



Problem

To better understand the role of private capital in addressing the negative environmental impacts of market failures, the World Resources Institute and the David and Lucile Packard Foundation asked CEA to examine where and how private equity investments could be most effective in transforming industries and community practices that posed the greatest threats to the environment and biodiversity.

Solution

In its review of investment opportunities, CEA identified three program areas where private equity investment could generate leveraged returns for the environment and communities:

- Marine ecosystems: investments in sustainable uses of coastal and coral reef systems that provide financial incentives for conservation (e.g., ecotourism and sustainable fishing)
- Tropical rainforests: investments that generate economic value by keeping land intact (e.g., forest concessions)
- Life essentials: investments in technology and delivery systems for essential services that improve the quality of life in developing countries (e.g., clean-burning stoves and low-energy water pumps)

CEA highlighted the significant challenges in applying private capital to such opportunities, given the complexities of investing in foreign and undeveloped economies and the lack of business and management capacity in the developing world.

Results

In 2001, CEA launched the Conservation and Community Investment Forum (CCIF), a separate 501(c)(3) that facilitates the investments that allow private capital and market-based approaches to achieve tangible environmental and social benefits. Today, CCIF continues to identify opportunities for leveraged investments and to support the development of new and effective business models and partnerships, especially in the Asia Pacific Region.