

Feasibility Study Outline for Conservation Finance Solutions

A feasibility study should determine if a specific finance solution or mechanism is likely to achieve its stated objectives in a given country or situation. Ideally a feasibility study will produce two major outcomes: 1) a clear indication of likelihood of success and 2) identification of key design features that optimize chances of success and minimize risks (including social and environmental safeguards). The following feasibility study outline can be used for a wide range of finance solutions.

1. **Executive Summary** – the summary contains all the essential information that a high-level policy or other decision maker needs to know in a concise format that should not exceed a few pages. It should include the detailed description of the question being addressed and all major conclusions. If there are key graphics or a summary bulleted table, this will facilitate comprehension in a rapid review.
2. **Finance Solution Description** – This introductory section should include a very detailed description of the specific finance solution under review. Generalized solutions, such as “Payment for Ecosystem Services”, are not easily assessed in a feasibility study as there are too many aspects that will require definition. The specific nature of the finance solution must be detailed including a) area of focus – both geographical and sectorial, b) key actors and stakeholders, c) sources of financing, d) financial instruments involved, and e) specific expected outcomes. Also include a section on the background of this solution at the site, country, or region.
3. **Environmental, Social, and Political Considerations** – This includes risks and opportunities as well as legal and regulatory issues that should be considered or addressed in the design.
4. **Market Demand or Finance Sources** – for market-based finance tools, it is essential to understand market demand including the willingness (and ability) to pay for the associated goods and services including ecosystem services. Demand can be assessed through market studies, interviews, surveys, and comparative studies. If the tool is not market-based, this section should analyze likely finance sources and their interest in supporting the development and long-term financing of the instrument.
5. **Marketing or Communication Strategy** – A brief marketing analysis and main elements of a marketing strategy is essential for all market-based instruments. Alternatively, for non-market instruments, a communication strategy to reach and convince key donors, finance sources and other stakeholders is useful. Since this is a feasibility study, the marketing or communication strategy can be concise and highlight main issues.
6. **Organization and Staffing** – identifies the human resource and institutional needs for success including existing and required technical and implementation capacity.
7. **Schedule** – elucidates what a realistic timetable would be for implementation including identification of key milestones.
8. **Financial Projections** – Detailed timeline of design, startup, and operational costs as well as financing needs and sources. Projections should be on a yearly basis and even if

estimated, should cover the years required to reach a financially viable state for the solution in question.

9. **Findings and Recommendations** – summary conclusions including key opportunities and challenges. The recommendations should be very specific and provide guidance on design features if the planned finance solution were to advance to the next stage.