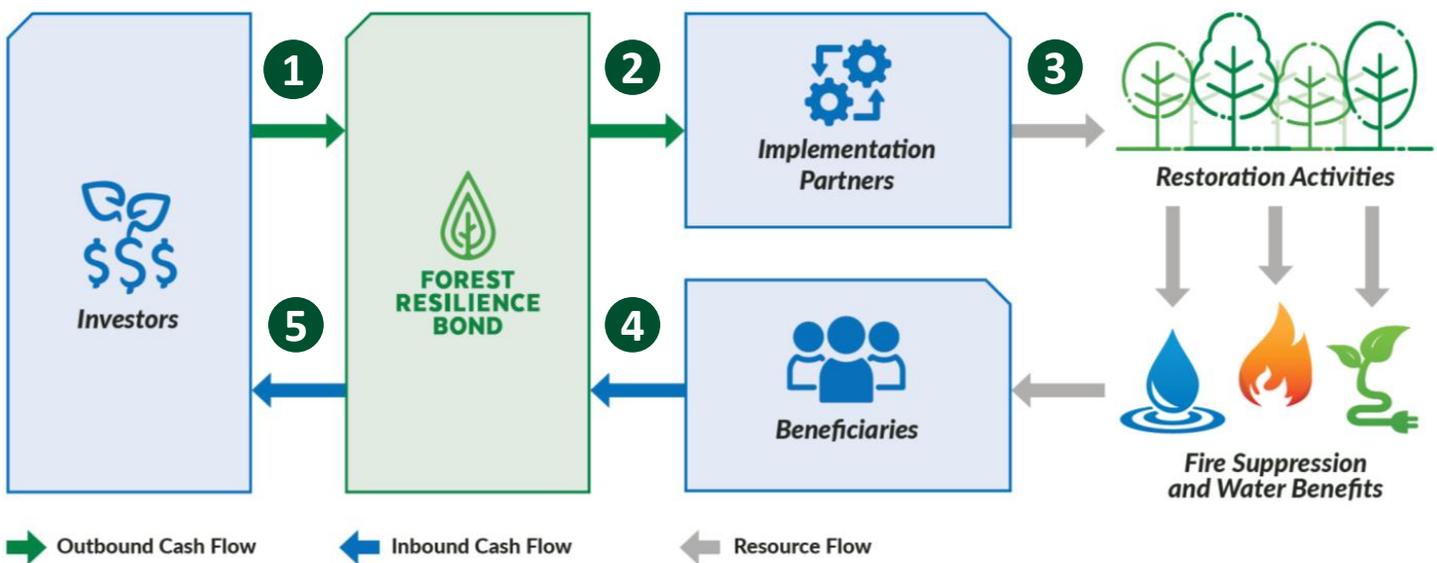




## What is the Forest Resilience Bond?

The Forest Resilience Bond (FRB) is an investment vehicle developed by agency partner **Blue Forest Conservation**, in partnership with **World Resources Institute**, that deploys private capital to fund forest restoration activities that mitigate wildfire risk and protect water resources. The FRB raises the upfront private capital necessary to fund forest health treatments, and uses a collaborative framework that brings together stakeholders that benefit from restoration to share the cost of reimbursing investors over time. By engaging private capital to cover the upfront costs of projects, the FRB increases the pace and scale at which the FS can address backlogs of work to improve forest health.

## How Does the FRB Work?



- 1 **Investors** provide capital to **FRB** to cover full cost of restoration
- 2 **FRB** pays **implementation partner** to cover restoration costs
- 3 **Implementation partner** pays **restoration crews** as work is completed
- 4 **Beneficiaries** make annual contracted payments to **FRB** as environmental and social benefits are realized
- 5 **FRB** repays **investors** principal plus a return

## How Does the FRB Help the Forest Service?

- Accelerates pace and scale at which forest restoration can be undertaken
- Reduces cost of restoration projects for FS by sharing costs between multiple beneficiaries
- Establishes platform through which to collect data/quantify impacts of ecosystem services
- Fosters relationships between public and private entities with shared stakes in forest health
- Creates opportunities to establish and grow markets for biomass/small diameter wood
- Guarantees cash flow for restoration implementers (often dependent on reimbursable grants)

## What are the Enabling Conditions for FRB Success?

Criteria for Success	
Landscape	Identified need for forest restoration (high fuel load, wildfire risk, etc.)
	NEPA decision signed and notice published
	Plans for implementation complete and project is “shovel ready”
Leadership	Strong FS leadership, with interest in innovation at multiple levels
	Strong partner leadership and commitment
Collaboration	Compelling business case for involvement of multiple beneficiaries
	Locally-based natural resource collaborative(s) with history of success
	Strong cross-boundary relationships
Capacity	NFS unit with capacity to prioritize partnership-building activities
	Project implementer(s) with capacity and expertise to undertake restoration
Data	Baseline ecological and economic data in place
	Ability to quantify future ecological and economic outcomes

## FRB Partner Blue Forest Conservation

Blue Forest Conservation (BFC) is a mission-driven firm dedicated to leveraging financial innovation to develop sustainable solutions to pressing environmental challenges. BFC partners with the FS to develop and implement FRB projects. As the project developer BFC recruits investors, identifies and builds relationships with beneficiaries, works with research partners to quantify ecological and economic outcomes, and develops contracting mechanisms and financial structuring to enable private investment. In 2018 the Forest Service signed a MOU with BFC to develop and implement the FRB, and launched the first FRB pilot project to fund forest restoration across 15,000 acres of the Tahoe NF in CA.

Learn more about the FRB and BFC's work by visiting [www.blueforestconservation.com](http://www.blueforestconservation.com).