

# **Innovative Finance for National Forests**

## **Projects selected for first round of grant funding**

### **Refining and Expanding the Forest Resilience Bond**

\$495,000 to Blue Forest Conservation (California) to refine and replicate the Forest Resilience Bond model, developed with the World Resources Institute and piloted in the Tahoe National Forest, California, primarily for watershed protection. In partnership with the USDA Forest Service, the model will be expanded to four additional National Forests focused initially in California and the Pacific Northwest. The Forest Resilience Bond is a public-private partnership that enables private capital to finance much-needed forest restoration work and is the nation's first financial product to support proactive management of the National Forest System. Blue Forest Conservation will also explore incorporating new ecosystem co-benefits into repayment revenue streams.

### **Southwest Colorado Wildfire Environmental Impact Fund**

\$275,000 to the Mountain Studies Institute. The Mountain Studies Institute, in collaboration with Quantified Ventures and Ellen Roberts, will structure an Environmental Impact Fund (EIF) to address wildfire risk to watersheds and communities in Southwest Colorado using an outcomes-based financing approach. Building on the project team's initial feasibility assessment, the EIF will function as a revolving loan fund to finance forest health treatments across thousands of acres of mostly private lands in and near the San Juan National Forest. The EIF will also leverage federal resources, private landowner contributions, and revenues from the sale of biomass material generated from thinning to restore natural forest density. This project is being developed with support from and in partnership with the Walton Family Foundation.

### **Biomass Energy Implementation Fund**

\$201,000 to Wisewood Energy (Oregon) to structure an investment fund dedicated to implementing multiple community-scaled biomass energy projects near National Forest System lands in the Pacific Northwest and Alaska. This fund is intended to

alleviate barriers to the construction of advanced wood energy systems that use small-diameter and low-value biomass from National Forests and surrounding areas, which will help restore forest health, reduce wildfire hazards, protect water quality and accelerate forest restoration projects in the Western U.S.

## **Inyo National Forest (California/Nevada) Campgrounds Business Plan**

\$150,000 to the Mammoth Lakes Trails and Public Access Foundation (MLTPA) which, in collaboration with Quantified Ventures, will develop a business plan that evaluates needs for campgrounds, identifies potential sources of funding through cost-sharing partnerships, and proposes finance options to address an estimated \$70 million funding gap for campground upgrades in California's recreation rich Eastern Sierra.

## **Oregon Coast Salmon Restoration Environmental Impact Fund Feasibility**

\$140,000 to Quantified Ventures to assess the feasibility of structuring an EIF to finance an estimated \$24 million in salmon restoration projects along the Oregon coast. Oregon coast coho salmon are imperiled due to disconnected and degraded habitat. Stakeholders are collaborating on cross-boundary approaches to salmon recovery and watershed health, but significant funds are needed to support restoration efforts. The feasibility assessment will quantify price-measurable project outcomes and evaluate the potential of payors to reimburse investors for project work. This includes government cost savings from culvert maintenance, support for fisheries, improved water quality, and private dairy farm cost savings from improved road infrastructure.

## **Mount St. Helens (Washington) Recreation Infrastructure Environmental Impact Bond Feasibility**

\$127,000 to the Mount St. Helens Institute. The Institute, in collaboration with Quantified Ventures, will explore the feasibility of an outdoor recreation Environmental Impact Bond (EIB). Mount St. Helens National Volcanic Monument currently lacks overnight accommodations, which limits local economic impact and tourism spending, the visitor experience, and educational opportunities. Monies from the EIB would be used to transform the Coldwater Visitor Center from a day-use site to an energy-efficient, educational, and memorable multi-day experience for youth and adult visitors.

## **Wildfire Resilience Insurance Product**

\$125,000 to The Nature Conservancy, to demonstrate that ecological forestry practices at scale will lower the price of insurance, which can make premium savings available to finance ecological forestry. TNC will use an ecological forestry project in the Tahoe National Forest to quantify commercial insurance price and availability benefits to asset or landowners. Funds will support data collection, quantification of insurance price and availability benefits from ecological forestry, insurance modeling, and development of first ever wildfire resilience insurance pilot products which take into account the severe wildfire risk reduction benefits of ecological forestry practices.

## **Mt. Baker-Snoqualmie National Forest Mountain Loop Highway Environmental Impact Bond Feasibility**

\$125,000 to Quantified Ventures to assess the feasibility of leveraging outcomes-based financing to finance improvements to recreation infrastructure in the National Forest. The Mountain Loop Highway provides visitors with access to camping, boating, historic sites, wilderness, and more than 200 trail miles. The forest infrastructure was not designed to support current demand, which negatively impacts user experience and biophysical resources. The feasibility study will quantify and price measurable project outcomes and evaluate the potential of outcome payors to reimburse investors as project activities are completed.

## **Exemplary Forestry Investment Fund**

\$120,000 to the Maine Mountain Collaborative to develop a timber investment fund to address two challenges: declining public/private funding for land conservation in Maine, and declining forest conditions necessary for healthy ecosystems. The goals are to increase stocking of the forest for improved habitat, high-value forest products, and carbon sequestration while providing acceptable returns to investors. This grant is being matched by an anonymous private foundation.

## **Financing Kentucky White Oak Restoration**

\$118,000 to the American Forest Foundation, a national conservation organization, to explore outcomes-based financing to support white oak restoration in Kentucky's Daniel Boone National Forest and adjacent private and family-owned lands. White oak is a cornerstone species that provides important wildlife habitat

and valuable wood products. It is the preferred wood for aging bourbon. Current management programs for white oak are insufficient to meet future environmental and economic demands. Funds will support a feasibility assessment that quantifies measurable impacts, identifies potential payors for long-term white oak management, and establishes a monitoring protocol to ensure desired project outcomes.