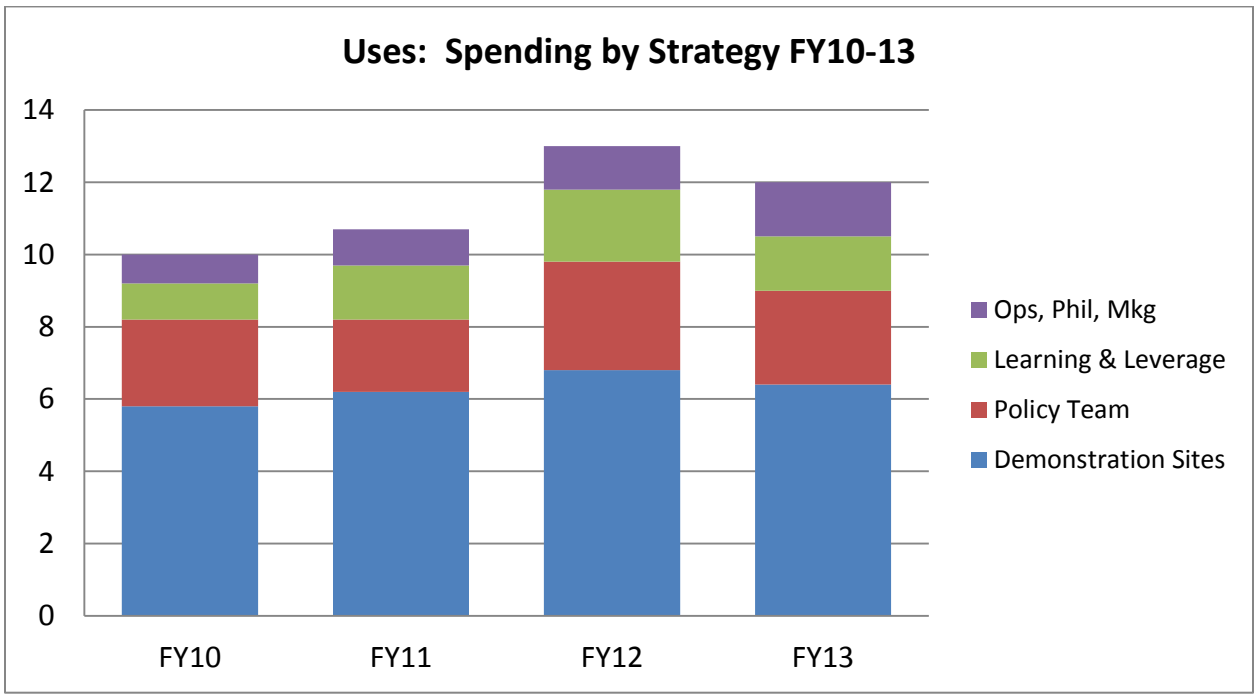
For projects entirely housed within one function or geography, generating historical data is quite straightforward: simply review past accounting reports and summarize the relevant budget center's spending. However, a growing number of TNC's Priority projects engage staff and effort from multiple geographic and functional areas. Since TNC's financial systems do not (yet) track our work on specific strategies or Priorities across multiple operating units, a bit of sleuthing is necessary. To determine historical spending in these types of projects, teams should work with finance staff and use accounting records to aggregate the spending attributable to this project across multiple cost centers. In many cases this requires estimating the approximate proportion of expenditures within a center that should be attributed to a specific strategy. If the project intends to work in new geographies or with significant numbers of staff that were not listed in past budgets, teams should do their best to estimate, but be clear about the lack of actual historical data and document any assumptions or estimates used. It is likely that in summarizing historical spending across multiple CBPs there will be "double coverage" of some costs and revenues. Finance and Philanthropy staff that support more than

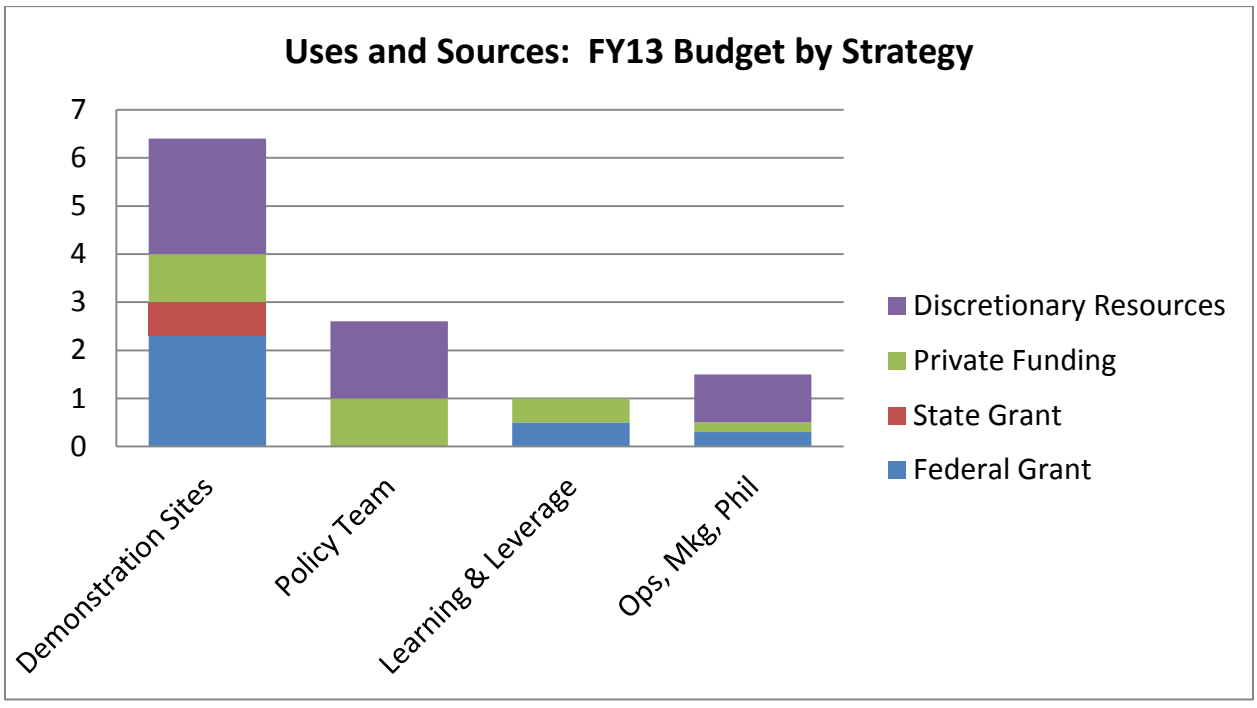
one Priority should be relatively well-positioned to minimize this problem, which is one of the important reasons to work closely with them throughout the process.

Where historical data is limited or too time-consuming to untangle, teams should use one or more of these approaches:

- "Benchmark" against comparable projects. By accurately presenting the costs of similar efforts, project teams may still be able to establish credibility for their proposed budgets.
- Estimate based on historical staffing numbers (even if made up of fractional FTEs), and apply an estimated whole cost multiplier to them. If this approach is used, be sure to also include contract expenditures as well as any large budget items (e.g., workshops).

EXAMPLES:





2. **Budget the proposed CBP**

Core question: What will it cost to implement this plan as written?

Why develop a budget?

A budget is an essential tool for implementing a good conservation project. Combined with a work plan and monitoring program, budgets are the foundation of adaptive implementation. Establishing a budget also provides a solid basis to begin raising funds for the project. Clearly communicating the financial implications of a proposed conservation project is an important step toward demonstrating the feasibility of actually implementing the work, as well as imparting a sense of the potential for return on investment.

How & when should budgets be developed?

Budgets should be driven by the desired results and strategies, although the actual process is iterative. If costing out a proposed suite of strategies results in an "unfundable" budget, teams will need to rethink the project timeline or strategies, or prioritize expenditures. Just like any business that wants to expand its locations exponentially but is limited by its borrowing capacity, a project's ambitious outcomes must be bounded by the available funding and the absorptive capacity of the program.

How many years should we budget for?

The number of years that should be budgeted depends on the nature of the project and the needs of the audience. Between three to five years is generally adequate. It is difficult to show realistic growth in a budget for fewer than three years, and for conservation projects it is difficult to accurately predict funding needs and project adaptations more than five years into the future. Generally, more mature projects (operating for at least three to five years) can more accurately forecast costs, and therefore tend to have budgets more in the five-year range, whereas new projects that are still developing and improving their strategies should budget forward only three years.

How should budgets be structured?

Budgets should follow the same organizational structure used in the historical funding analysis. This should complement the strategies explained in the CBP, but can also include categories such as support team costs. For example:

- $$ to support government and private sector policy change
- X demonstration sites at $$ each (based on best estimate major cost components: e.g., a project manager, science staff FTEs, contracts to partners; or if detail can be provided, $$ estimate for each site)
- $$ to support core team (e.g., science, knowledge management, awareness building)

The plan should highlight major changes from prior years:

- "We are now working at 3 sites @$$ each, and will grow to 8 sites @$$ each"

Finally, to facilitate proposal writing and later tracking and reporting, projects should crosswalk the structure of their strategy-based budget with an annual budget using the standard TNC budget categories. Identifying the "indirect" costs of a project (Occupancy, EBA, G&A) can help to justify funding requests to foundations and other funders that may exceed their standard indirect allowance.

My project is so new, how should I estimate costs?

If historical data are not available, projects should work with Finance staff to estimate expected costs. As personnel costs are often a major driver, using a standard FTE multiplier can be a good approach to building a budget for strategies or geographic work.

Unless actual budget detail is known or you can make better estimates given local fringe rates, Finance recommends using $150K/FTE as an average placeholder. This should cover salary, fringe, travel, EBA, cell phone, and other expenses.

Average FTE Costs for specific regions/programs:

- Glob Strategies/NAR: $175K
- Africa: $160K
- LAR: $135K
- AP/N Asia: $105K

Contracts, major workshops/meetings, glossy publications, or other G&A expenses should be budgeted separately to the extent possible. Capital expenses (land purchases, debt swaps) are often relatively straightforward to budget. They are often agreed to as part of a partnership, or can be relatively accurately estimated given appraised value, or net present value of future obligations. Specify assumptions that could significantly impact the value of capital budget items, such as the discount rate, partner obligations, or potential market condition changes.

Table 1. Example of a budget organized by a set of interrelated strategies. Note that an FTE multiplier is used and capital costs are estimated.

		Estimated Budget		
		FY13	**FY14**	**FY15**
Demonstrate REDD+		**17,272,500**	**19,226,625**	**36,499,125**
	Global Team	1,320,000	1,584,000	1,663,200
	Indonesia / Berau	6,675,000	6,675,000	6,675,000
	Other AP	1,305,000	1,305,000	1,566,000
	Brazil / Amazon	3,750,000	4,875,000	5,850,000
	Brazil / Atlantic Forest	1,200,000	1,200,000	1,440,000
	Mexico	1,545,000	1,854,000	2,224,800
	Other LAR	840,000	1,008,000	1,209,600
	U.S.	262,500	275,625	330,750
	China	375,000	450,000	540,000
		-	-	-
Promote Learning		**360,000**	**432,000**	**518,400**
	Casebooks, w orkshops, training	360,000	432,000	518,400
	REDD advisory center	-	-	-
		-	-	-
Shape Policy		**1,597,500**	**2,396,250**	**3,594,375**
	Global Team	870,000	1,305,000	1,957,500
	Field (1)	727,500	1,091,250	1,636,875
		-	-	-
Attract Capital		**525,000**	**628,500**	**659,925**
	Global team (US, Europe, Japan)	352,500	352,500	370,125
	Field	172,500	276,000	289,800
		-	-	-
Engage on Supply Chain		**150,000**	**150,000**	**150,000**
	Field solutions	150,000	150,000	150,000
	Industry forums and policy	-	-	-
		-	-	-
Support Functions (2)		-	-	-
Capital Costs (Berau, FCPF)		**1,000,000**	**1,000,000**	**1,000,000**
Total		**20,905,000**	**23,833,375**	**42,421,825**
	Assumption: FTE Multiplier	*$ 150,000*		

The annual budget of the project can also be cross-walked into standard TNC costs categories. For example:

	Personnel & Fringe	Contracts	Travel	Occupancy	Supplies & Equipment	Other	Total
Demonstrate REDD							
Global Team	1,200,000	20,000	60,000	30,000	5,000	5,000	$ 1,320,000
Berau	6,000,000	600,000	40,000	20,000	10,000	5,000	$ 6,675,000
Other AP	1,100,000	100,000	55,000	25,000	15,000	10,000	$ 1,305,000
Brazil/Amazon	2,000,000	1,600,000	100,000	35,000	10,000	5,000	$ 3,750,000
Brazil/Atlantic Forest	500,000	600,000	10,000	10,000			$ 1,120,000
Mexico	500,000	1,000,000	30,000	10,000		5,000	$ 1,545,000
							$ -
Promote Learning							$ -
Casebooks, workshops, learning	100,000	200,000		5,000	50,000	5,000	$ 360,000
Advisory Center							$ -
SubTotal	$11,400,000	$4,120,000	$295,000	$135,000	$ 90,000	$35,000	$16,075,000

3. Funding plan for the proposed budget

Core Question: How do we propose to raise funds for this project?

Most conservation projects are not revenue-generating. Therefore, in order to implement any project, funding is required.

Addressing funding in CBPs can be challenging. It is rare to secure full funding commitments before a project is underway, or commitments more than a few years into the future. Similarly, it is difficult to accurately estimate the probability of receiving funding from any particular source. Regardless, managers, donors, and key CBP audiences want to understand and assess the funding potential of a conservation project and its ability to cover the proposed budget. This is a critical part of evaluating the feasibility of a project – great strategies without financial support will go nowhere.

How should prior funding be communicated?

In addition to past spending, the CBP should clearly indicate historical funding sources. Readers should understand the principal sources of funding that have supported this work in prior years, and whether specific elements of the work have been funded by specific sources. Projects should specify the amounts and sources of organizational discretionary resources (GPF or other

TNC sources) that have been used to support project budgets. It should be clear to readers what strategies have been well- funded and which have been more challenging to finance.

Historical funding should be portrayed graphically and in narrative format. The narrative should include sources and statements such as:

- Public sector funding (governments, multi-/bi-laterals):
  "DFID funds Y% of our work in X place as part of overall country grant, or grant to support this kind of work in multiple places."
- Corporate funding (as grants or through contracts):

  "We are in year 2 of a 3-year grant from XX Corporation to support our work on this strategy."

- Foundations and private fundraising:

  "Individuals and/or foundations have supported XXX parts of the project."

Philanthropy and Finance staff should work together in preparing reviews of historical funding to ensure that the numbers align. Although Philanthropy typically books revenue as pledges are made, historical funding assessments should be based on cash actually received, which may lag behind pledges by some years. This data can be pulled from the General Ledger. Future years' funding can include cash already received but obligated for future years, pledges not yet received, and expected or proposed funding that is not yet pledged or awarded.

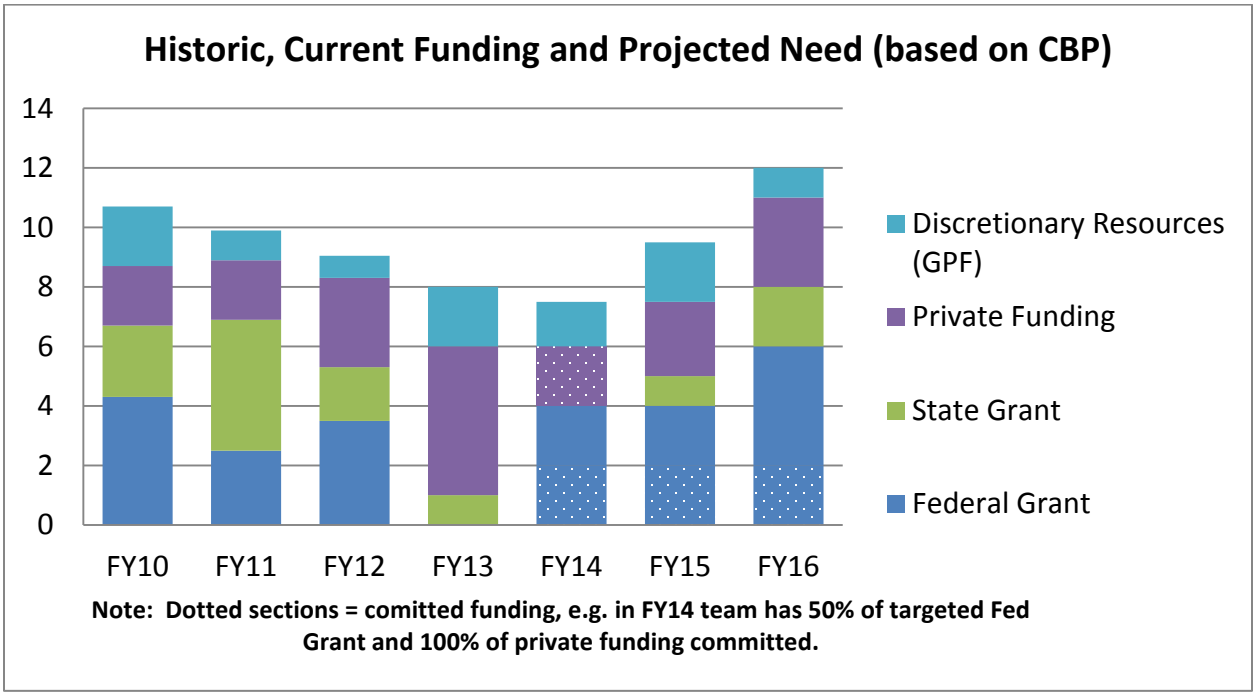
What should a funding plan address?

Teams should present their best estimate of expected funding types and sources to fully cover the proposed project budget. Given the likelihood that many specific grants or gifts may not materialize, teams should have a working hypothesis which identifies major types of funding sources that could cover more than the costs of their proposed CBP strategies. The plan should also explain in a narrative form how the team expects to fund its work, how it will position itself with donors, and which elements will likely be attractive to which funders. Building on the narrative in the historical funding section, projects should identify opportunities or what evidence suggests that these types of support will be forthcoming.

Credibility of funding plans depends on a coordinated approach to funders across TNC. For this reason, TNC Philanthropy and public funding experts must be actively engaged in the CBP process. While a single Philanthropy officer may coordinate preparation, the designated relationship manager should be consulted and in full support of any significant private or public sources identified in the funding plan.

Projects should also specify the status of funding: whether it is "in hand" or "committed," or provide a best estimate of the likelihood it will come through.

Example Products:



Narrative Example:

Public funding has been a bright spot for supporting TNC operations, particularly in the past year, as the $5+ billion in REDD+ fast-start funding begins to fully flow. Six countries offer the best opportunities for TNC funding……

Our success in capturing and steering public funding is attributable to ….. Ongoing challenges include …….

While public funding is a critical source of resources for our work, it tends to be focused on specific activities in the field. Such grants do not fund key areas of field work outside of the specific purposes of the grant, and rarely fund significant global team costs. Private funding is therefore a critical complementary funding source to public funding to provide broader, more discretionary resources to fund key program elements, including the global team.

Our private fundraising performance has been mixed in recent years. We have managed to mostly fund our approximately $2 million annual global forest and climate team costs and key field costs on an annual basis, but it is a struggle each year. In recent years the global climate team has fallen significantly short of our fundraising needs. Our donor mix has changed significantly from year to year, with few consistent, long-term funders and even fewer multi-year sources of funding. With no stable ongoing support for core capacity and high donor turnover, the time and cost burden of fundraising is substantial.

Among our sources of successes in private fundraising is our highly capable fundraising staff, our ability to package our global work with our local priorities in Berau, Brazil, China and other locations, and our …….

An ongoing challenge for our private fundraising efforts is the limited staff we have in place relative to the fundraising demands (two dedicated fundraising staff for the whole Climate Team) and …….

……A key question therefore is whether the forest and climate strategy could attract $10+ million gifts from major donors, including private individuals, foundations, corporations and/or public agencies, and where the greatest prospects are for that funding?

We believe the answer is a clear "yes" as to whether we can attract the funding, but answering the question of where will require greater creativity in communicating the forest and climate strategy in terms that resonate with donors……. For other donors, the climate focus is of less interest, and other themes will need to be emphasized, for example:

- *Low-carbon, "green" growth* that promotes economic development but with smarter approaches that reduce impacts on forests and other natural resources. This includes better use of degraded land, improved productivity of existing agricultural land, and improved forest management practices – all of which support jobs and production to feed a growing world, but with lower natural impacts.
- *Community development.* REDD+ is highly focused on rural economic development to improve the lives of the billion or more people worldwide who live in communities in and around forests.
- *Rigorous measures*. Forest and climate is the most advanced example of measuring and valuing an ecosystem service, and a great demonstration opportunity for the concept of "valuing nature"…….

These are some ideas of the messages that we believe can attract transformative donors to the forest and climate strategy, and we look forward to working with the Executive Team and potential donors to shape this over time.

Example Table of Major Funding Sources:

Source	**Funding Anticipated**	**Relationship Manager**	**Likelihood**
Sara Smith	2,000,000	John Edwards	80%
XYZ Foundation	1,000,000	Tom Peters	90%
USAID	5,000,000	Kristin Clay	45%
Janet Jones	500,000	Alice Waters	35%

4. Sensitivity Analysis

Core Question: What would be the impact of major changes in revenue or expenses?

The final component to financial planning for a conservation project is a sensitivity analysis of the key financial variables underlying the budget. Typically, this involves modeling the impacts of potential variations in both the revenue and expense sides of the budget, then assessing the implications and identifying how the project might adapt. The sensitivity analysis should complement the narrative sections of the CBP, demonstrating the financial implications of the risks and other factors identified in other sections of the plan.

For example, if a CBP identifies a major risk that public funding could be cut by 50% due to budget shortfalls, the sensitivity analysis should present a narrative or graphic representation of how this shortfall would affect the project and how the project would adapt. The analysis should indicate which strategies and staff positions would be impacted. On a more positive note, if the funding section indicated a potential new gift of $10M from a particular source, the sensitivity analysis should indicate how this funding will be allocated across the strategies and geographic priorities of the project, and any challenges in ramping up and spending the possible surplus.

Example questions this section should answer:

- What if funding decreased? Would you prioritize particular elements of the project, or would you reduce spending equally across all strategies? How would this impact your timeline and ability to deliver on the plan outcomes?
- What if funding increased? What would you do with additional funding in the near term? Would you invest in additional places? Would you increase capacity? If so, in what areas? How would this impact your ability to deliver on the plan outcomes? How would you ramp up to spend it?
- What expenses could be significantly different than proposed in the base budget? How will the project deal with delays in personnel recruitment and hiring? Are cost drivers within any contracts subject to major changes in fuel or other commodity prices? Could capital needs for a project change based on land values, interest rates, or regulatory changes?

Example Products:

If we are unsuccessful in our $5M proposal to USAID for Fisheries, we will not hire the proposed central policy and economist positions, nor will we be able to fund demonstration sites in 3 areas where we had proposed piloting rights-based fisheries. It is therefore likely that we will not invest in this strategy in FY14 unless it is funded. We will continue to make proposals as we believe it is fundamental to our theory of change and unlikely that other organizations will invest adequately in this work. The net effect of eliminating this strategy will reduce our proposed annual budget in FY14 to $3.4M and in FY15 to $3.6M.

Under the ***Expanded Resources*** scenario (+$4.5M FY14), the Conservancy will add 7 positions to expand our efforts in the activities described above (base = 2 positions), and create a new "Center for REDD+ Implementation" with a sophisticated knowledge management system to share information internally and externally, and an advisory capability to provide direct support to countries for REDD+ implementation (+5 positions).

APPENDIX J: **Glossary of Key Terms used in Conservation Business Planning**

Activities: A set of specific result-oriented actions*, typically done in a certain order, undertaken by project staff and/or partners as part of implementing a strategy in service of achieving specified outcomes or intermediate results.

Actors: Individuals, groups, or institutions who are engaged in or expected to have significant influence over outcomes

Direct Threat: The proximate human activities or processes that are causing or may cause stresses or impacts and thus the destruction, degradation, and/or impairment of conservation targets (for example, unsustainable fishing practices, unsustainable logging practices). Synonyms include "direct pressure" or "sources of stress."

Facilitator: A person who helps to bring about an outcome by providing assistance, guidance, or supervision. For example, the CCNET (Conservation Coaches Network) provides facilitators and coaches to assist with many aspects of conservation planning.

Goal: High-level summary of the Conservancy's main outcomes and key strategies relative to the scale of an important conservation need or challenge

Indicator: Measurable entity related to a specific information need (for example, the status of a key aspect of conservation target or value, change in a pressure, or progress toward an objective or ultimate outcome). Indicators can be collected using quantitative or qualitative methods. They are the specific data you will collect to assess, directly or indirectly, progress toward project outcomes.

Indirect Threat: Contributing factors identified in an analysis of the project situation that are drivers of or increase the severity of direct pressures. They are often an entry point for conservation actions (for example, incompatible logging policies or unsustainable demand for fish). Synonyms include "indirect pressure."

Intermediate Results: essential precursors to achieving outcomes. Intermediate results are often the near-term focus of strategies and activities and serve as important early "wins" and evidence that our overall theory of change is playing out as expected.

Leverage: Developing a project with the intent of inspiring a change in the enabling conditions for conservation (policy, constituency, etc.), or to demonstrate plausible alternatives to a shared problem so that new funding or similar or related solutions are likely to emerge with little or no input (financial or personnel resources) from the original project team.

Logic Model: A logic model represents a team's assumptions about how a strategy will lead to the desired outcome, such as reducing important threats, or restoration of conservation values. A logic model describes or diagrams the theory of change.

Measures: Refers to a wide variety of information a project or program manager collects, analyzes, and uses. They are a way of communicating information about changes in the condition of an item of interest and are often based on monitoring data. The term "measures" is sometimes used as a synonym for "indicators".

Opportunities: Contributing factors identified in the situation analysis that carry the potential of having a positive effect on conservation targets or outcomes, either directly or indirectly. They are often an entry point for conservation actions (for example, demand for sustainably harvested timber).

Outcomes: Describe the major results we intend to achieve as a result of our strategies and within the scope and timeframe of a plan or project. Outcome statements include context, are measurable, and are the basis of most reporting measures (see MEASURES), including "Conservation Impact Measures" (CIMS - Appendix D) for GCGS Strategies.

Primary Interests: A statement of "what matters" to TNC, influential actors, or important stakeholders. Some, but not all, primary interests will be converted into outcomes during planning (see PREPARING TO PLAN). Primary interests generally are end-oriented and "fundamental," but depending on the situation may include important "means" (e.g., change in an enabling condition).

Replication: Intentionally designing a project in such a way that other actors reproduce the project in a similar way to achieve similar conservation outcomes with little or no direct input (financial or personnel resources) from original project team.

Results Chain: Results chains are one type of logic model diagram that map out a theory of change in a series of causal statements that link intermediate outcomes in an "if…then" fashion. Results chains are similar to Situation Analysis diagrams; they start with selected strategies and change the boxes to result-oriented descriptions that capture the presumed consequences of taking actions. A results chain diagram shows the desired future condition of the project.

Risks: Risks are specific uncertain events that might have a negative effect on conservation outcomes and strategies, or that may pose a risk to TNC as an institution. They often focus on enabling conditions. Our ability to deliver conservation outcomes is influenced by our capacity to assess the risks associated with our investments, and by our ability to manage these risks through time.

Scope: Statement that defines expectations and makes explicit a project's strategic, geographic, and temporal boundaries.

Situation Analysis: An assessment that weighs the key factors affecting primary interests in a place or problem, including the political, socioeconomic, institutional, and ecological factors creating impacts or threats, driving change, and providing opportunities for conservation intervention.

Stakeholders: Individuals, groups, or institutions who have a vested interest in the natural resources of the project area and/or who potentially will be affected by project activities and have something to gain or lose if conditions change or stay the same.

Strategic Advantage: TNC's niche, strengths, and weaknesses relative to other conservation actors in terms of addressing a particular conservation challenge.

Strategy: A broad course of action with a common focus designed (alone or together with other strategies) to achieve specified outcomes and related intermediate results. Strategies focus on "means" – the "how" for achieving particular results. Strategies arise from the situation analysis and are backed by a robust theory of change.

Target: A value, asset, entity, or element of biodiversity or human welfare that a project team is ultimately trying to change, restore, or conserve. Biodiversity targets are ecological entities such as species, habitats, or ecological systems chosen to represent or encompass the broader suite of biodiversity within a project area or scope. Targets for thematic, environmental problem-oriented projects may describe particular environmental conditions (e.g., average global temperature for a project dealing with global warming). Human welfare targets are aspects or values of human well-being that a project chooses to focus on. (The Millennium Ecosystem Assessment defines human well-being as including: necessary material for a good life; health; good social relations; security; and freedom and choice.)

Task: Discrete, time-bound steps in a work plan required to implement activities, a monitoring plan, or other components of a CBP. Tasks are often assigned to a particular person to complete by a specific point in time.

Theory of Change: Explanation of how and why our strategies will achieve intended outcomes. Logic models in diagrams or narrative form are often used to describe the linkages among important drivers, trends, issues, and actors, and the logic of how we believe our strategies will lead to ultimate outcomes over time. The theory of change also identifies important intermediate results that must be achieved.

Vision: A vision is a succinct and compelling statement about an important and relevant conservation challenge, the urgent need and opportunity for change, and how TNC is proposing to make a profound difference.