



Forest Service
U.S. DEPARTMENT OF AGRICULTURE

 **U.S. Endowment**
for Forestry and Communities



INNOVATIVE FINANCE FOR NATIONAL FORESTS GRANT PROGRAM

Round 4 Informational Webinar

January 17, 2024



Agenda

1:00 – 2:00 pm EST

IFNF Program Overview

Round 4 Request for Proposal

Proposal Feedback Opportunity

Q&A



IFNF Overview





IFNF Program Purpose

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 Forest Service appropriations to enhance the resilience of the National Forest System (NFS) and deliver commensurate returns to stakeholders.



IFNF Program Goals

- Leverage **private and public capital** other than Forest Service 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?



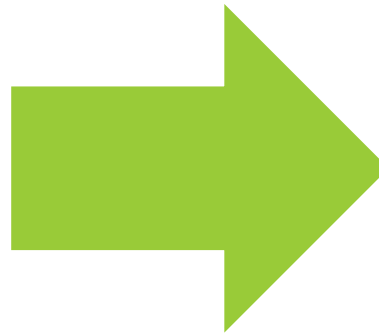
**Catastrophic
Wildfire**



**Deferred
Maintenance**



**Reliable Water
Supply**



**New approaches to
funding and financing
land management**

**Accelerate the pace of
innovation**

**Expand network of
partners to deliver
solutions**



What does IFNF support?

Financial innovation that attracts more money for larger impact



NOT direct project implementation





IFNF Team

MANAGING PARTNERS

U.S. Forest Service 

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

U.S. Endowment 

- Funding
- Program administration
- Expertise in forest markets

TECHNICAL ASSISTANCE PROVIDERS

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 (May 2023):
\$2.2M to 11 projects





Round 4 Request for Proposals

APPLICATION OPEN DECEMBER 4, 2023 – APRIL 22, 2024





What does IFNF support?

Financial innovation that attracts more money for larger impact



NOT direct project implementation





Overview Information

- **Grant Size.** \$25K-\$500K (*\$150k for feasibility, \$300k for pilot, \$500k for scaling*)
- **Grant Length.** Up to 3 years, renewed annually based on performance
- **USFS Engagement.** USFS letter of support and point of contact
- **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)



Potential Innovative Finance Models

- **Enable debt and/or equity financing from public or private sources** to pay for the upfront costs that will be paid back over time by project beneficiaries (payors);
- **Access new or existing markets** for environmental goods or services;
- Access **user-based fees** or contributions;
- Increase pace and scale of implementation by **blending multiple sources of funding or finance**;
- Employ any combination of the approaches listed above.



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

Max Award: \$150,000



Pilot

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

Max Award: \$300,000



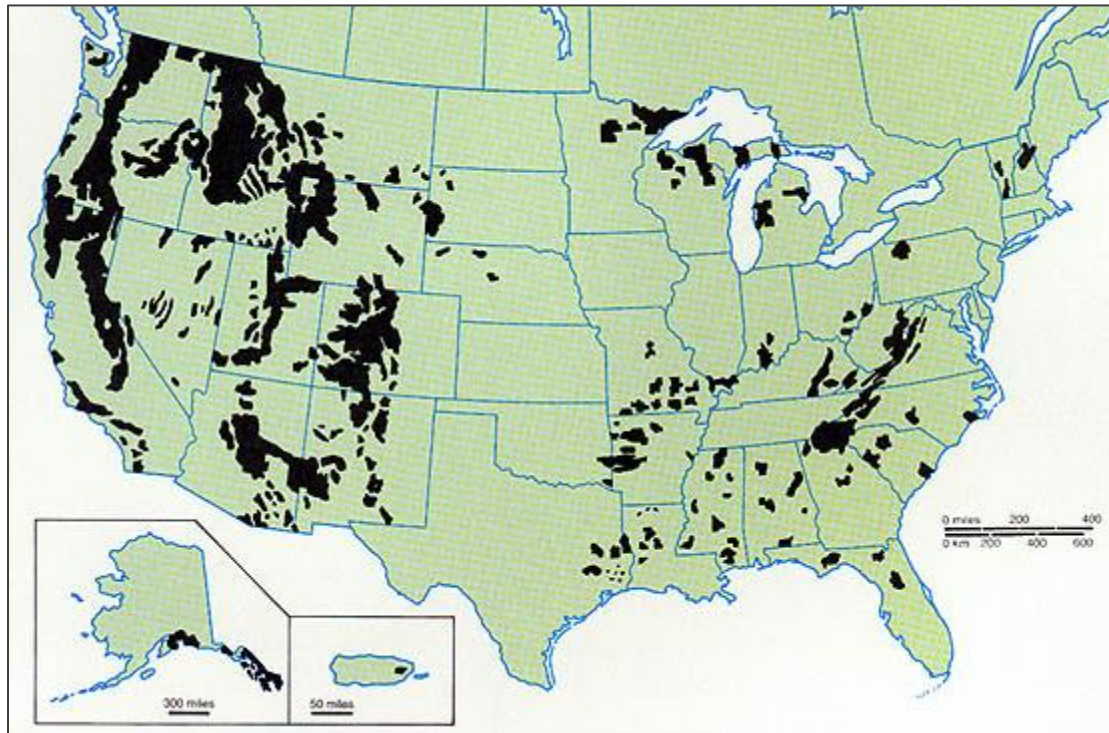
Scaling

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

Max Award: \$500,000




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**  *Environmental problem and financial problem*
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. **Justice, Equity, Diversity, and Inclusion**
14. **Timeline, Deliverables, and Budget**



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. Justice, Equity, Diversity, and Inclusion
14. Timeline, Deliverables, and Budget

*Relevance of challenge and solution
to NFS*

*Work with FS point of contact to craft
this answer!*



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. Justice, Equity, Diversity, and Inclusion
14. Timeline, Deliverables, and Budget



Payors: entities that pay for the outcomes of a project

ID payors, how they will be unlocked, provide evidence for willingness to pay



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. Justice, Equity, Diversity, and Inclusion
14. Timeline, Deliverables, and Budget

What potential does your project have to unlock a scalable solution to NFS challenges?



Ineligible and Limited Activities

- No lobbying or litigation
- No solicitation of funds on behalf of the Forest Service
- 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

- Applications open December 4, 2023
- Proposal feedback opportunity deadline: April 8, 2024
- Applications due April 22, 2024
- Tentative funding decision: June 2024



Additional Information

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

- Sophie Beavin, Conservation Finance Partnership Coordinator (sophie.beavin@usda.gov)
- Region 1 (Northern): Melissa Simpson (melissa.Simpson@usda.gov)
- Region 5 (Pacific Southwest): Sherry Reckler (sherry.reckler@usda.gov) and Madison Kirshner (Madison.Kirshner@usda.gov)
- Region 6 (PNW): Rebecca Ciciretti (rebecca.ciciretti@usda.gov)

IFNF Program Resources

- Website: <http://www.usendowment.org/ifnf/>



Proposal Review Opportunity

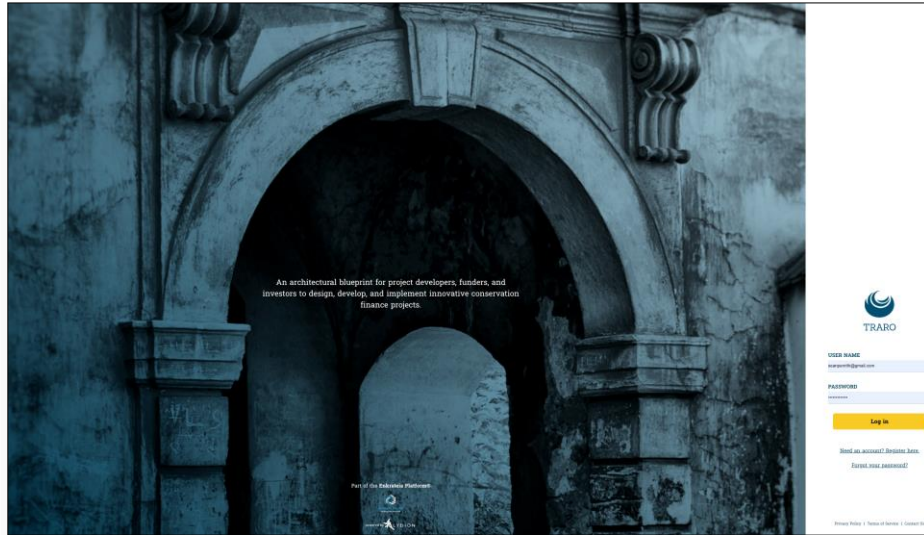
TRARO ONLINE PLATFORM





Overview of Traro pre-screening platform

- ‘Traro’ is from the Greek word *filtráro* for filter
- Traro platform integrates the Arch Framework developed following research of USDA-funded projects that examined what key elements were needed for conservation projects to be successful in delivering impact and returns
- The enduring Arches framework has been used in many cases for screening by impact investors and funders and for design by project proponents





Traro pre-screen platform

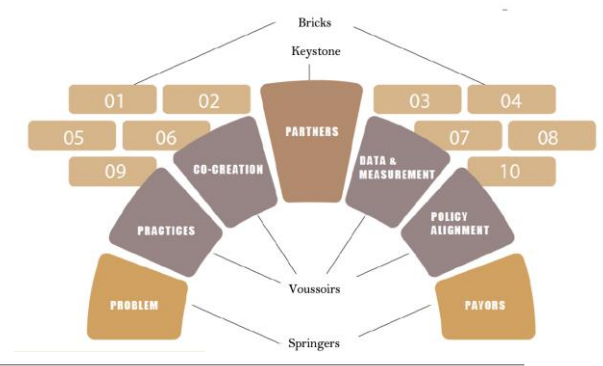
Origin: Arch Framework was developed by GKS in collaboration with The Conservation Finance Network with the generous support from the Walton Family Foundation

Purpose: Traro allows for the efficient and easy use of the Arches Framework to evaluate and improve the design of conservation projects seeking finance

IFNF: The 2023 round of the IFNF grant program, used the Traro screening tool co-developed by GKS and DECO. Free access was provided to Enkrateia's Traro application to help IFNF grant applicants identify and receive feedback on seven critical elements needed to effectively design and implement high impact conservation finance projects.

Benefits: Identifies where the strengths and areas of improvement exist in relation to the seven critical Arch elements for a proposed project design. This allows for changes prior to final RFP submission

Process: Proponents complete the Traro questions and submit. GKS will then review and return comments for each Arch element for the proponent to consider when assembling their final submission. Note the Traro questions form part of the RFP question set.



Arches Framework: Traro

- Applicants for current IFNF RFP who wish to enhance their project proposals ahead of submission are encouraged to sign up to receive feedback on proposal concepts
- GKS is once again 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
- Applicants that register interest at <http://www.enkrateia.io/traro> will be assisted on a first-come, first-serve basis until April 8, 2024.





Forest Service
U.S. DEPARTMENT OF AGRICULTURE

 **U.S. Endowment**
for Forestry and Communities



Questions?