

Innovative Finance for National Forests

Projects selected for third round of grant funding

Scaling Carbon and Water Benefit Modeling to Attract Forest Investment (Scaling) - Arizona

\$500,000 to the Salt River Project (SRP) to attract long-term funding and private investment by quantifying the co-benefits of water and carbon from forest restoration activities in Arizona. SRP will develop a comprehensive project portfolio and finance strategy that packages the water, carbon, and additional co-benefits to help diversify project funding.

Financing Wood Vaults for Forest Resilience (Pilot) - California

\$250,000 to Kodama Systems Inc., in collaboration with Blue Forest and The Trust for Public Land, to pilot a new financial approach that leverages the carbon value of wood residue rather than burning it at a cost and emitting carbon, as frequently occurs. Through this project a financial and legal structure will be created that allows transport of biomass from forest thinning projects to engineered earthen wood vaults where the biomass is buried in arid environments, sequestering the carbon for centuries. The carbon removal credits generated from the avoided emissions will be sold into the voluntary carbon market to cover project costs, service debt, and provide financial returns.

Scaling the Resilience Fund: Increasing Water Security and Fire Resilience of the Greater Uinta-Wasatch-Cache (Scaling) - Utah

\$240,000 to the World Resources Institute to scale the Weber River Watershed Resilience Fund to additional tributaries of the Great Salt Lake, including the Jordan and Bear Rivers. The Resilience Fund pools contributions from public and private entities to leverage state and federal funds for watershed health and wildfire resilience on USFS, state, and private lands and builds an endowment to pay for future maintenance costs. This project focuses on expanding collaboration with partners, including local water utilities Weber Basin Water Conservancy and Salt Lake City Department of Public Utilities, and increasing the project's geographic footprint to scale up forest restoration, secure new funders, and generate greater impact for 2.8 million downstream residents. This project builds on Summit County, Utah's pilot project funded by IFNF in 2021.

Technical Assistance for Wood Utilization Entrepreneurs (Pilot) - California

\$225,000 to Blue Forest to provide technical assistance to wood utilization entrepreneurs alongside the deployment of funds through the recently established California Wildfire Innovation Fund, Blue Forest's private market investment fund for development of the forest restoration sector in California. Technical assistance will support entrepreneurs' efforts to raise funds, increase capacity, and develop partnerships.

Exemplary Forestry Investment Fund (Pilot) - Maine

\$160,000 to Maine Mountain Collaborative to pilot a financial approach that seeks to secure recreation revenues to support management of private timber lands acquired by the Exemplary Forestry Investment Fund. Legal and financial pathways will be established to provide permanent recreational access and infrastructure investment on targeted private timber lands adjacent to the White Mountain National Forest. This project builds on Maine Mountain Collaborative's 2020 feasibility project funding from IFNF.

Catalyzing Markets for Forestry Co-benefits in the Great Lakes St. Lawrence Region (Feasibility) - Great Lakes Region

\$150,000 to the Great Lakes St. Lawrence Governors & Premiers to create a framework to quantify the co-benefits of tree planting projects in the Great Lakes St. Lawrence Region with the purpose of attracting impactful private investments. The project team will complete a gap analysis of existing co-benefit models such as watershed health, biodiversity, and recreational access, work with stakeholders to identify co-benefits with investment potential, and create a roadmap for investment structures.

Cosumnes Watershed Outcomes Bank Development (Feasibility) - California

\$150,000 to The Freshwater Trust to develop a Watershed Outcomes Bank framework to leverage and coordinate multiple funding sources and help ensure funds are deployed to the projects that most rapidly achieve watershed resilience targets in the Cosumnes River watershed. Rather than the traditional project-by-project funding approach, the Watershed Outcomes Bank will knit together funding sources from the upper and lower watershed to build a coordinated watershed-scale funding approach.

Activating Giant Sequoia National Monument Recreation through Innovative Finance Opportunities (Feasibility) - California

\$150,000 to Save the Redwoods League to identify an innovative, long-term financing strategy for recreation infrastructure at current and future areas of the Western Divide Ranger District of Giant Sequoia National Monument. The project scope includes a future USFS land acquisition and current League-owned property, Alder Creek. The feasibility study will develop a financing model for this private inholding with the long-term goals of improving overall access and visitor experience, reducing future operations and management costs for the agency, and relieving pressure on overburdened recreational assets. Alder Creek, with its hundreds of ancient sequoias, including the fifth largest tree on the planet, is comparable to Yosemite's famous Mariposa Grove and represents a transformational recreation and conservation opportunity.

Accessing Capital Markets to Support Watershed Health and Manage Wildfire Risk (Feasibility) - Colorado

\$150,000 to Multiplier, on behalf of WaterNow Alliance, to create a decision tool to facilitate Colorado public utility investments in watershed health projects. Informed by economic and legal analyses, the project team will create a multi-criteria decision analysis tool for utilities to evaluate and prioritize upstream investments in watershed health and protection. The resulting framework will be disseminated as a roadmap for utility investment in nature-based projects and water infrastructure not owned or controlled by local utilities. Project partners include the Water Center at Penn and One Water Econ. WaterNow is a project of Multiplier which serves as its fiscal sponsor.

RiverBANK Loan Fund (Feasibility) - Colorado

\$150,000 to Coalitions and Collaboratives to explore the potential to create RiverBANK, a revolving loan fund that will leverage private capital as bridge financing for small to medium-sized organizations implementing forest/watershed health and wildfire resilience projects in Colorado adjacent to the Pike-San Isabel National Forest.

Catalyzing Land Acquisition in National Forests through Finance (Feasibility) - FS Eastern Region

\$125,000 to the Sand County Foundation to assess the viability of an interim financing fund to facilitate acquisition of private inholdings in National Forests in the Eastern Region (Region 9). Acquiring inholdings from willing sellers is desirable to meet the objectives of biodiversity conservation and public access to nature for all communities. Bridge financing is necessary to fill the time gap between when a landowner agrees to sell their land and when public funds are available to close a deal. This project will be conducted by the Environmental Policy Innovation

Center (a fiscally sponsored project of Sand County Foundation) and Lyme Timber Advisory Services.