

**2024 Conservation Finance
Roundtable**

Group Photo



Welcome to the 2024 Conservation Finance Roundtable



THE CONSERVATION
FINANCE NETWORK

2024 Conservation Finance Roundtable

Session 6: Innovations Round-Up, Part 2

Moderator:

Peter Howell, *Conservation Finance Network*

Panelists:

Joe Lavorini, *National Forest Foundation*

Andrea Ferri, *Blue Forest*

Julie Shapiro, *Keystone Center*



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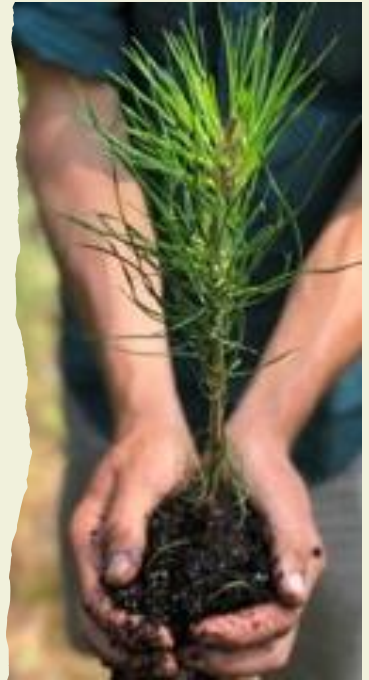
Finance of Ecosystem Restoration at Scale



National Forest Foundation

Scaling impact in Colorado

- **Colorado River Basin Watershed Program**: Federal, State & local public funding, philanthropy and corporate funding, incl. via Water Benefits Program and In Lieu Fee
- **Wildfire Resilience**: Appropriations and Federal funds in Agreements with the Forest Service (Cost Share, Stewardship, Participating)
- **Conservation Finance**: NFF secures project-based contributions via individual agreements, grants, and the programs listed.
 - Numerous Funds are managed to capture voluntary surcharges, aggregate funding types



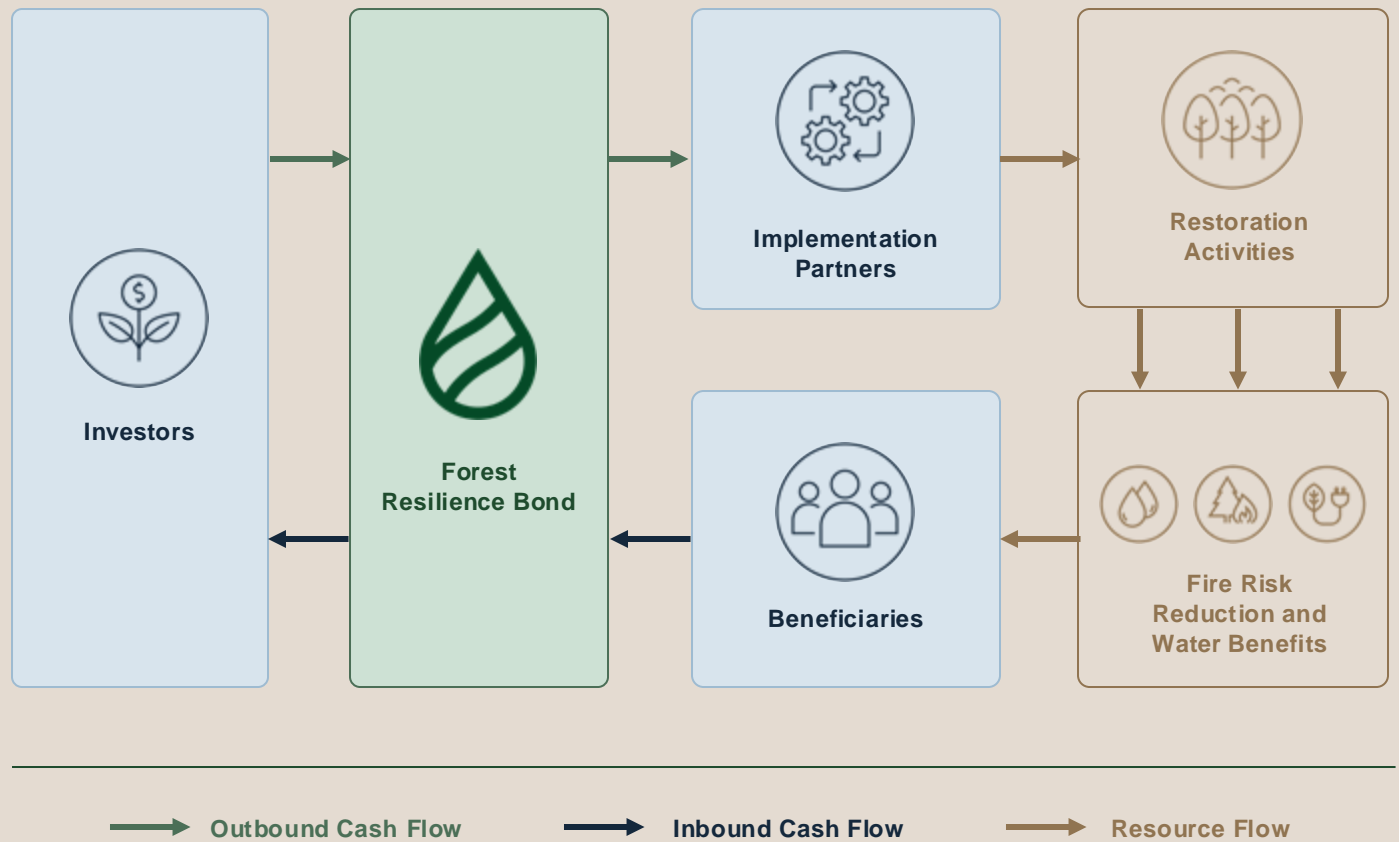
Since 2022, NFF has invested \$5.3M in Watershed Program & \$4.5M in Wildfire Crisis in Colorado

What is the Forest Resilience Bond?

The FRB is an innovative public-private partnership that deploys private capital to ease cash flows and add new revenue streams to fund forest restoration.

The FRB was developed in partnership with the World Resources Institute (WRI), the USDA Forest Service, and the National Forest Foundation (NFF).

- Blue Forest **connects new funding sources to forest restoration projects** by quantifying the multiple benefits of forest restoration and engaging beneficiaries that can pay different amounts
- The FRB acts as a **cost-share mechanism** that **unlocks financial commitments** and **enables upfront financing** by private capital





COLORADO'S Outdoors Strategy



November 2024



COLORADO
Department of Natural Resources



COLORADO
Governor Jared Polis





Vision

- Colorado's Outdoors Strategy ensures a future where our outdoors, people, community character and way of life endure for generations to come.



Why

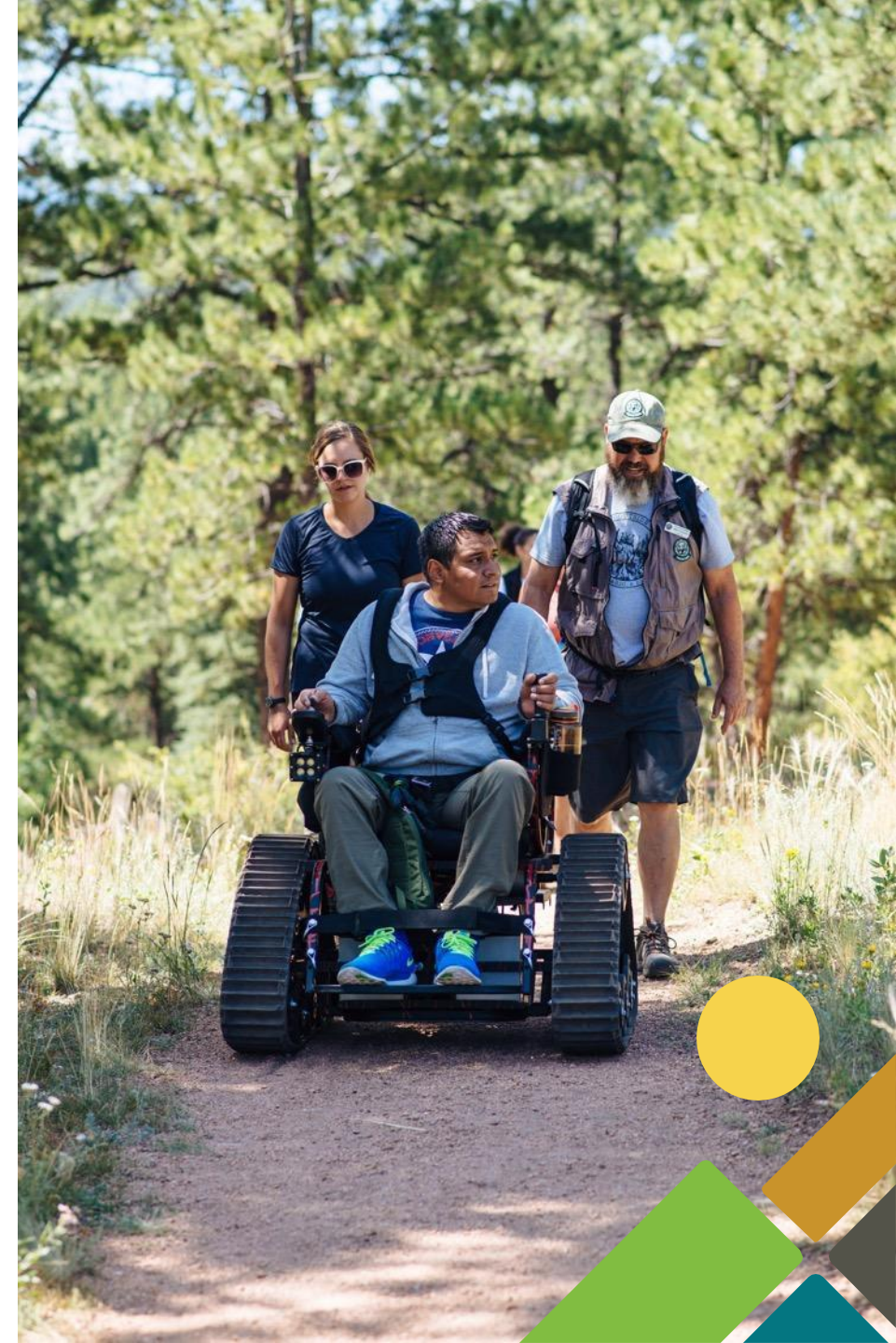
?

Coloradans love the outdoors	<ul style="list-style-type: none">• Thriving natural environments and amazing outdoor experiences are a key part of what makes Colorado special, and...• The health of Colorado's wildlife and habitats, people, communities, and recreation economies depend on them
Our outdoors face significant pressures	<ul style="list-style-type: none">• Growing populations and visitation• A variety of human uses of the landscape• Increased temperatures, droughts, wildfires, floods & climate change• Degraded biodiversity
Communities are balancing a variety of priorities	<ul style="list-style-type: none">• Connecting people to the outdoors• Protecting, conserving, and restoring biodiversity and ecosystems• Keeping agricultural lands working• Meeting and/or growing recreation demand• Identifying the best and most appropriate places for conservation and outdoor recreation• Supporting healthy economies, including recreation-based economies• Sustaining community character and way of life

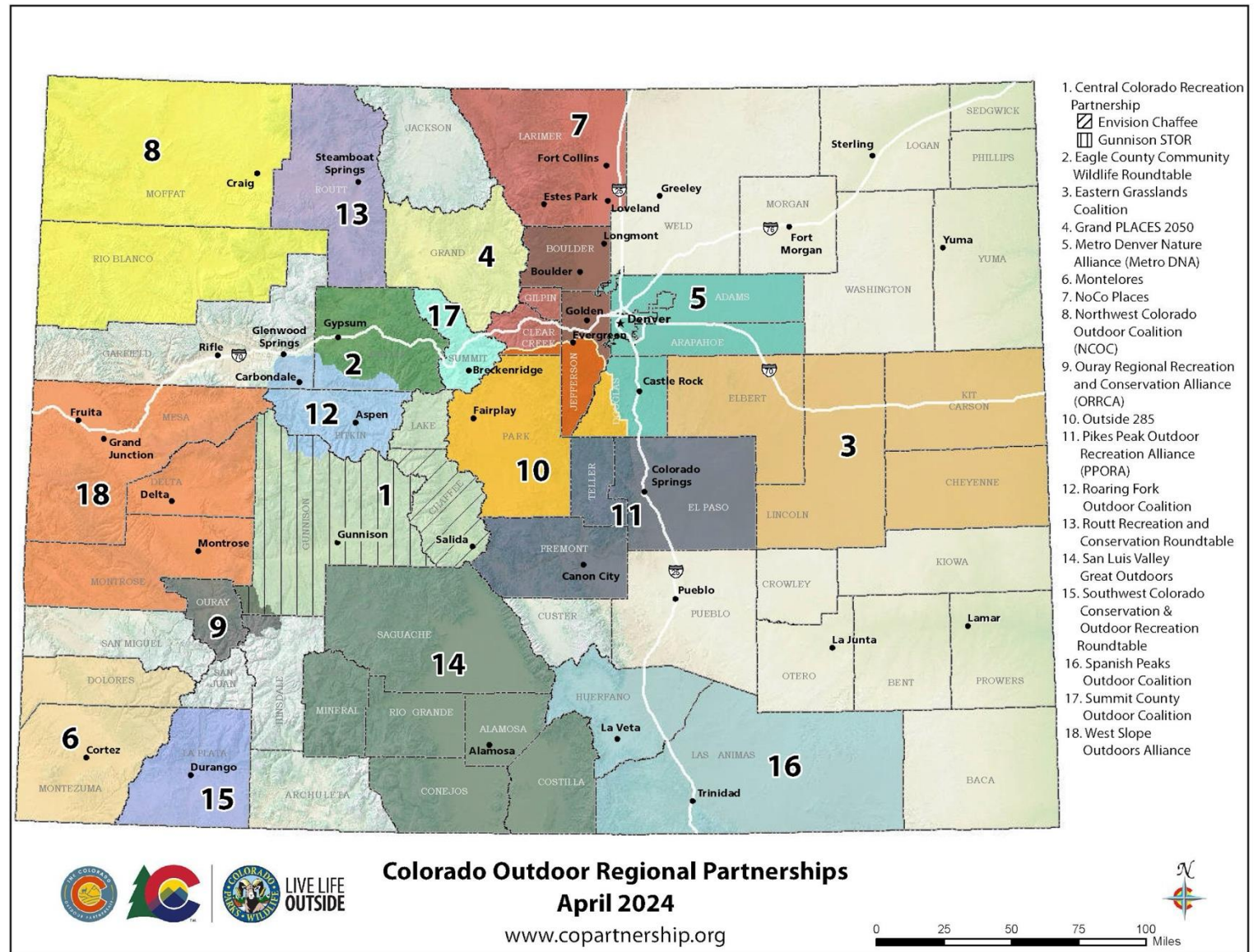


What?

- A regionally rooted, statewide vision and action plan for conservation, outdoor recreation, and climate resilience.
- Colorado's Outdoors Strategy supports and aligns efforts of diverse partners across the state working to advance conservation, outdoor recreation and climate resilience.



- 20 Regional Partnerships
- 75% of Colorado covered
- 40 grants awarded
- \$4,900,000 total funding





CLIMATE-RESILIENT CONSERVATION AND RESTORATION

Conservation and restoration actions help wildlife and landscapes thrive amidst climate change, increasing visitation, and other stressors; habitats are resilient and connected; communities benefit from healthy ecosystems including agricultural lands.



EXCEPTIONAL AND SUSTAINABLE OUTDOOR RECREATION

A diversity of high quality outdoor recreation experiences are accessible, equitable, and inclusive; management and stewardship enhance benefits and minimize impacts for people, landscapes, and local communities.

GOALS

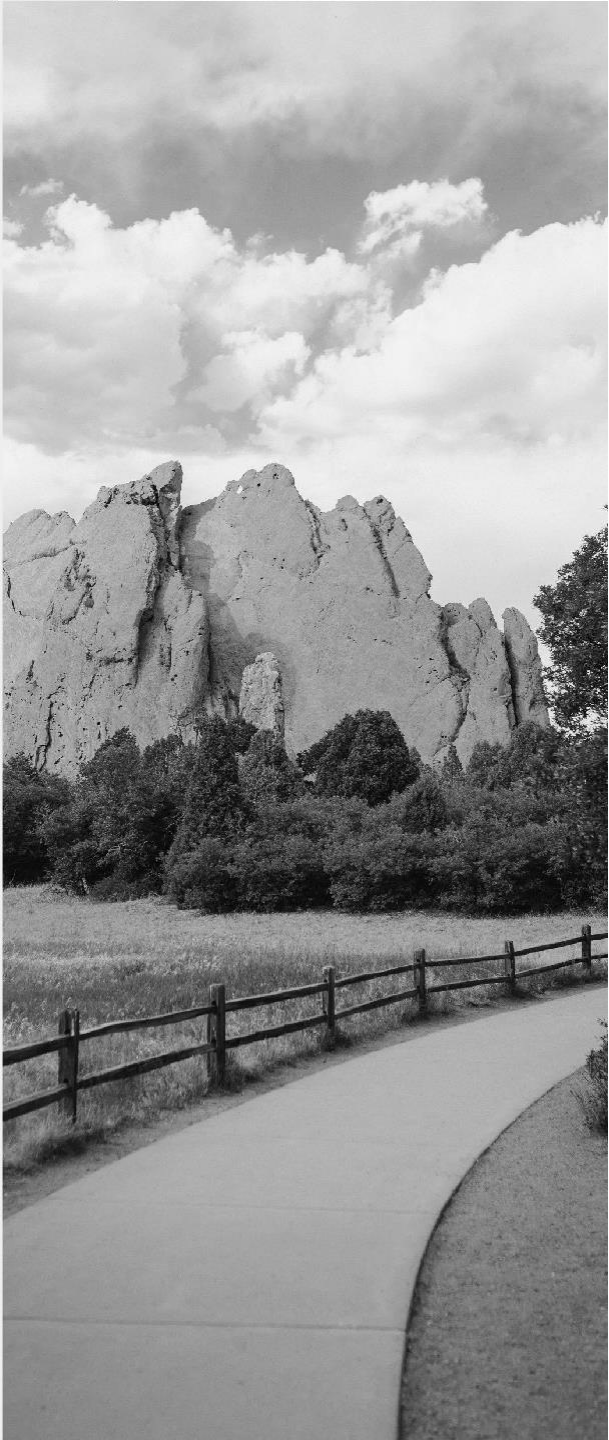
Colorado's Outdoors Strategy advances three interrelated 'North Star' goals for our outdoors. Each goal is essential to achieve a future where our people, outdoors, community character, and way of life endure for generations to come.



COORDINATED PLANNING AND FUNDING

Conservation, outdoor recreation, and climate resilience planning and implementation efforts are integrated; supported by robust funding and capacity; inclusive of diverse partners, perspectives, and communities; and drive tangible action for the outdoors.





Objectives

**Achieve Key Outcomes
for the Outdoors**

**Strengthen Strategic
Funding**

**Catalyze Coordinated
Planning**

Develop Data and Tools



Guidance Framework for Tribal & Indigenous Engagement in Conservation, Outdoor Recreation, and Climate Resilience

Purpose: Ensure Colorado's Outdoors Strategy, among other local and statewide efforts, have clear, culturally-responsive and mutually beneficial outcomes for Tribal and Indigenous partners with applications across a variety of agencies, audiences, and scales.



- **Draft Table of Contents**

1. About
2. Introduction
3. Tribal and Indigenous-led Land, Wildlife, and Water Stewardship in Colorado
4. Challenges, Pitfalls, and Considerations for Meaningful Engagement with Tribes and Indigenous Communities
5. Strategies for Meaningful Engagement with Tribes and Indigenous Partners
6. Tribal Data Sovereignty and Indigenous Knowledges
7. Reconciliation
8. Case Studies & Stories of Success
9. Conclusion
10. Appendices



COLORADO'S
Outdoors Strategy

Thank You

engagecpw.org/cos-learn-more

2024 Conservation Finance Roundtable

Session 7: Engaging the Private Sector

Moderator:

Peter Howell, *Conservation Finance Network*

Panelists:

Mike Higuera, *Conscience Bay*

Debbie Huttner, *Pearl Wealth*

Craig Metrick, *Pathstone*



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Why Care about Private Investment?

- **Can't get the job done with public and philanthropic funds alone**
- **Scale of private capital dwarfs public appropriations and philanthropy**
- **Private capital can move quickly, fill gaps**
- **Private investors can be logical partners on working landscapes**

Source: Global Impact Investment Network 2020 Annual Impact Survey

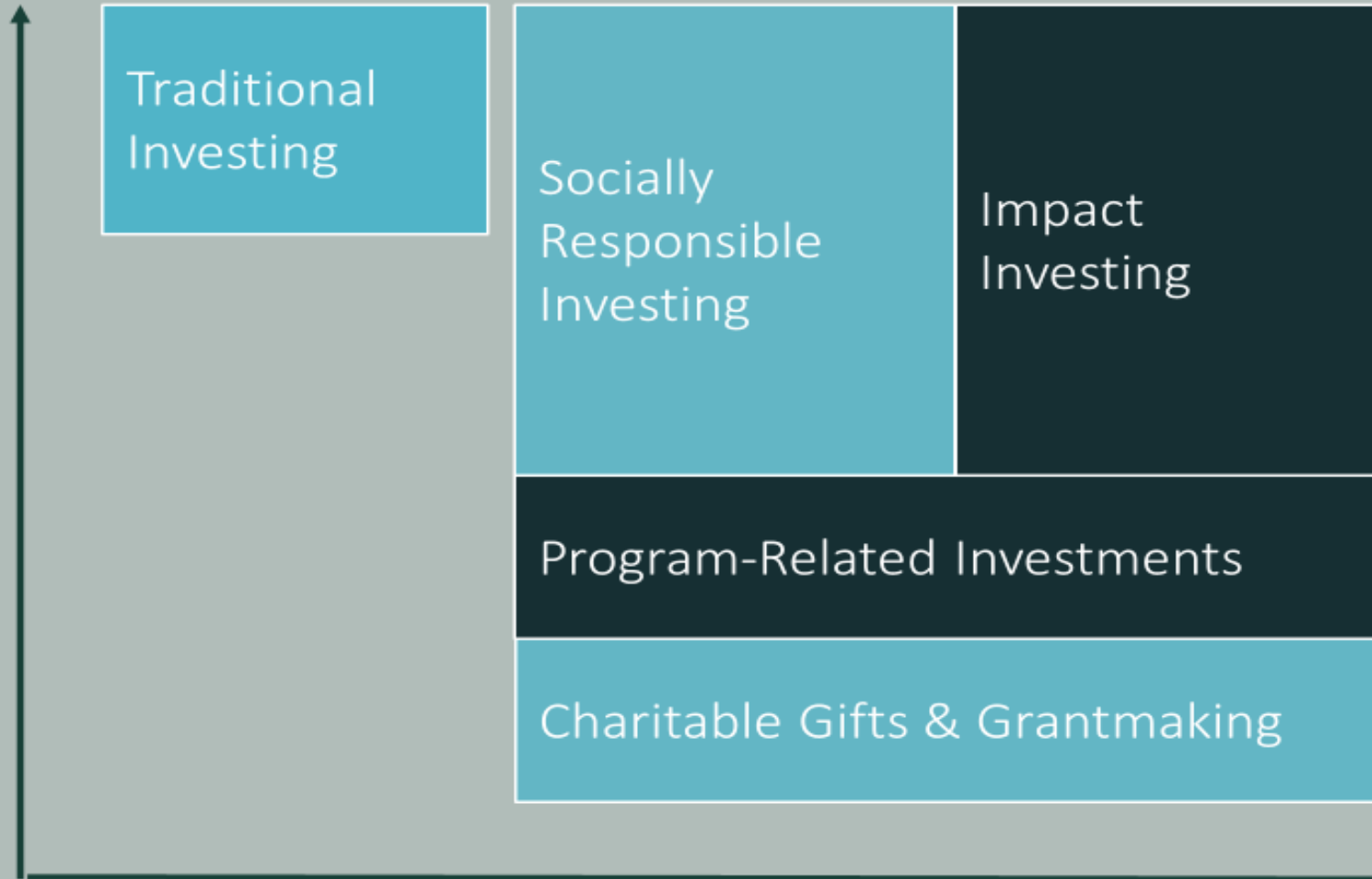
What is Impact Investing?

Return Expectations

Market Return

Below Market

100% Philanthropic



No Impact

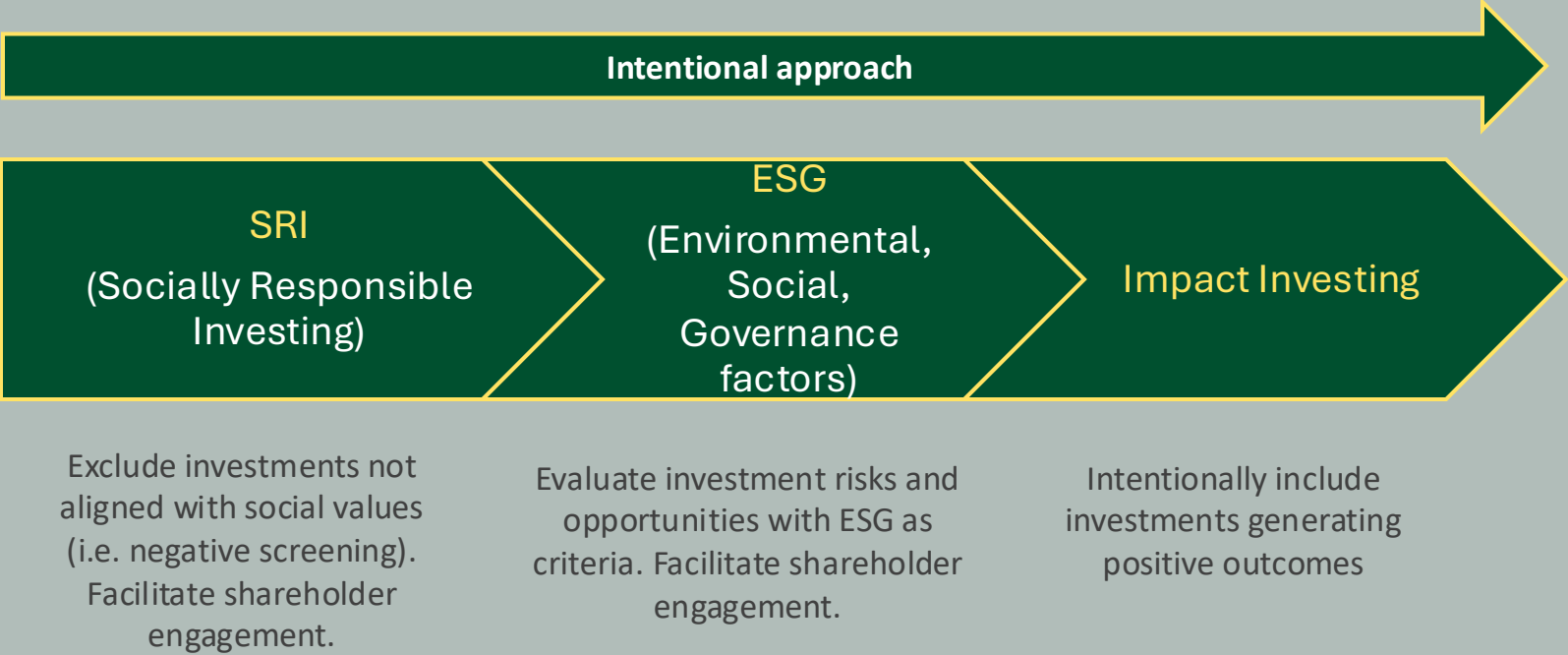
Values Alignment

Mission Impact

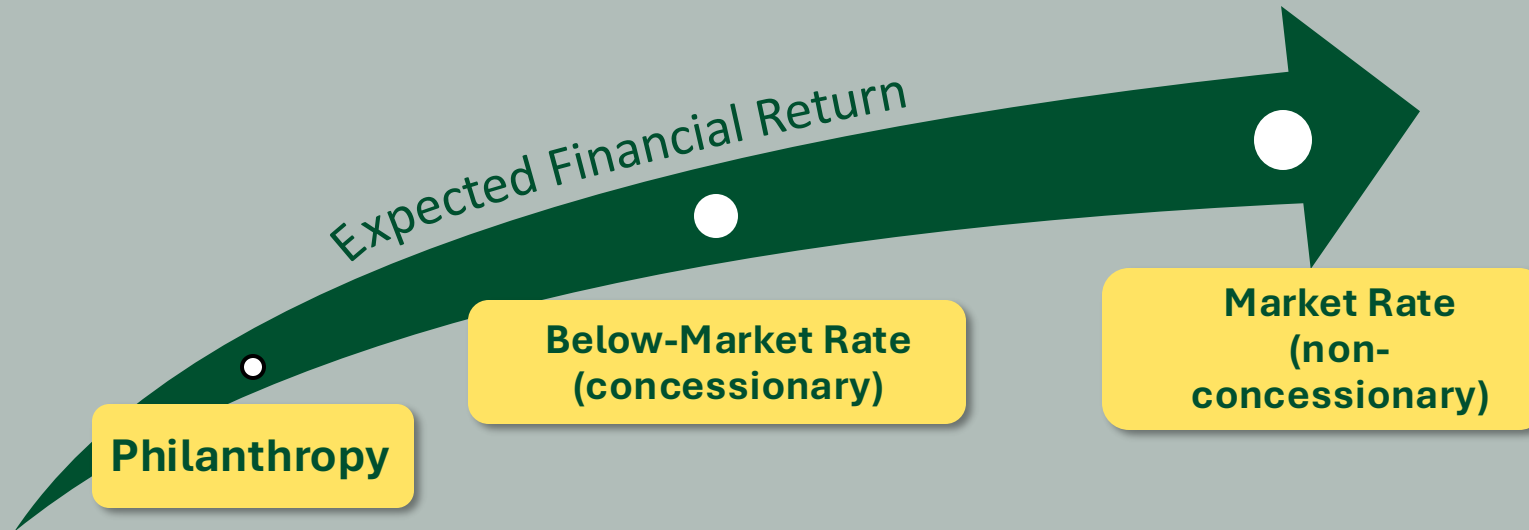
Impact

Investors are increasingly interested in deploying capital in ways that generate **financial returns** and **societal benefits**.

Impact capital strategies:



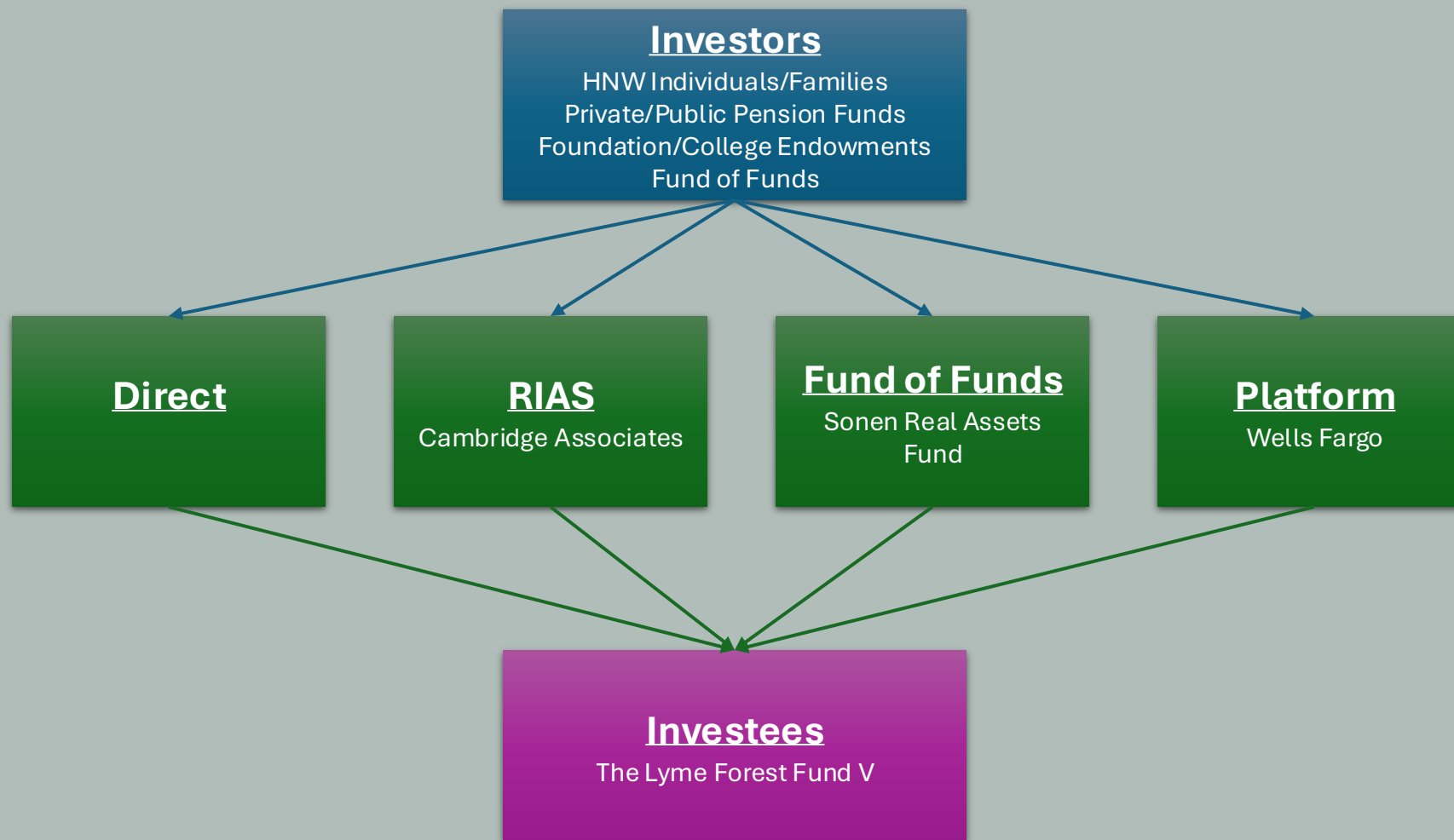
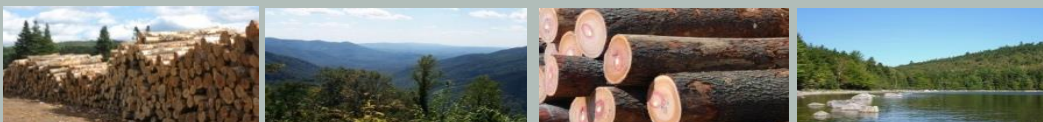
Impact capital comes from different sources with a range of return expectations.



Capital Source	Donations or Grants	Program-related Investments (PRIs), Low-interest loans	Majority of investments (public and private, fixed income, cash)
Financial Return	N/A	Below-market returns	Competitive financial performance



Who Does What?



“The Ecosystem”



Investees

- Lyme Timber Company
- Resource Environmental Solutions / KKR
(f/k/a Environmental Banc & Exchange)
- Equilibrium Capital
- Dirt Capital Partners
- Conservation Resources
- Ecosystem Investment Partners
- Vision Ridge
- Beartooth Capital
- Farmland, LLC
- Eco-Trust Forests
- Fall-Line Capital
- Agricultural Capital Management
- Finance – Earth
- SLM Partners

Advisors/Investors

- Pathstone
- Jesse Smith Noyes Foundation
- Sonen Capital
- Gordon and Betty Moore Foundation
- Skoll Foundation
- Gates Family Foundation
- Rockefeller Foundation
- Mighty Arrow Foundation
- Munich RE/MERG
- Veris Wealth Partners
- AXA
- Schroeders
- UBS
- EBG
- APG

Impact Merchant Banks

- Legacy Works Group
- Seale & Associates
- Encourage Capital
- NatureVest of TNC
- South Pole



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BREAK

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2024 Conservation Finance Roundtable

Session 8:

Catalyzing Action: The Role of Philanthropy

Moderator:

Sam Tucker, *Colorado River Sustainability Campaign*

Panelists:

Nathan Fey, *Mighty Arrow Family Foundation*

Ian Shelledy, *Walton Family Foundation*

Amanda Hill, *Gates Family Foundation*



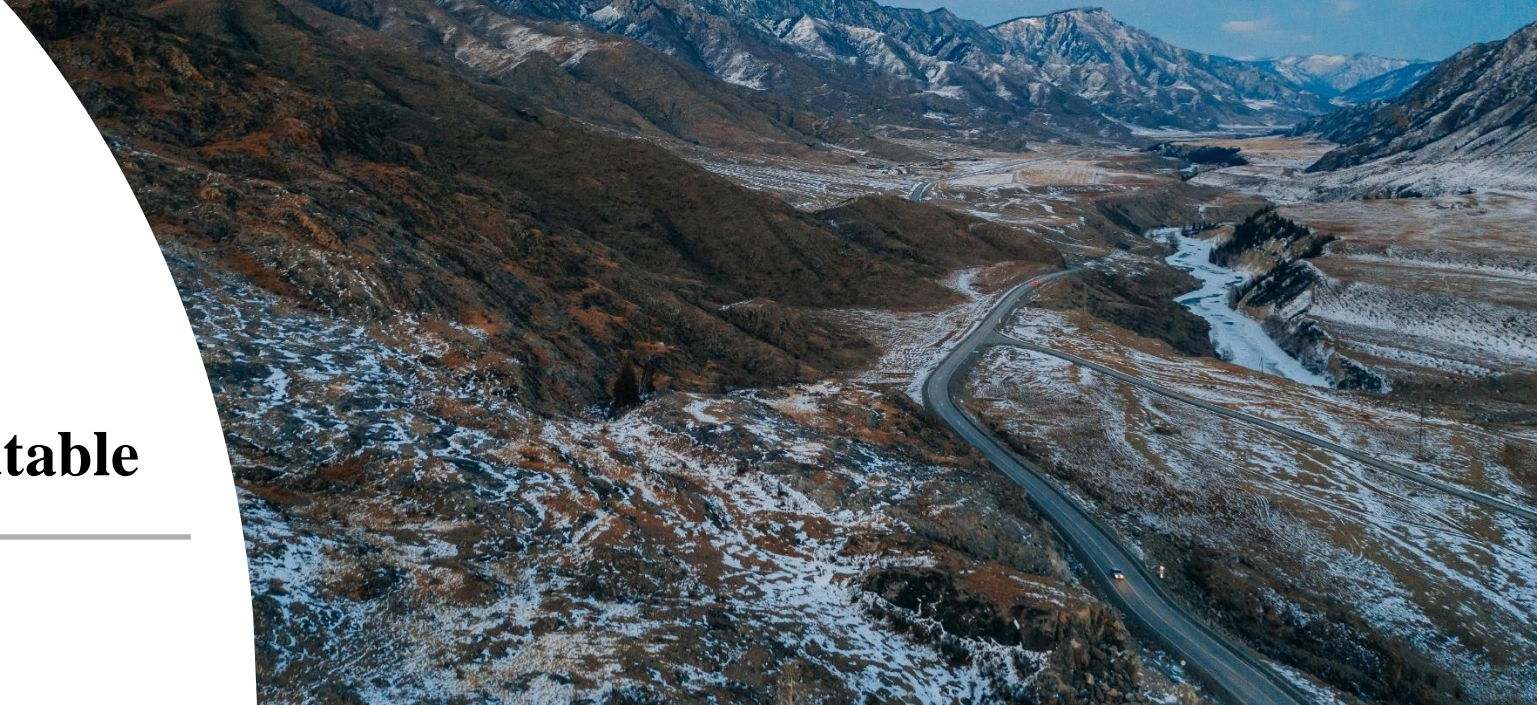
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LUNCH

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2024 Conservation Finance Roundtable

Session 9:

Leveraging Innovative Public Funding at the State and Local Levels

Moderator:

Katie Michels, *The Conservation Finance Network*

Panelists:

David Weinstein, *Trust for Public Land*

Sean Cronin, *St. Vrain and Left Hand Water Conservancy*

Claire Jahns, *Scale LLC*



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TPL November 2024 Ballot Measures

JURISDICTION	FINANCE MECHANISM	AMOUNT	Pass ?	% YES
California statewide – climate	Bond	\$10 billion	<input checked="" type="checkbox"/>	58%
California statewide – education (CSYs)	Bond	\$1 billion	<input checked="" type="checkbox"/>	57%
Los Angeles Unified School Dist., CA (CSYs)	Bond	\$1.25 billion	<input checked="" type="checkbox"/>	66%
Santa Cruz County, CA	Property tax	\$146 million	<input checked="" type="checkbox"/>	58%
Denver PSD, CO (CSYs)	Bond	\$13 million	<input checked="" type="checkbox"/>	74%
Eagle County Cons. Dist., CO	Property tax	\$13 million	<input checked="" type="checkbox"/>	68%
Lakewood, CO	Other	\$54 million	<input checked="" type="checkbox"/>	61%
Trinidad, CO	Lodging tax	\$3 million	<input checked="" type="checkbox"/>	59%
Clay County, FL	Bond	\$45 million	<input checked="" type="checkbox"/>	73%
Lake County, FL	Bond	\$50 million	<input checked="" type="checkbox"/>	80%

TPL November 2024 Ballot Measures

JURISDICTION	FINANCE MECHANISM	AMOUNT	Pass?	% YES
Martin County, FL	Sales tax	\$183 million	✓	64%
Osceola County, FL	Bond	\$70 million	✓	84%
Chamblee, GA	Bond	\$30 million	✓	80%
Lake County Forest Pres. Dist., IL	Bond	\$155 million	✓	67%
McHenry County Cons. Dist., IL	Property tax	\$70 million		50%*
Maine statewide (trails bond)	Bond	\$30 million	✓	55%
Scarborough, ME	Bond	\$6 million	✓	63%
Minnesota statewide	Lottery	\$2.7 billion	✓	78%
Bernalillo County, NM	Bond	\$12 million	✓	79%
Cuidad Soil & Water Cons. Dist., NM	Property tax	\$121 million	✓	80%
Kingston, NY	RETT	\$12 million	✓	62%
Jasper County, SC	Sales tax	\$94 million	✓	55%
San Juan County, WA	RETT	\$45 million	✓	67%

Scale

Scale works across disciplines to accelerate problem-solving at the intersection of climate change + conservation.

Conservation Finance Network Roundtable

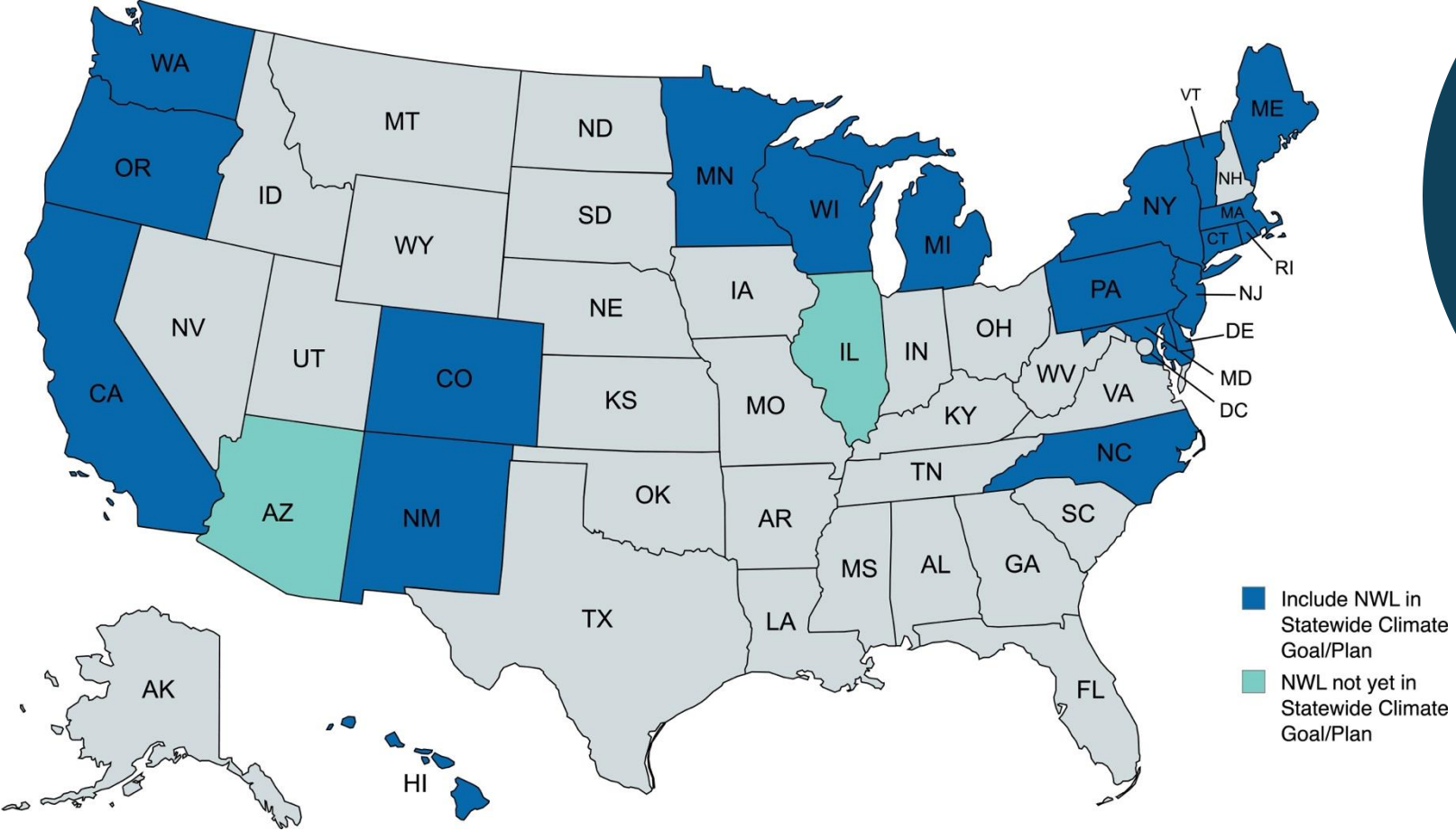
November 2024

Claire Jahns

cjahns@scaleclimate.com

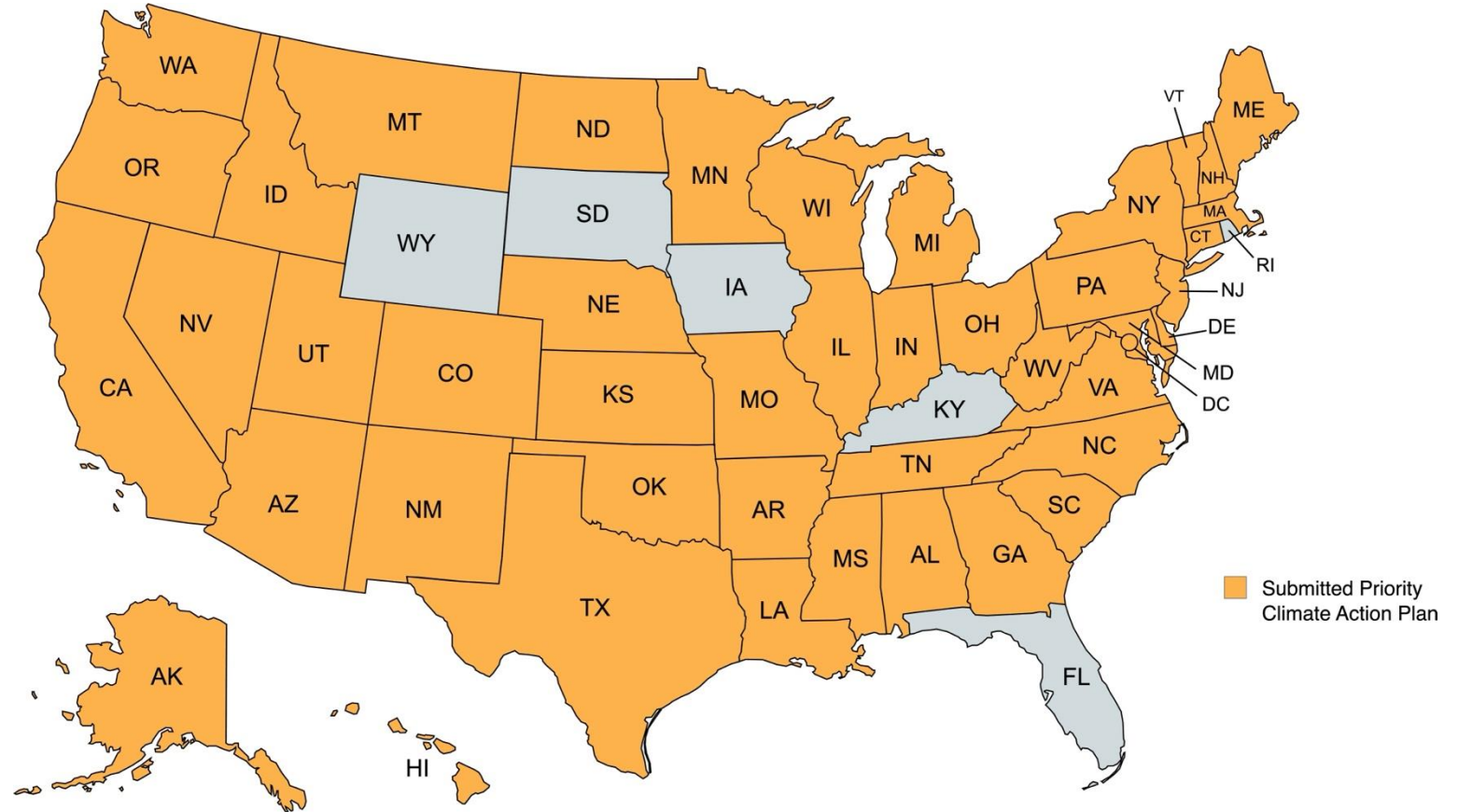


Conservation in State Climate Goals & Plans





- One-time EPA funding for climate planning
- Broad participation
- Priority Climate Action Plan (PCAP): include all emissions sources, sinks, and priority strategies
- Opportunity for \$4.6B in implementation grants





CLIMATE POLLUTION REDUCTION GRANTS

U.S. Environmental Protection Agency



Greenhouse Gases from Agriculture and Natural and Working Lands



AGRICULTURE: Livestock and crop production, including the application of fertilizer to soils, are the main sources of greenhouse gas (GHG) emissions from agriculture. In 2022, agricultural activities were responsible for 9.4% of total U.S. GHG emissions.¹



NATURAL AND WORKING LANDS: The land use, land-use change, and forestry sector removes more carbon dioxide (CO₂) from the atmosphere than it emits, i.e., removing the equivalent of nearly 15% of total GHG emissions in 2022. While CO₂ from the atmosphere is stored in plant biomass and soils, GHGs are emitted from land-use conversion and agricultural land management, wetlands and disturbances such as fires.

Ways to reduce GHGs from agriculture and natural and working lands²



Improve nutrient, residue, soil and water management, and reduce fossil fuel use for agriculture production.



Enhance manure management practices to reduce methane emissions.



Improve forest management by extending timber harvest rotations and thinning diseased and suppressed trees.



Convert land to forest to increase CO₂ sequestration and storage through tree growth.

BENEFITS TO THE PUBLIC



Improved air and water quality



Improved land productivity



Reduced use of fossil-based inputs



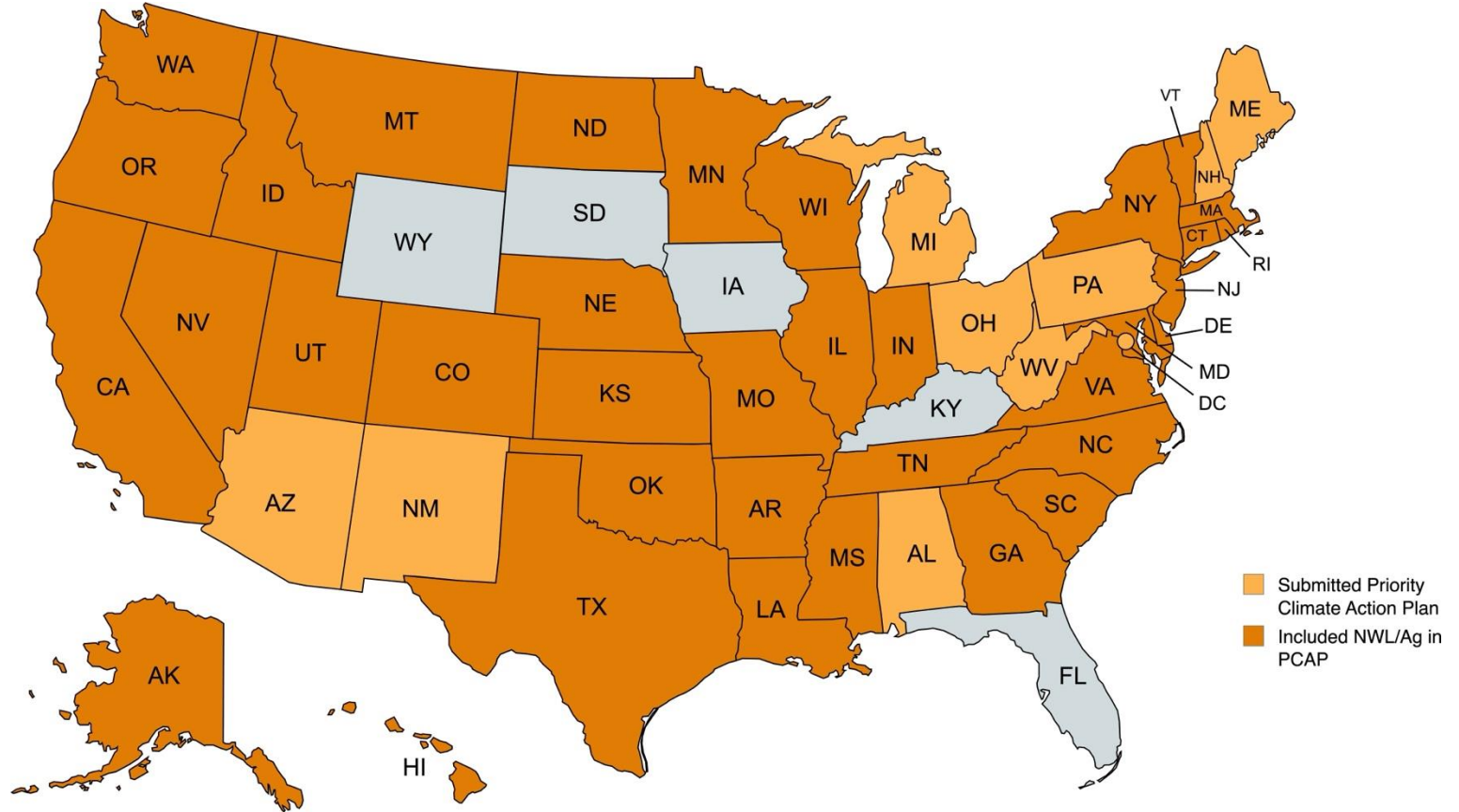
Cost effective GHG mitigation potential

¹ www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks
² www.epa.gov/system/files/documents/2024/03/epa-436-r-23-004-mitigation-report_full_report_v2.pdf

Authorized under the Inflation Reduction Act, EPA's Climate Pollution Reduction Grants program provides nearly \$5 billion in grants for states, local governments, Tribes, and territories to develop and implement ambitious plans to reduce greenhouse gas emissions and other harmful air pollution and benefit low-income and disadvantaged communities.



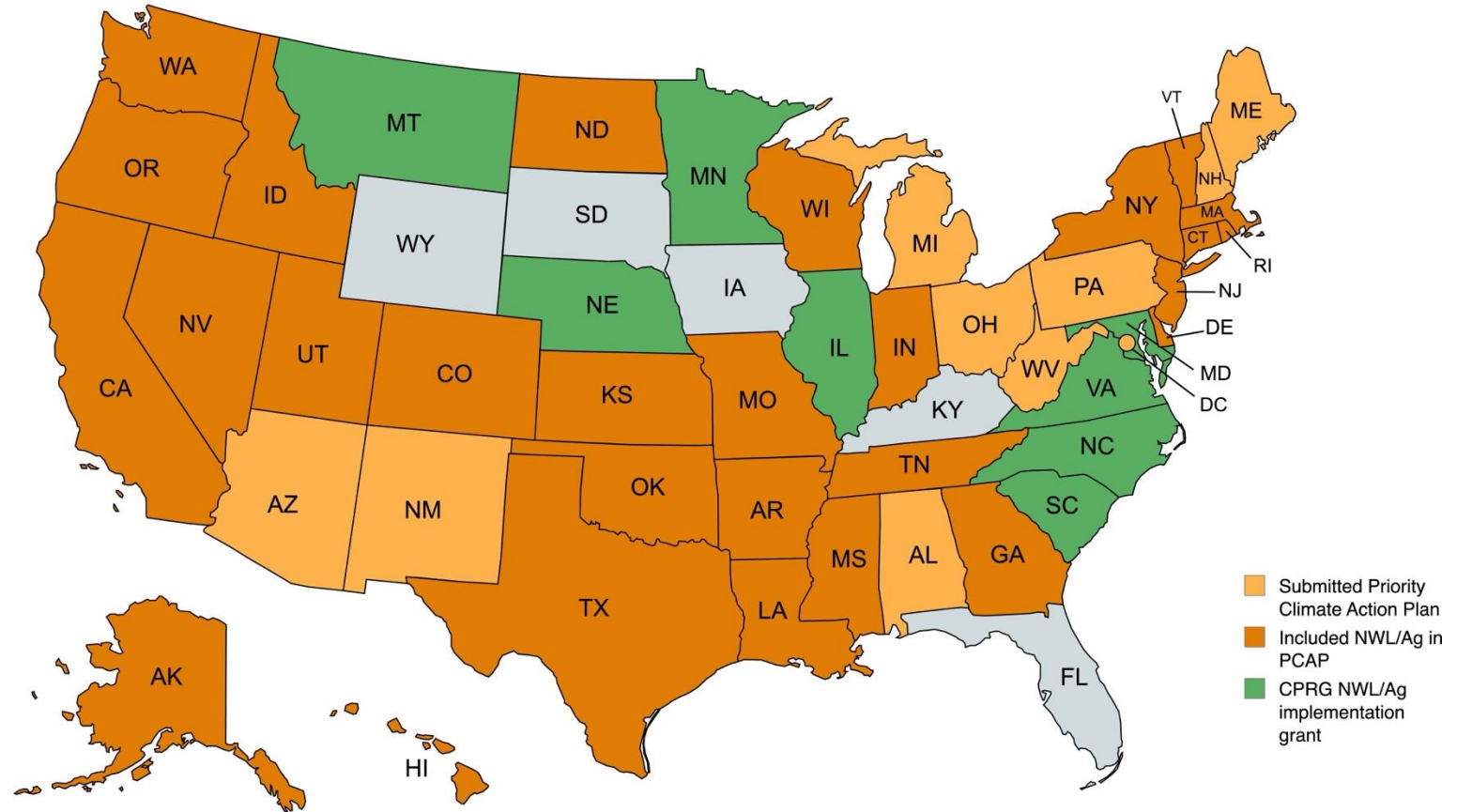
For more information, please visit
 Climate Pollution Reduction Grants | U.S. EPA





Nearly \$1 billion in implementation grants to NWL & Ag, including:

- \$421M to Atlantic Conservation Coalition
- \$307M to Nebraska
- \$50M to Montana



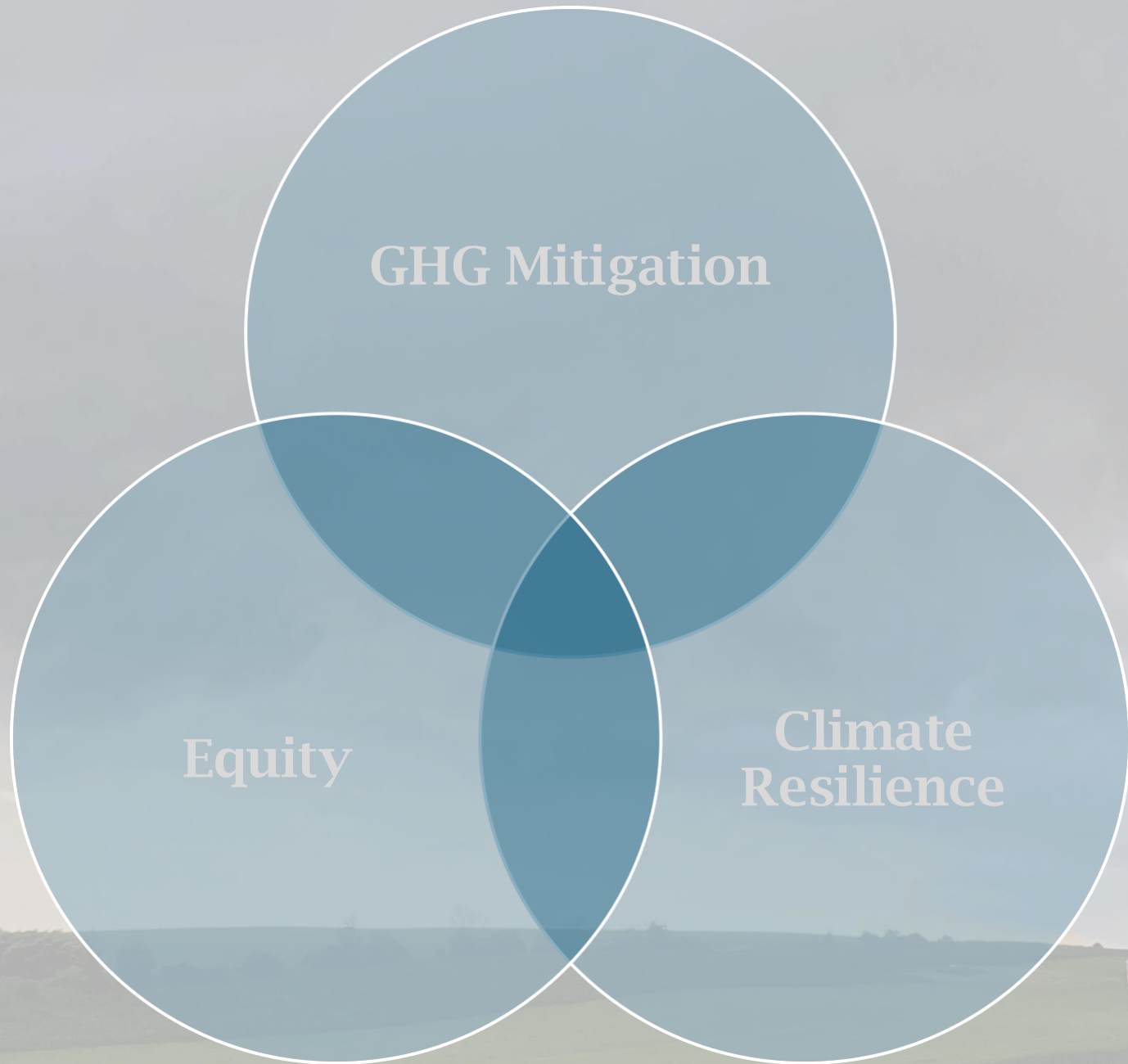


GHG Mitigation



GHG Mitigation

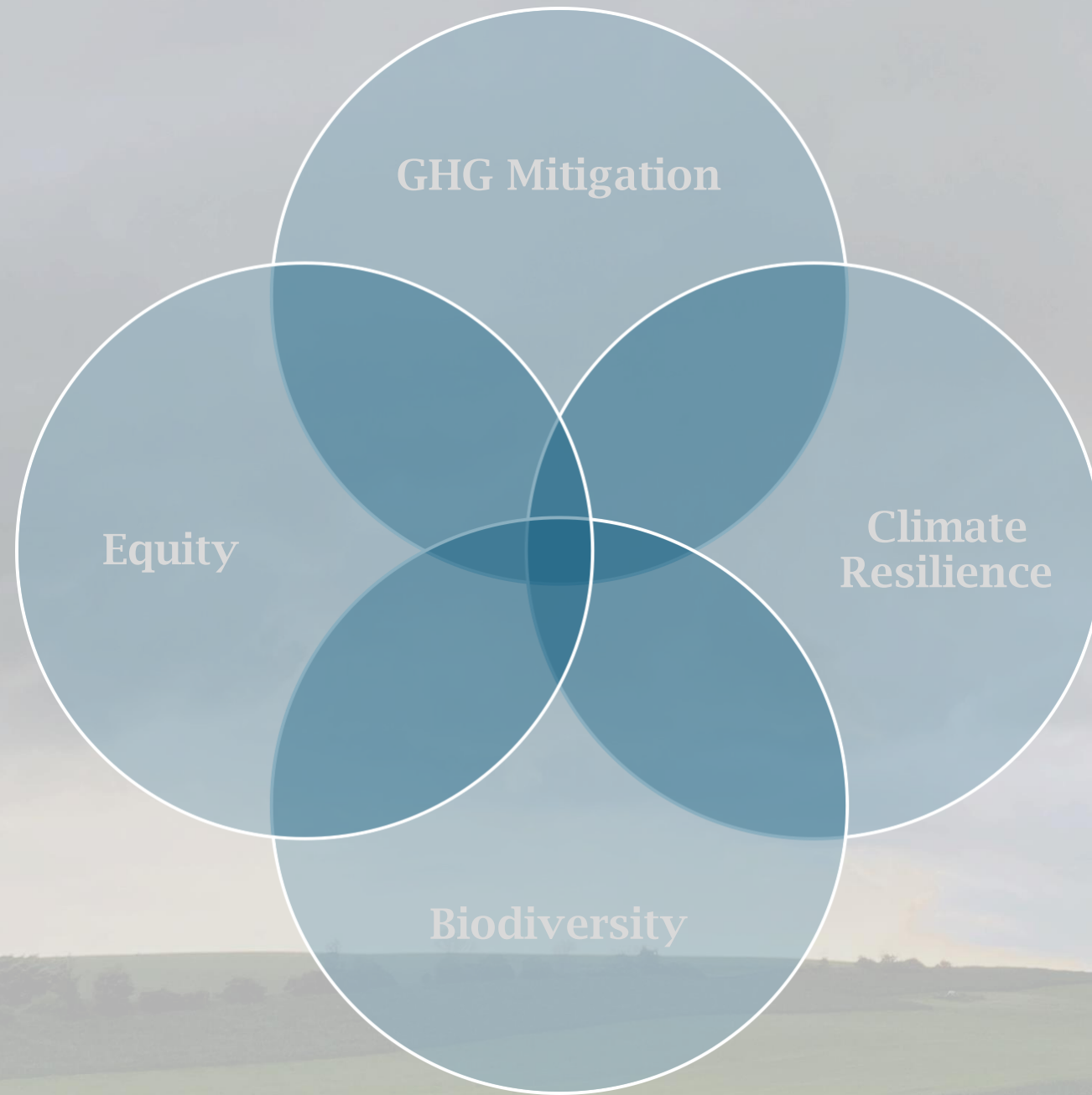
**Climate
Resilience**



GHG Mitigation

Equity

**Climate
Resilience**

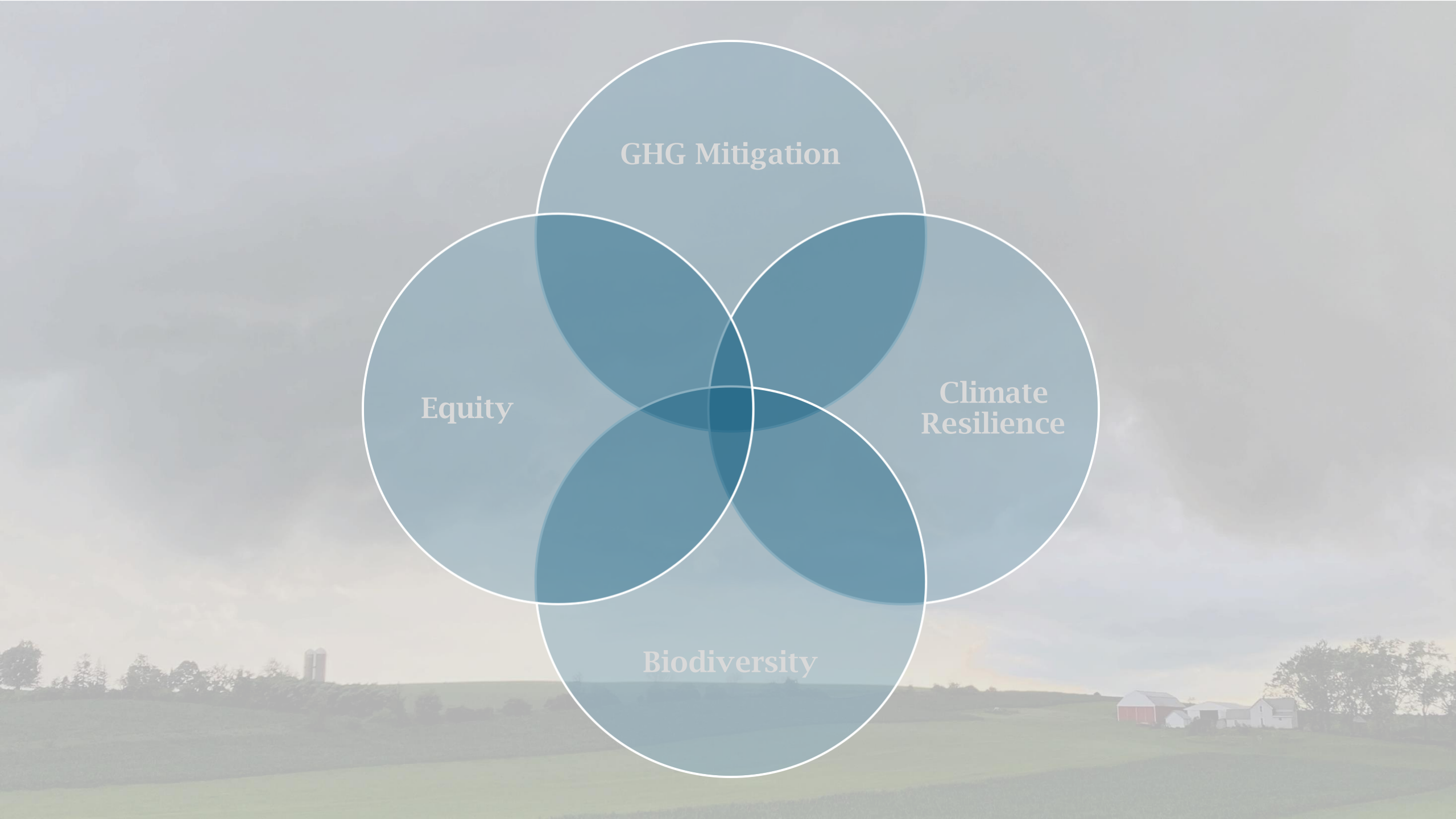


GHG Mitigation

Equity

Climate Resilience

Biodiversity



2024 Conservation Finance Roundtable

Session 10: Interim Finance

Moderator:

Peter Stein, *The Lyme Timber Company*

Panelists:

Esther Duke, *Collaborations and Coalitions*

Brad Hunter, *Craft 3*

Reggie Hall, *LegacyWorks*

Chris Yuan-Farrell, *Great Outdoors Colorado*



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CFN/SALAZAR CENTER ROUNDTABLE: SESSION 10 INTERIM FINANCE

Lyme Timber Advisory Services has helped to develop conservation loan programs in coastal South Carolina, Texas, the Appalachian landscape, the Delaware River Watershed and for the National Park Foundation. In addition, The Lyme Company, as part of its investment strategy, has bought and held property that eventually became community forests in New England as well as federal and state fee simple pre-acquisitions in Vermont, New Hampshire, Maine, Pennsylvania, Michigan, West Virginia, Virginia, Texas, Massachusetts and New York.



PETER STEIN- Moderator
Lyme Timber Company (Managing Director)
peterstein@lymetimber.com

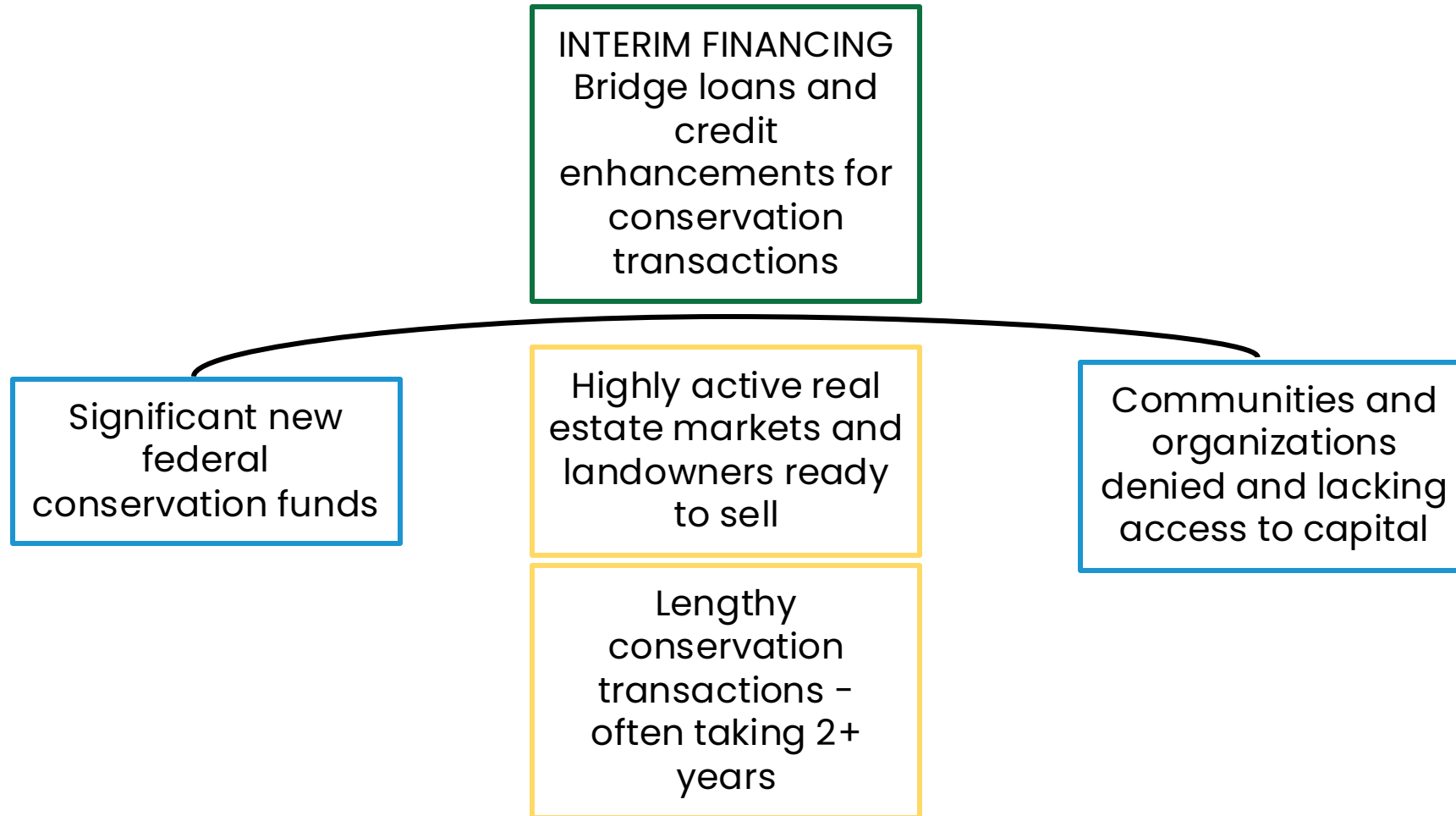
Panelists:

- **Esther Duke, Collaborations and Coalitions**
- **Brad Hunt, Craft 3**
- **Reggie Hall, Legacy Works**
- **Chris Yuan-Farrell, Great Outdoors Colorado**

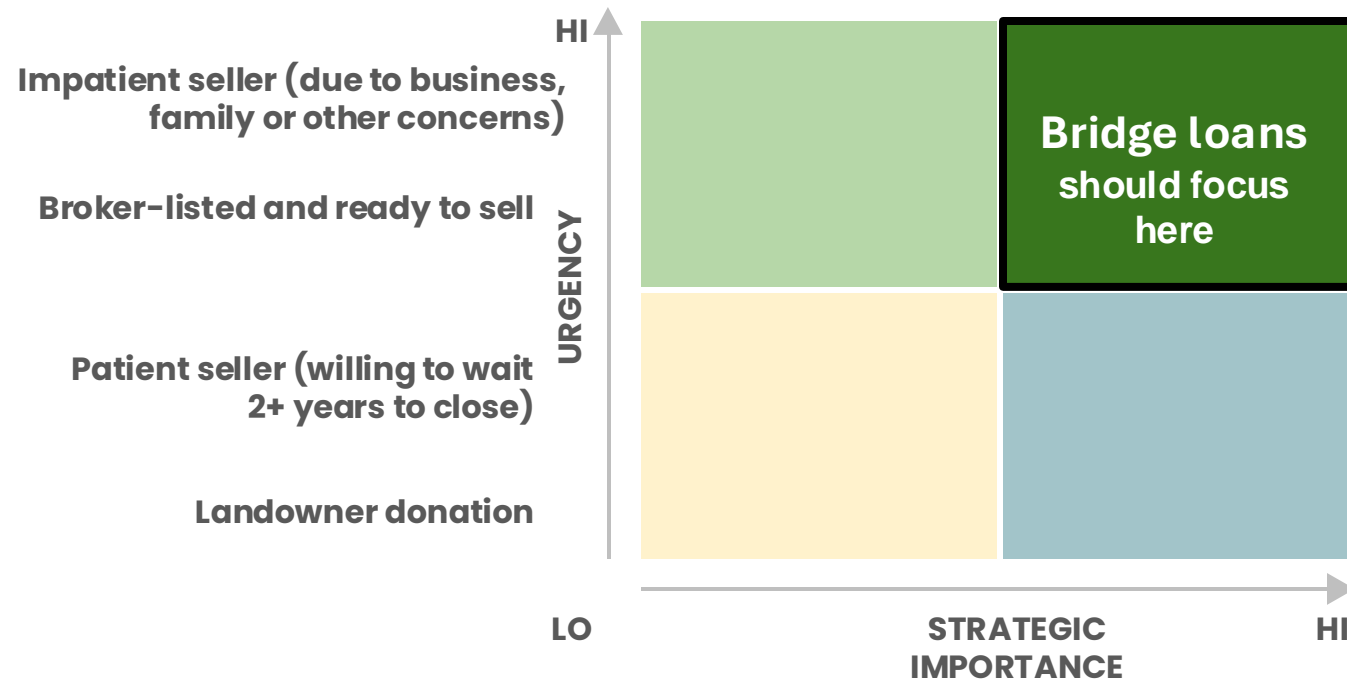
A Revolving Loan Fund Could Help Protect Watersheds, Biodiversity and Public Access in America's National Forests



Bridge Loans: An Opportunity to Accelerate Land Conservation and Restoration



Conservation Loans: Focus on Urgent and Strategic Priorities





coco

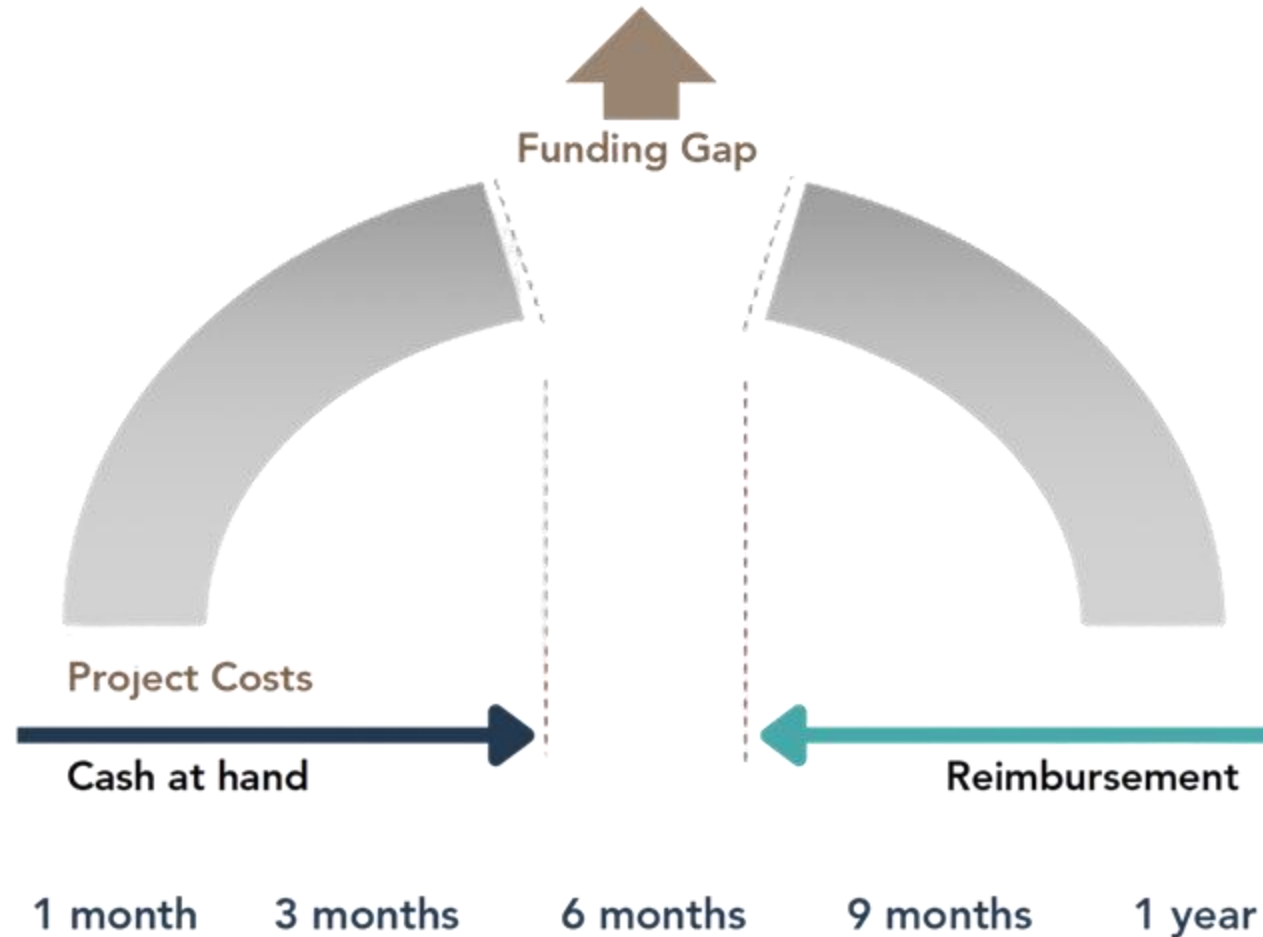
Coalitions & Collaboratives

Forest & Water Renewal Revolving Fund

The Need

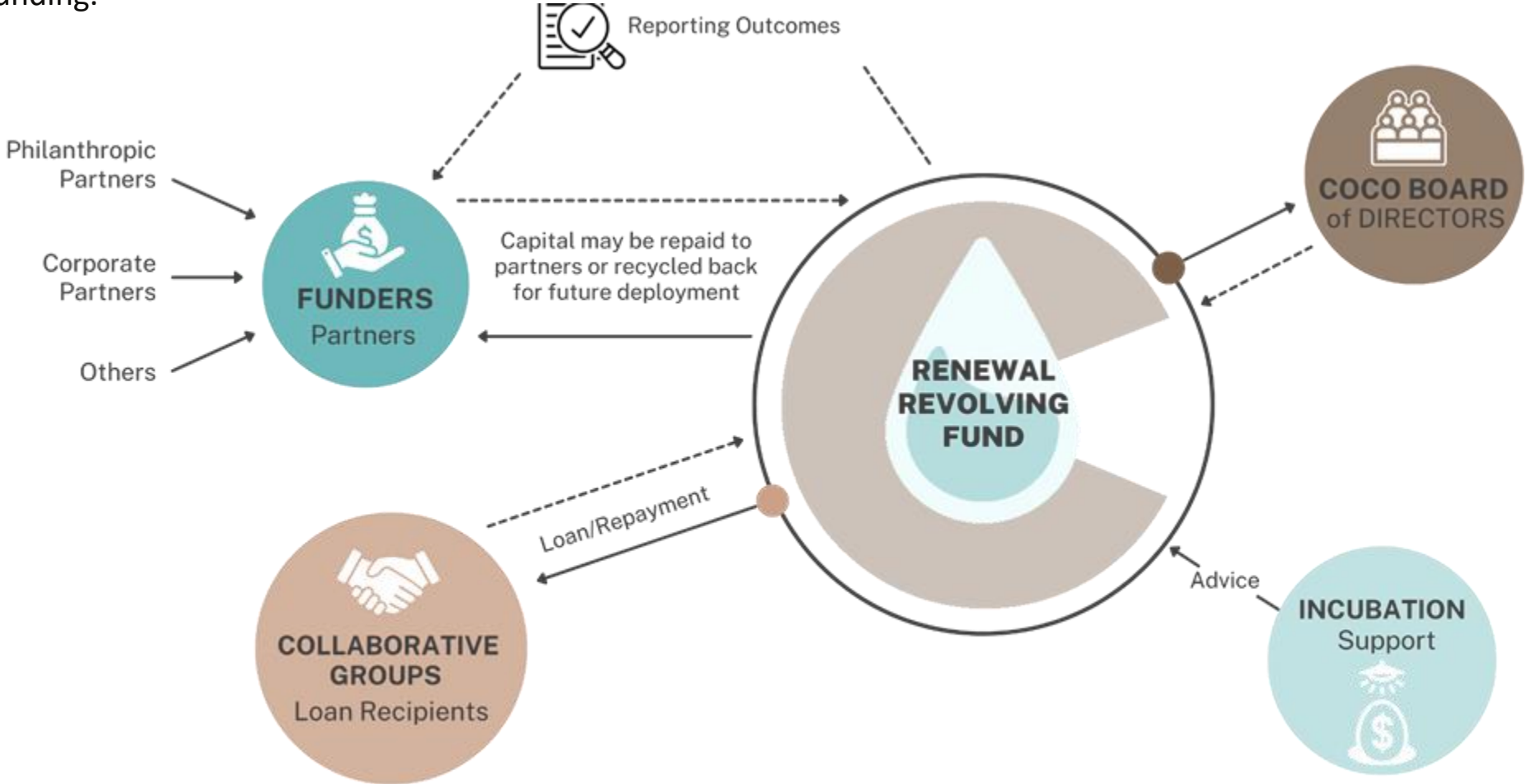
There is a pressing need to increase the pace and scale of wildfire mitigation and climate resilience projects in our communities and landscapes

Even when grant funding is available, projects must wait extended periods & bear frequent delays for cost reimbursement.



The Renewal Fund

The Renewal Fund leverages private capital to increase the impact of public investments. Bridge financing expands project scale, increases success, and reduces barriers to entry for those interested in expanding their work with support from federal and state funding.



- Uncaged Impact
- Legacy Works
- CK Blueshift
- Culp & Kelly LLC

Feasibility Analysis

Funding provided by the Innovative Finance for National Forests (IFNF) grant cooperatively managed by the US Forest Service Conservation Finance Program and the US Endowment for Forestry and Communities:

- Assess the Need for Bridge Financing
- Explore Program Design Tradeoffs & Preferences

Methods:

- Structure & Governance Guidance Study
- Revolving Fund Best Practices Interviews
- Financial Model
- Draft Eligibility Screener
- National Survey of Potential Borrows
- Funder Prospecting
- Outreach Materials (website, video, etc.)



2024 National Survey

To determine the scope and scale of bridge financing needs among potential borrowers.

The survey assessed

1. interest in borrowing from the fund;
2. program design preferences; and
3. perceived barriers to entry.

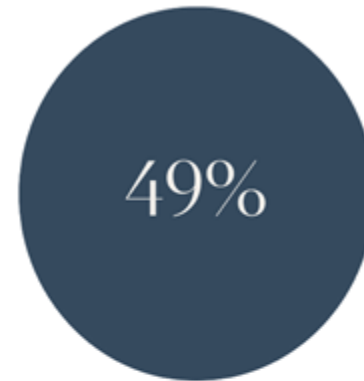
Sampling was done with a partial snowball method.



of respondents face challenges with upfront costs

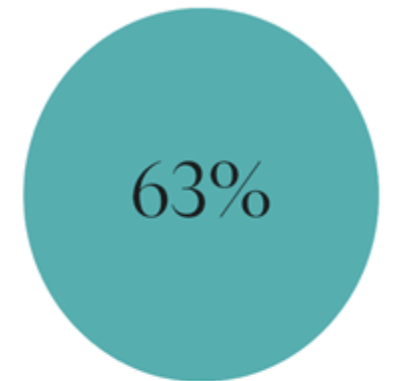
Less than \$500,000

Annual operating budget for the majority of organizations surveyed



of respondents represented community-based nonprofit organizations

3 months or less
Cash in reserve for the majority of organizations surveyed



of respondents indicated interest in borrowing from the fund

2024 National Survey

Having to wait months for reimbursements makes managing projects very difficult and creates instability. Our seasonal work(er)s need to know we can commit to pay them for a given number of hours and weeks. We often have to borrow internally from capital funds for cash flow and reimbursements can cross fiscal years, creating an accounting and management nightmare.

“

...Our cash flow makes us choose not to go for bigger/longer reimbursement grants.

”

We use lines of credit. with local banks, but those are scary for the banks and expensive for us... You have identified a very needed solution here.

About the Pilot

COCO is partnering with Colorado State Forest Service, Colorado Water Conservation Board, & the USFS to launch a 3-year Renewal Fund pilot in Colorado.



Expert partners will support fund management to ensure smooth administration & impact.

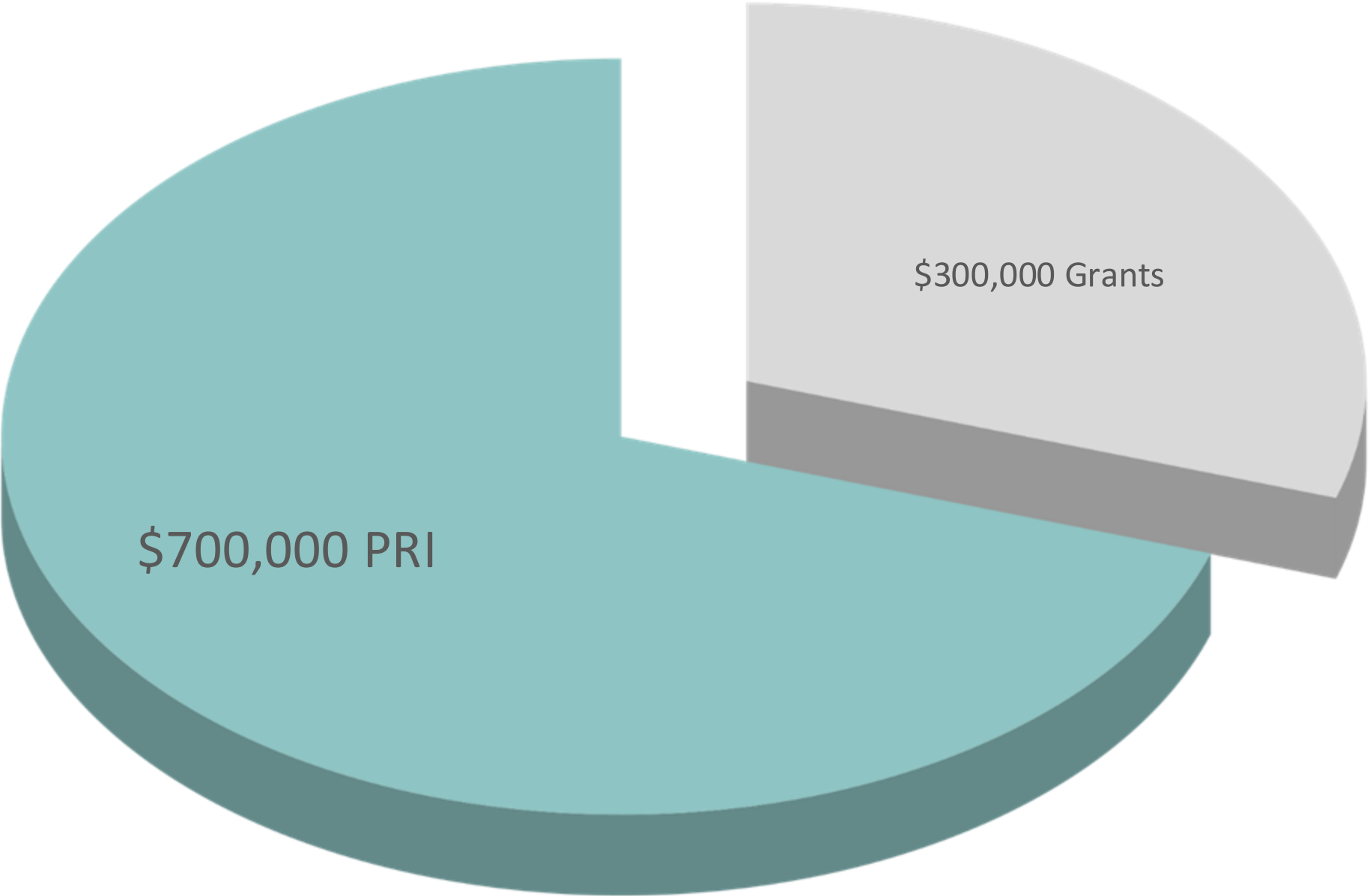


The program will offer low-interest loans & technical assistance to enhance financial management & project success.



This pilot will refine eligibility, application, & loan process, with plans to scale up after 3 years.

Fund Capitalization





COCO

Let's connect!

Esther Duke | esther.duke@co-co.org | 719-600-7434



LEGACYWORKS
CONSERVATION LOAN
COLLABORATIVE



2024 Conservation Finance Roundtable

Wrap-Up

Peter Howell, *Conservation Finance Network*

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