

Innovative Finance for National Forests

Round 3 Informational Webinar

November 30, 2022



U.S. Endowment
for Forestry and Communities



Agenda

3:00 – 4:00 pm EST

IFNF Program Overview

IFNF Request for Proposals

Application Assistance

Q&A

IFNF Overview



IFNF Program

The Innovative Finance for National Forests (IFNF) grant program supports the development and implementation of innovative finance models that leverage private and public capital, other than U.S. Forest Service (USFS) appropriations, to support the resilience of the National Forest System (NFS) and deliver commensurate returns to stakeholders.



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IFNF Program Goals

- Leverage **private and public capital** other than USFS annual appropriations to support agency priorities.
- Deliver measurable **social, ecological, and financial outcomes** to multiple stakeholders.
- Demonstrate solutions that promise **improved financial sustainability** for land management.
- Chart a **path to scale** in addressing landscape-level challenges on and near National Forests.
- Generate **lessons learned** to incorporate in agency management and decision making.



Why IFNF?



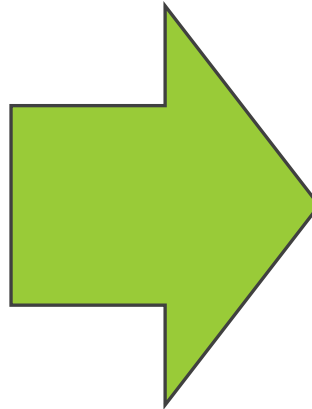
Catastrophic wildfire



Deferred maintenance on
recreation infrastructure



Reliable water supply



New approaches to funding
and financing land
management

Accelerate pace of
innovation

Expand **network of partners**
to deliver solutions



IFNF Team

MANAGING PARTNERS

U.S. Forest Service



- Funding
- Program management
- USFS coordination
- NFS land base

U.S. Endowment



- Funding
- Program Administration

TECH. ASSISTANCE PROVIDERS

National Forest Foundation



- Land management planning and implementation guidance

Gordian Knot Strategies



- Project development guidance (financial structuring, payor identification)

Starpoint Advisors



- Investor pitch guidance



Prior IFNF Grantees

Round 1 (May 2020)

\$1.8M to 10 projects



Round 2 (Oct 2021)

\$2.2M to 11 projects

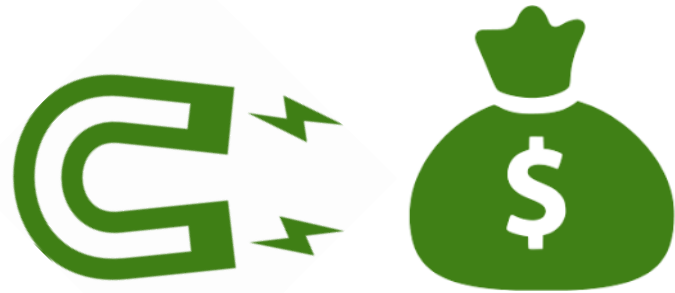


Round 3 RFP

APPLICATION OPEN NOVEMBER 21, 2022 – MARCH 6, 2023

What does IFNF support?

Financial innovation
that attracts more
money for larger
impact



NOT direct project
implementation





Capital Sources

- **Private Investment** – debt or equity financing models for upfront project costs promising a financial return as well as social and/or environmental outcomes; or environmental markets paying for ecosystem services.
- **Public Financing** – non-Forest Service public financing, including low-interest loan funds, bonds or other public debt from federal, state, or local sources.
- **Blended Approaches** – combine private investment, public finance, philanthropy, or corporate sustainability into public-private partnership models.



Focus Areas



Wildfire Resilience and Recovery



Recreation Access and Infrastructure



Watershed Health



Project Types



Feasibility

Financial Innovation
Customer & Market
Discovery
Measurement &
Quantification



Pilot

Demonstrate finance tools
Enable implementation
New revenue or repayment
Path to replication

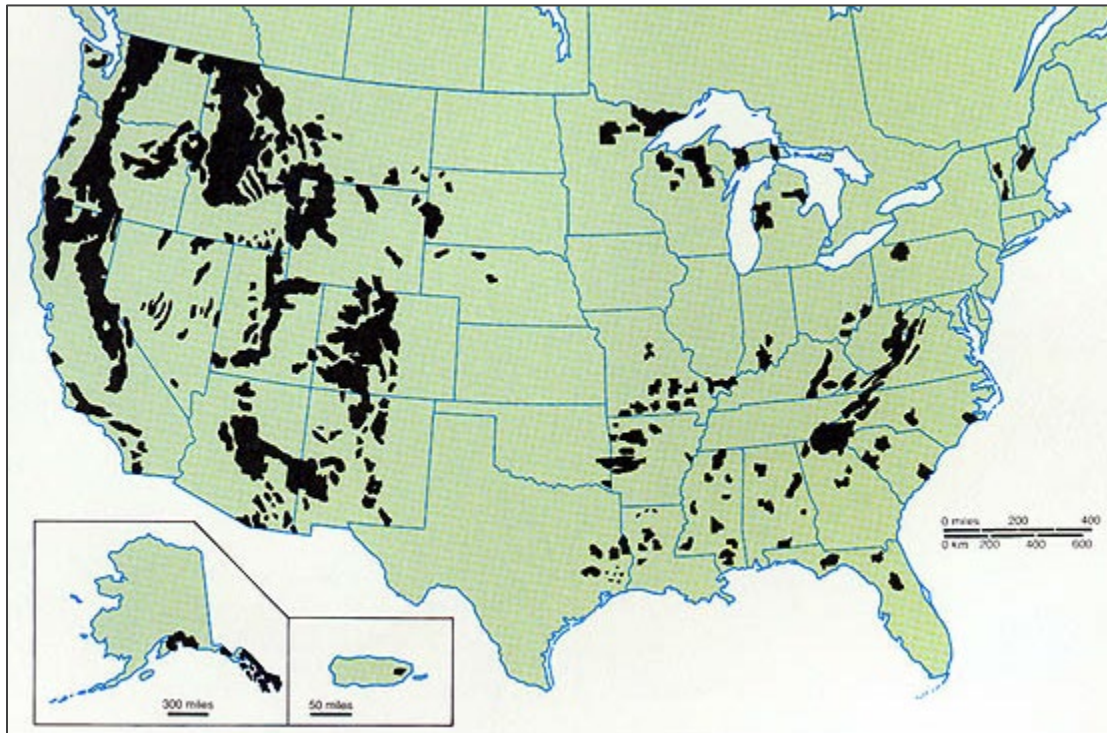


Scaling

More, Bigger, Faster
Addressing needs at scale
New geographies
Aggregation



Project Locations



- National Forest System
- Adjacent Lands (e.g., State, Local, Tribal, Private)
- Cross-boundary combo of NFS and adjacent lands

Application Review Criteria

1. Problem Statement
2. National Forest System Nexus
3. Team and Partners
4. Policy
5. Practices and Methods
6. Payors (i.e., direct payment or repayment)
7. Financing Sources (i.e., upfront capital)
8. Project Site(s) and Readiness
9. Impact and Scaling Potential
10. Measurable Outcomes
11. Co-creation
12. Barriers to Success
13. Timeline, Deliverables, and Budget



Other Details

- **Grant Size.** \$25K-\$500K
- **Grant Length.** Up to 3 years, renewed annually based on performance
- **USFS Engagement.** USFS letter of support and POC required for Pilot and Scaling projects
- **Match.** Non-federal match is encouraged but not required
- **Eligibility.** Non-profits, tribes, state and local governments, academic institutions, for-profit companies (NFS units and federal agencies are NOT eligible)
- **Existing Grantees.** Can apply for funding if request advances work to a new Project Type (e.g., if you already received a Feasibility grant, you could apply for a Pilot grant)



Ineligible and Limited Activities

- No lobbying or litigation
- No direct funding for land acquisition
- No direct funding for stewardship/restoration
- Federal agencies cannot apply
- Cannot match other federal programs
- Less than 15% for education, interpretation, land management planning (NEPA), convening, scientific research, market standards/tools, and monitoring



Schedule

- **Program Announcement.** November 21, 2022
- **Proposals Due.** March 6, 2023
- **Tentative funding decisions.** April 2023
- Timeline posted on <https://www.usendowment.org/ifnf/>. Late applications will not be considered.



FEASIBILITY: “Central OR NF Dedication Recreation Funding”



- **Grantee:** ECONorthwest
- **Geography:** Deschutes and Ochoco NFs, OR
- **Focus Area:** Sustainable Recreation Access and Infrastructure
- **Grant Amount:** \$150,000
- **Challenge Addressed:** population growth stressing already deteriorating recreation infrastructure
- **IFNF Project:** economic modeling to quantify economic benefits that recreation brings to local economy and associated investments needed to maintain those benefits
- **Next Step:** use modeling to develop targeted investment case for local beneficiaries and drive conversations about coordinated funding strategies



PILOT: “Piloting a Resilience Fund for the Weber Watershed”



- **Grantee:** Summit County, UT
- **Geography:** Weber River watershed (incl. Uinta Wasatch Cache NF)
- **Focus Area:** Watershed Health, Wildfire Resilience and Recovery
- **Grant Amount:** \$295,000
- **Challenge Addressed:** high risk of catastrophic wildfire in critical watershed
- **IFNF Project:** establish a Resilience Fund that pools funding commitments from public and private entities to support initial costs of forest restoration across USFS, state, private lands and supports long-term maintenance through an Endowment
- **Next Step:** potential expansion to surrounding counties

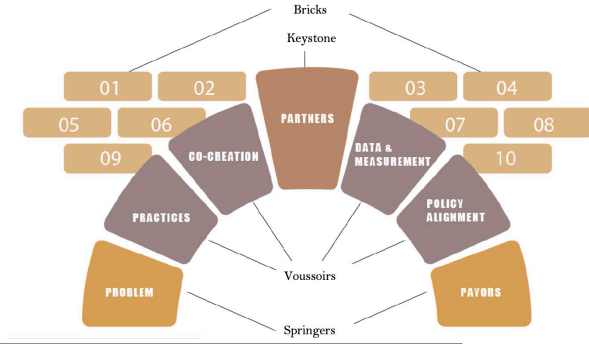


SCALING: “Refining and Expanding the Forest Resilience Bond”



- **Grantee:** Blue Forest
- **Geography:** Pacific Southwest and Pacific Northwest Regions (CA, OR, WA)
- **Focus Area:** Watershed Health, Wildfire Resilience and Recovery
- **Grant Amount:** \$495,000
- **Challenge Addressed:** high risk of catastrophic wildfire
- **IFNF Project:** refine and scale Forest Resilience Bond model, which raises upfront capital to support forest restoration that is repaid by beneficiaries, by scaling to 1) landscape-scale restoration, 2) new repayment streams, 3) new USFS regions
- **Next Step:** standardize roles and processes to enhance replicability across project pipeline

Application Assistance



Arches Framework: Traro

- Applicants who wish to enhance their project proposals ahead of submission are encouraged to sign up with GKS to receive feedback on proposal concepts
- GKS is offering free access to its online Arches Traro platform to help IFNF applicants identify and receive feedback on the seven critical elements needed to effectively design and implement high impact conservation finance projects
- **Traro** is module on the Enkrateia platform modeled after the Arches Framework
- Applicants that register interest at <http://www.enkrateia.io/traro> will be assisted on a first-come, first-serve basis



Additional Information

Contact Information – general proposal support (e.g. IDing USFS point of contact, determining right Project Type)

- Sophie Beavin, Conservation Finance Resource Assistant (sophie.beavin@usda.gov)
- Nathalie Woolworth, Conservation Finance Program Manager (nathalie.woolworth@usda.gov)

IFNF Program Resources

- Website: <http://www.usendowment.org/ifnf/>
- [Round 3 Request for Proposal](#)
- [IFNF Round 1 Projects](#)
- [USFS Conservation Finance Program Overview](#)
- [USFS Conservation Finance Toolkit](#)
- [USFS Conservation Finance Opportunities Map](#)



Q&A

