

## **MBHE Resource Document for Investors**

### **Introduction**

The Monarch Butterfly Habitat Exchange (Exchange) provides an efficient, transparent and highly accountable way to contribute to monarch conservation on farms and ranches, which are vitally important lands for monarch recovery. Funding opportunities are currently limited to the Central Valley of California, northern Missouri, and central and north-central Texas; however additional states will be added in the coming years. Investors can fund specific projects or request that the Exchange select the highest priority projects for funding.

### **The Exchange**

Biodiversity Works, a Texas-based non-profit conservation organization, is serving as Exchange Administrator. Additional Exchange capacity, with a local presence in each state, will be established as investment in the Exchange grows. A key goal of the Exchange is to maximize the return on investment in monarch conservation: The vast majority of investments will go into on-the-ground habitat restoration and administration costs will be minimized to the greatest degree possible. Operating expenses for the Exchange will be made publicly available beginning with the first annual report for 2018.

### **Funding Process and Investment Options**

All investment funds currently go directly to the Exchange, which will then disburse funds to monarch habitat restoration, enhancement and conservation projects using incentive and market-based approaches.

There are three basic investment options at the current time:

1. Contribute directly to existing proof-of-concept projects in the Central Valley of California, northern Missouri or central and north-central Texas. Details are available on the Projects page or through contacting the Exchange Administrator (Patty Ramirez: [pramirez@biodiversityworks.org](mailto:pramirez@biodiversityworks.org)).

During the current proof-of-concept phase the majority of investment funds are being used to provide:

- an initial cost share to assist landowners with the oftentimes high initial costs of habitat restoration such as the expense of seeds and site preparation; and
  - outcomes-based payments once the restored habitat has reached and is maintained at a certain level of habitat quality or “functionality” for the monarch as determined through application of the Monarch Habitat Quantification Tool.
2. Contribute to a pool of funds that will be used by the Exchange to launch new restoration projects, as well as to incentivize the conservation of existing high-quality monarch habitat.
  3. For major investments the Exchange will consider funding new restoration and conservation projects that meet the goals of the investor, as well as the Exchange. The Exchange will maximize the conservation effectiveness of major investments by using market-based approaches such as reverse auctions and requests for proposals from farmers and ranchers who are enrolled in the Exchange and who are interested in and willing to restore and conserve habitat once funds are available.