

CONSERVATION INNOVATION GRANTS
Final Progress Report

Grantee Name: American Rivers	
Project Title: Scaling Pay-for-Success Market Opportunities in California’s Central Valley	
Agreement Number: 69-3A75-17-40	
Project Director: Dr. Amy Merrill	
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Period Covered by Report: October 1, 2019- December 20, 2019	Project End Date: December 20, 2019

A) Summarize the work performed during the project period covered by this report and compare actual accomplishments to the project goals in your proposal, including reason why goals were not met, if applicable.

**Note the table below only includes deliverables not previously reported.*

Action	Milestones/Deliverables	3-month work summary
1. Grow end buyer adoption of pay-for-success	<ul style="list-style-type: none"> ▪ Final “Pay- for-Success User Guide for Buyers.” 	<ul style="list-style-type: none"> • Buyer Guide finalized and distributed to Central Valley Habitat Exchange Members and Partners
2. Enable producers to deliver credit - ready projects	<ul style="list-style-type: none"> • Draft and Final “Pay- for-Success User Guide for Producers.” • Additional credit-ready projects developed, poised for solicitations. • Exchange case study highlighting opportunity and lessons learned. • Continued direct outreach to producers interested in developing credit-ready projects, and presentations to interested groups. 	<ul style="list-style-type: none"> • Continued testing of the Salmon HQT to understand habitat quality in floodplains and on restoration sites.

Action	Milestones/Deliverables	3-month work summary
3. Engage impact investors & define financing terms	<ul style="list-style-type: none"> • Continued engagement with Learning Partners on concrete opportunities and risk mitigation strategies in the context of real projects in need of capital. 	<ul style="list-style-type: none"> • Allotrope partners and River Partners is developing a memo summarizing market opportunities and strategies to be delivered in prior to end of project.
4. Administer transactions & conservation outcomes	<ul style="list-style-type: none"> ▪ Registry updated with data from credit-ready projects. ▪ Administrator participates in all activities related to Activity 1- 3. ▪ Participate in Conservation Finance Practitioner Round Table. ▪ In-person meeting with NRCS staff to share findings. ▪ New NRCS technology and innovative approach fact sheet. • NRCS CIG Showcase or other sponsored event attended. 	<ul style="list-style-type: none"> ▪ Continued to work with DWR and California Dept of Fish and Wildlife to create Mitigation Credit Agreements, based on the products and services of the Central Valley Habitat Exchange. This included reviewing and commenting on CDFW’s MCA guidance to ensure that the framework could be reasonably used by working landowners and by conservation investors. ▪ Factsheet: A factsheet will be developed after the financial scenario with Allotrope is completed in November. ▪ Developed progress report for NRCS ▪ Confirmed final deliverables with all grant partners, and compiled deliverables Dropbox Folder ▪ Final Grant Report written and submitted

B) Explain how your accomplishments support the objectives in your proposal, including reason why objectives were not met, if applicable. Describe significant results, accomplishments, and lessons learned.

This final progress report covers effort between Sept 2019-December 2019. The majority of grant deliverables had been completed as of Sept 2019 (see September Progress Report and Final Grant Report). The major accomplishments this period are described below. This is the final progress report of this Conservation Innovation Grant.

This period, our team:

- **Finalized the Pay for Performance Guide for California.** This guide was a cumulation of many conversations with a diverse set of stakeholders, including agency buyers, permittees in need of mitigation, landowners, land managers, conservation NGOs, other grantees, and restoration professionals and investors. This Guide, now publicly available, is meant to help state agencies develop pay for performance programs to efficiently create conservation outcomes and meet the environmental needs of the state.

Environmental Incentives was the primary author of the Guide, but received important input from American Rivers, River Partners, Allotrope Partners, and Third Sector Capital. The Guide was then distributed through an email listserv and on EI's website. This guide further cements CVHE has a leader in the conservation finance field.

- **Worked with DWR to comment on Mitigation Credit Agreement guidelines.** As previously discussed, mitigation credit agreements could be a real opportunity to use pay for performance to procure verified habitat outcomes. Mitigation Credit Agreements (MCAs) will be managed and approved by California Dept of Fish & Wildlife. CDFW released a set of MCA Guidelines this fall, and our team reviewed them and submitted significant comments. The primary message of our comments was to ensure that MCAs could be implemented by farmers and MCA outcomes purchased by state agencies. Our comments were well received by CDFW, and were aligned with comments of the conservation buyers (including DWR, and RD 108, who we have been working closely with this entire grant period), and conservation NGOs. We anticipate that CDFW will allow for Mitigation Credit Agreements to be created in 2020, and we will submit one or more of our credit-ready projects that improve giant garter snake habitat on rice farms as a pilot MCA project.
- **Allotrope Riparian Finance.** Project partners, River Partners and Allotrope provided a memo summarizing a range of options for financing riparian restoration and associated multiple benefits.
- **Salmon HQT testing.** Project partners, SFEI, completed an additional example from a previously evaluated pilot project as an appendix to the HQT User Guide, focusing on application of the hydrosatial analysis approach within the Central Valley Habitat Exchange Chinook Salmon Habitat Quantification Tool
- **Final Deliverable Compilation and Grant Reporting.** As this CIG ends, our team ensured all grant deliverables were met, and all products compiled.

C) Cost analysis.

Budget expenditures are on track and in accordance with the original proposal.

D) Project deliverables/products.

All project deliverables can be found at the Dropbox folder:

<https://www.dropbox.com/sh/x2c98cnbedqiv2/AACH3wacCVEGSfJBVdT5ztnka?dl=0>