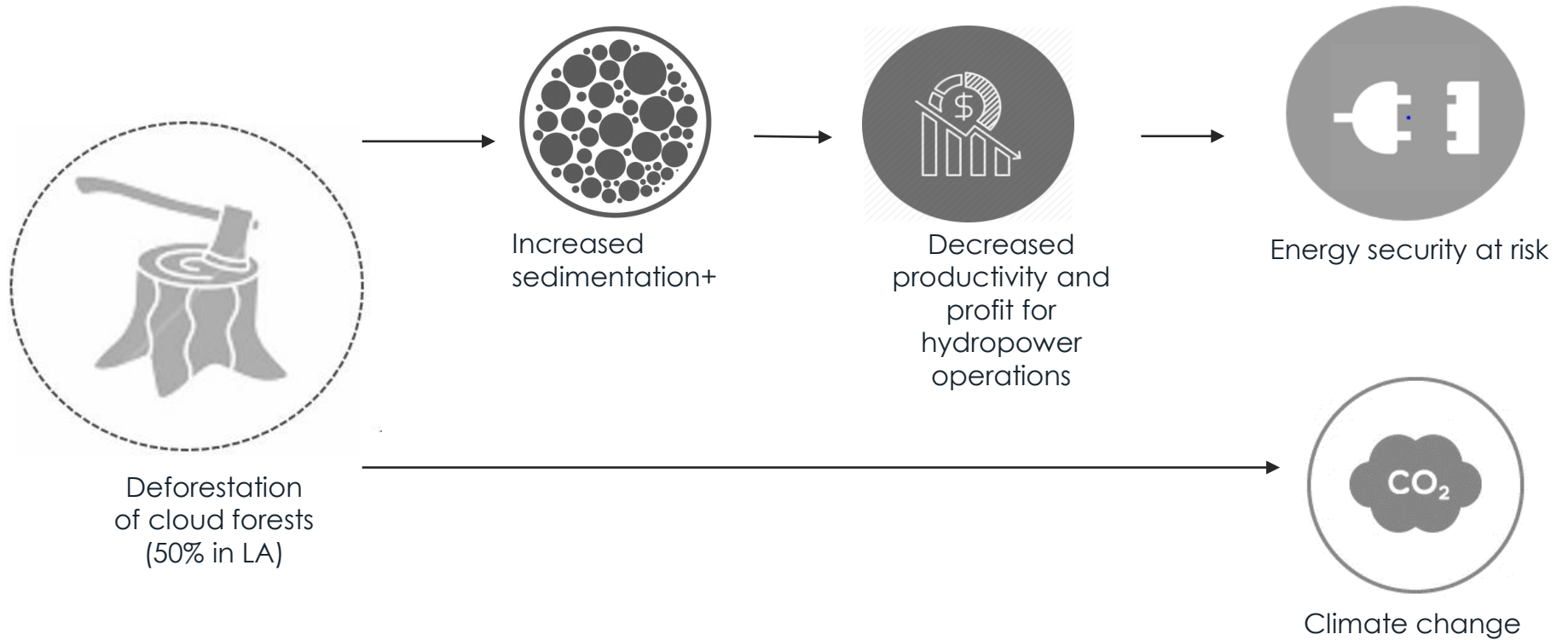


# Cloud Forest Blue Energy Initiative

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*Using Innovative Finance to  
improve Hydropower Generation  
and Drive Cloud Forest Restoration*

# Deforestation is Detrimental to Sustainable Hydropower



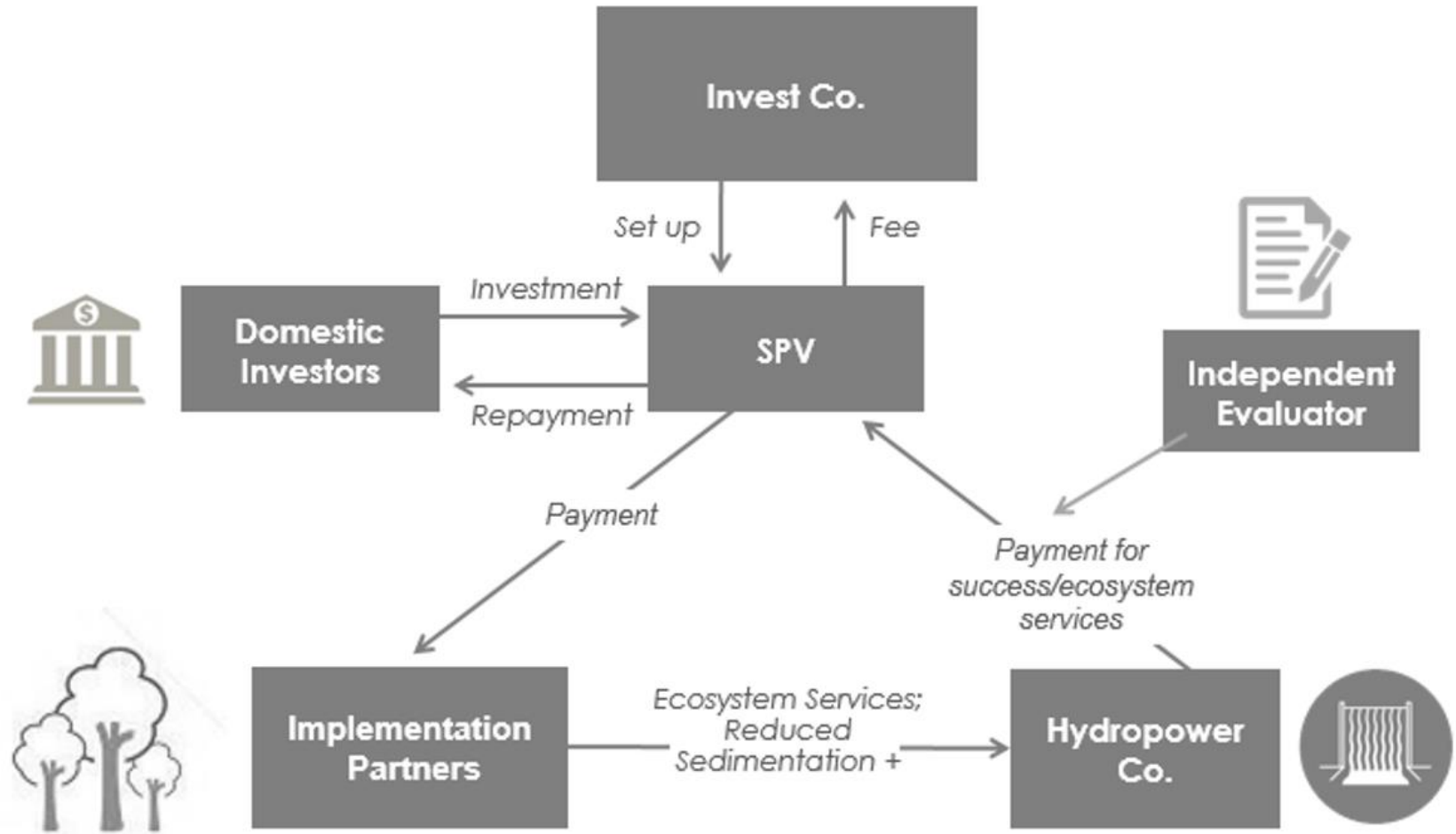


## Hydropower Operators are in a Tight Spot

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- Forest loss in tropical ecosystems create massive sedimentation management issues that also threaten the longevity of operators' reservoir "batteries".
- Less predictable weather patterns caused by climate change further exacerbate the loss of flow regularity caused by deforestation, which upends long-term hydrological models and power generation capacity.

# Solution: Cloud Forest Pay-for-Success Mechanism



# Impact Potential

## Biodiversity

- 60mm hectares of degraded cloud forests in Latin America overlap with hydropower watersheds

## Climate

- Equates to 2.4 GT CO<sub>2</sub>

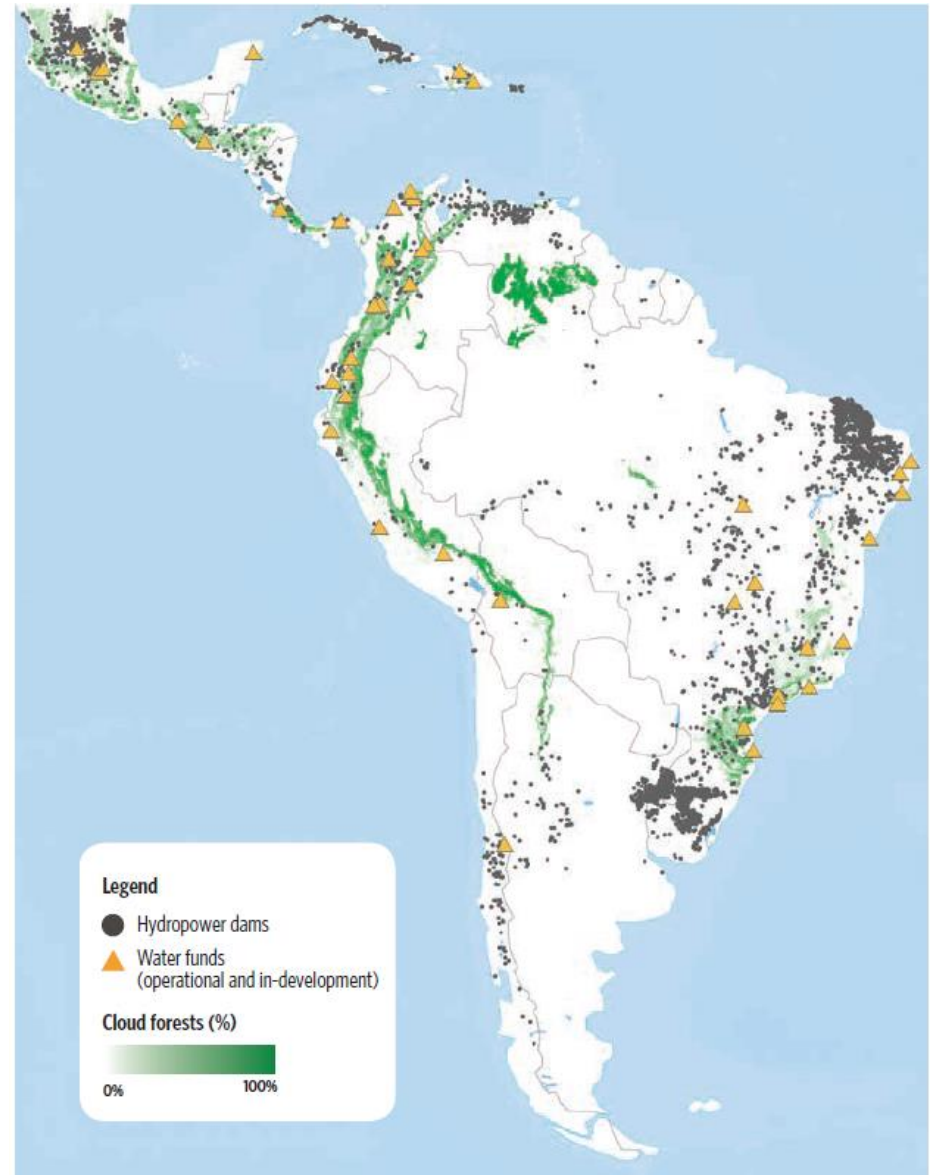
## Socio-Economic

- Improves water & energy security; provides local employment opportunity

## Financial

- \$30 to 40bn green infrastructure opportunity

Map of Latin America Dams, Cloud Forests & Water Funds



# A Union of Experts

**CONSERVATION  
INTERNATIONAL**



+

**The Nature  
Conservancy**



Discipline	Track Record
<b>Financial Structuring</b>	<div data-bbox="672 596 738 659" data-label="Image"></div> <p>\$200mn+ deployed in closed conservation impact investment transactions</p> <div data-bbox="672 742 738 805" data-label="Image"></div> <p>\$500mm+ deployed in innovative conservation financing</p>
<b>Ecosystem services and hydrological modeling</b>	<div data-bbox="672 876 738 939" data-label="Image"></div> <p>10+ years hydrological modeling</p> <div data-bbox="672 982 738 1045" data-label="Image"></div> <p>20+ years ecosystem services modeling</p>
<b>Intervention Implementation</b>	<div data-bbox="672 1118 738 1180" data-label="Image"></div> <p>30+ water fund projects</p> <div data-bbox="672 1218 738 1280" data-label="Image"></div> <p>20 REDD+ projects</p>

# Investment Opportunities

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## Stage 1: Build Pilots

**USD 1 million (grant)**

Identify sites, develop business case for implementation, design pay-for-success contract

2017-2019



## Stage 2: Implementation

**USD 20 – 40 million (blended finance)**

Establish mechanism at three sites and monitor performance

2020 - 2025



## Stage 3: Commercialization

**USD 30+ billion (commercial finance)**

2026 onwards

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Protecting nature. Preserving life.

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