



**FOREST  
RESILIENCE  
BOND**



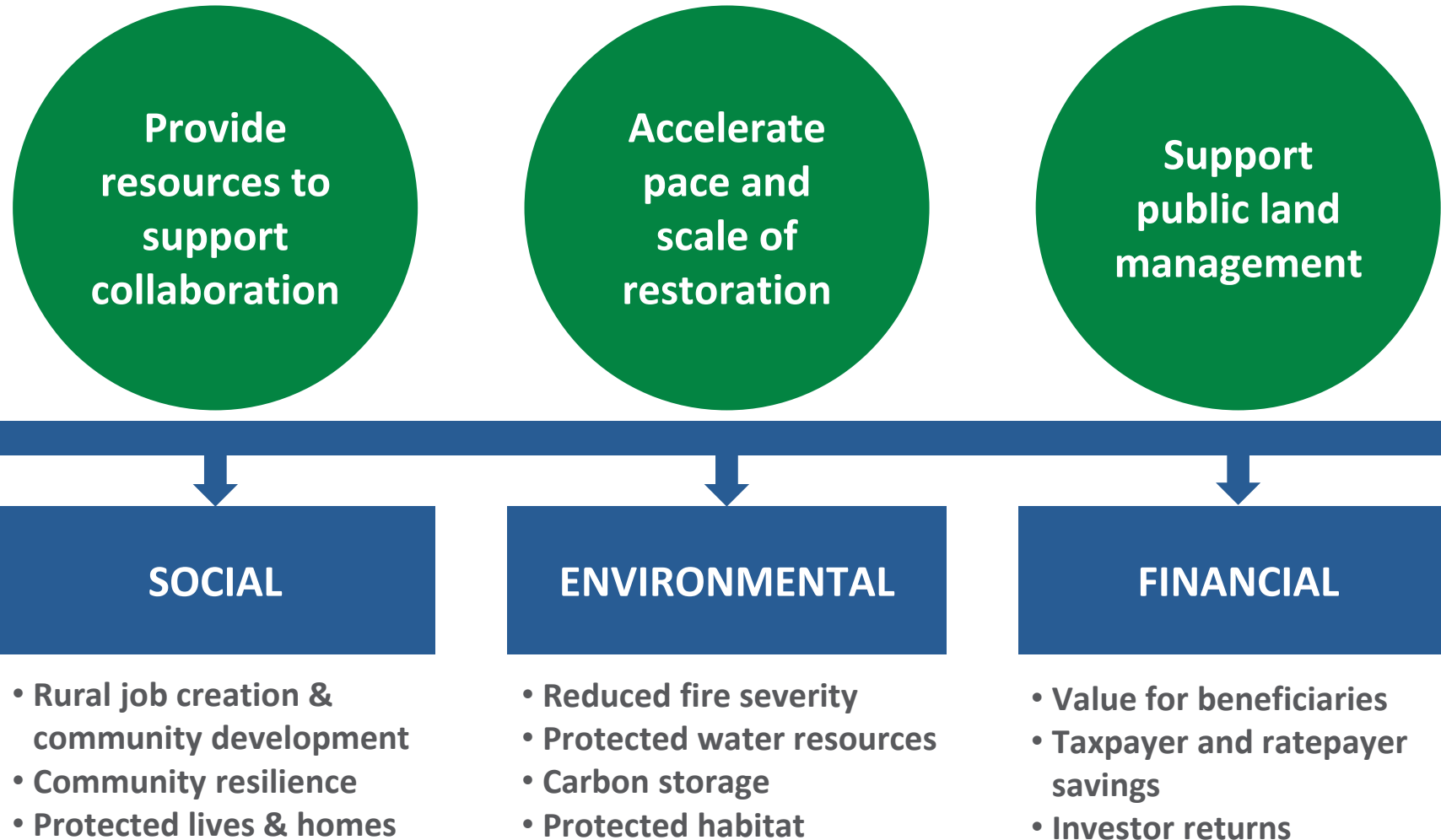
# Introduction to the Forest Resilience Bond (FRB)

Prepared for the CA Forest Pest Council Annual Meeting

**November 14<sup>th</sup>, 2018**

# Goals of the Forest Resilience Bond

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# The Forest Resilience Bond Ecosystem



## Project Partners



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

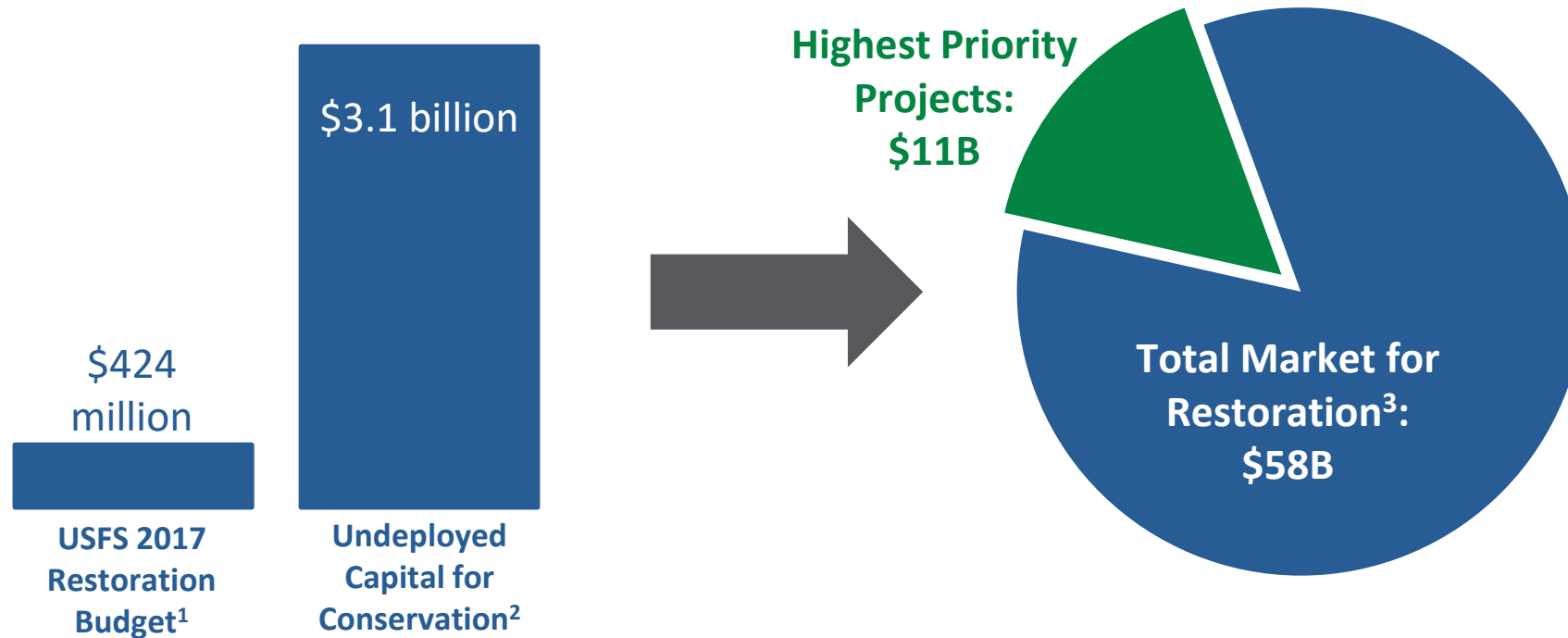
## Research Partners



## Grant & In-Kind Funders



# Opportunity for Private Capital



## Advantages of Private Capital

Infusion of capital

Cost sharing

Larger projects

Project catalyst

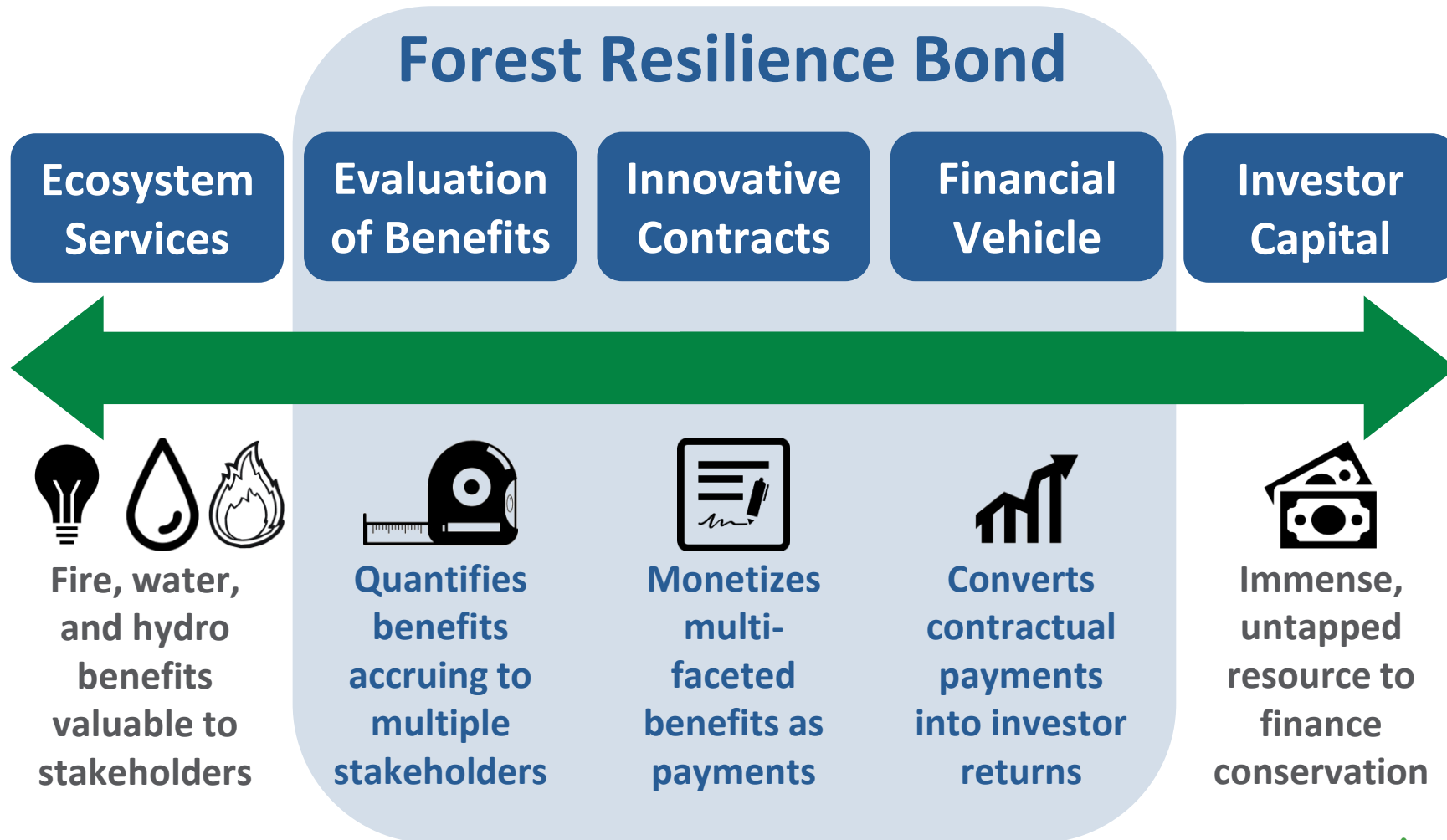
Ex-post payments

1. [USFS Fiscal Year 2017 Budget Overview](#) (\$40 million for CFLRP and \$384.1 million for hazardous fuel reduction)
2. [State of Private Investment in Conservation 2016](#) (\$3.1 billion of investor capital undeployed at end of 2015)
3. [USFS Fiscal Year 2017 Budget Overview](#) (58 million acres at “high or very high risk of severe fire” @ \$1,000/acre)

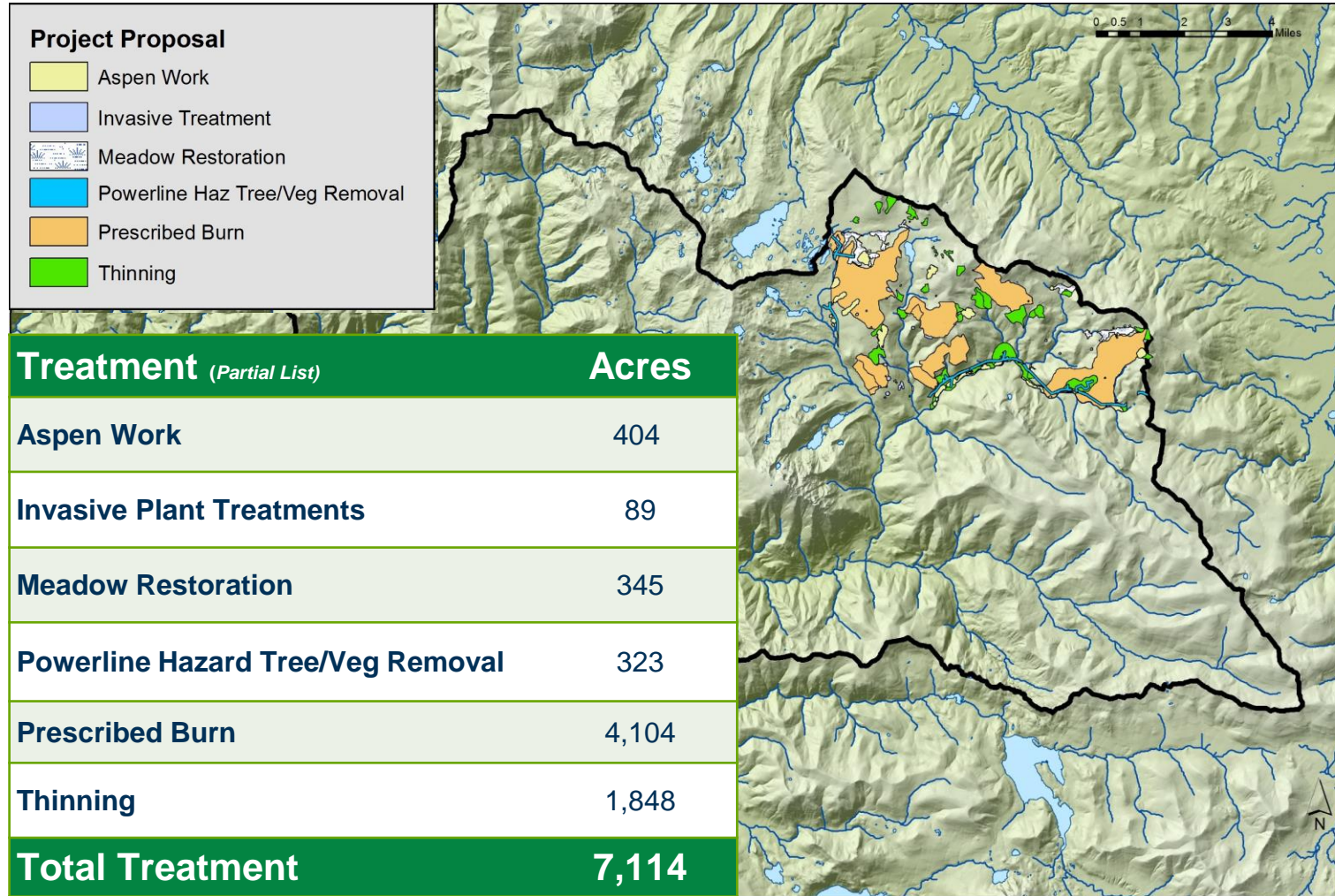


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# Connecting Investor Capital to Conservation



# Yuba Pilot Restoration Project



# Ecosystem Services of Forest Restoration

Ecosystem Services

Evaluation of Benefits

Innovative Contracts

Financial Vehicle

Investor Capital



 Fire Severity & Debris

 Water Quantity & Quality

 Hydropower Generation

 Air Quality & Emissions

 Job Creation

 Community Resilience

 Recreation & Habitat

# Ecosystem Evaluation

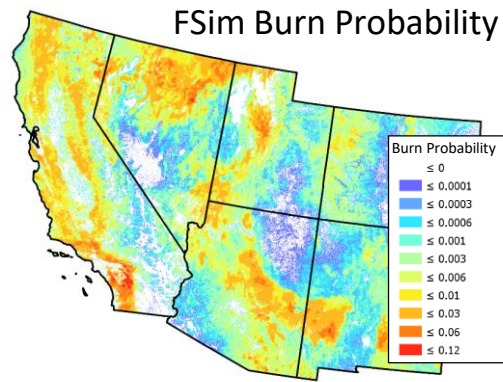
Ecosystem Services

Evaluation of Benefits

Innovative Contracts

Financial Vehicle

Investor Capital

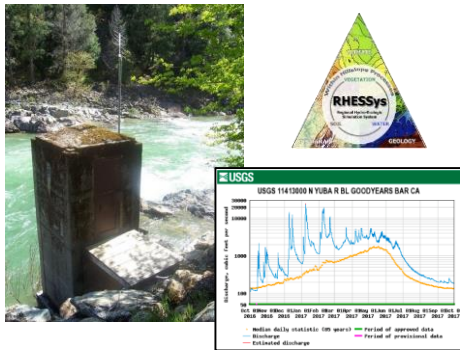
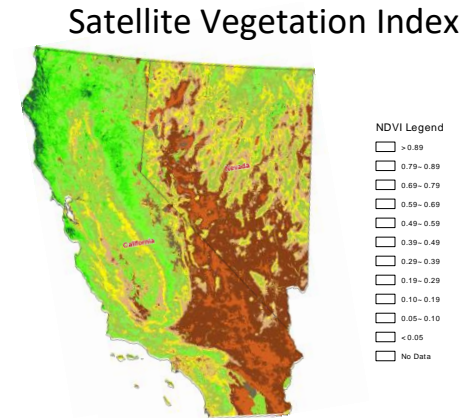


**Wildfire**

Fire Probability  
Fire Intensity  
Fire Severity

**Vegetation**

Forest Health  
Resilience  
Habitat



**Water**

Water Supply  
Water Quality  
Hydropower

**Carbon**

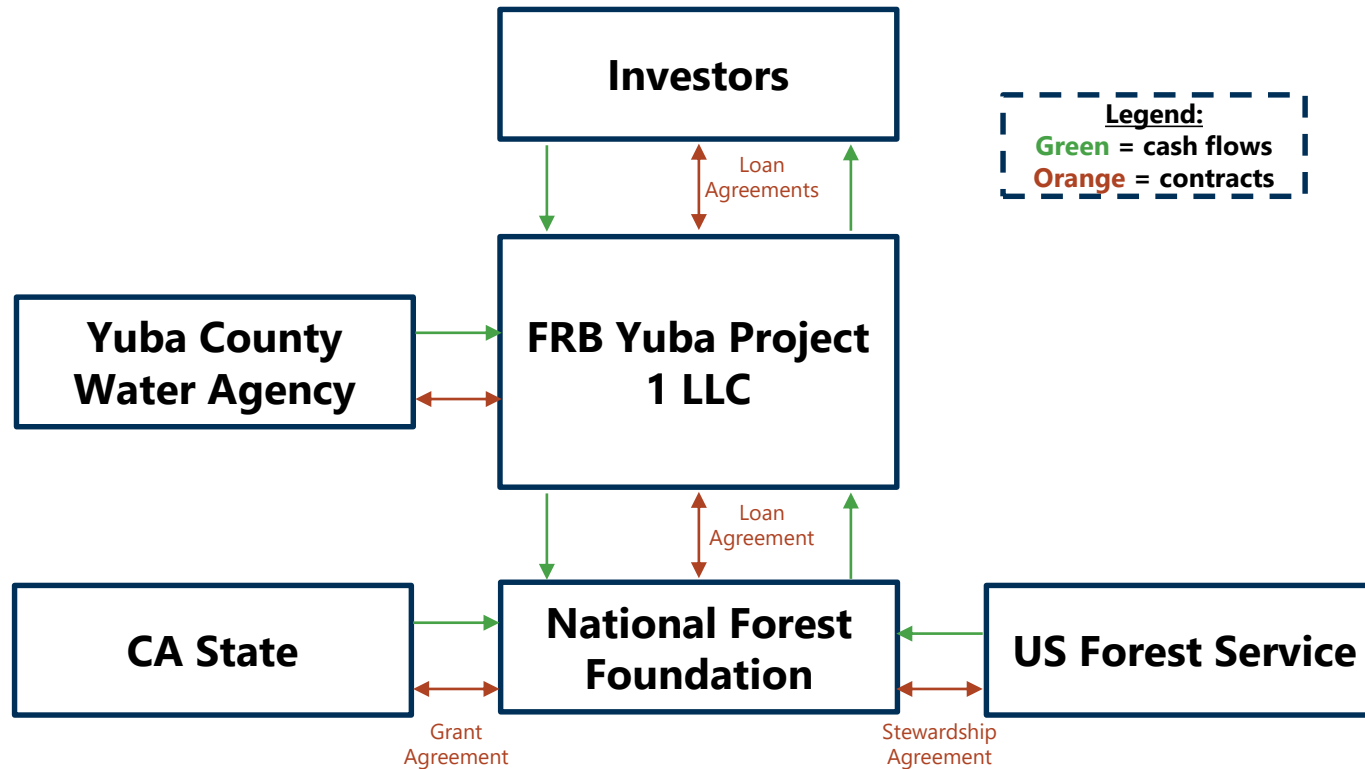
Emissions  
Sequestration  
Air Quality



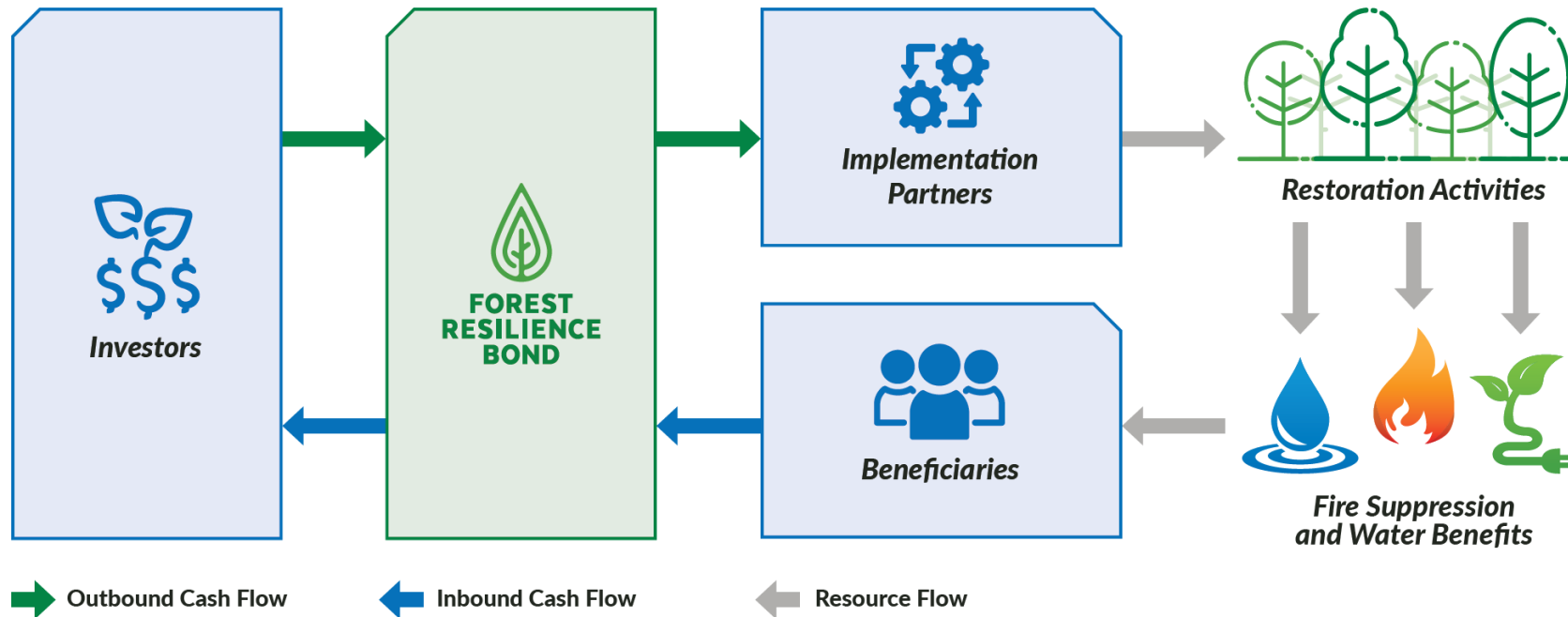
CARBON CAPITAL FUND



# Contracting with Utilities



# Financial Structuring



# Financing with Investor Capital

Ecosystem  
Services

Evaluation  
of Benefits

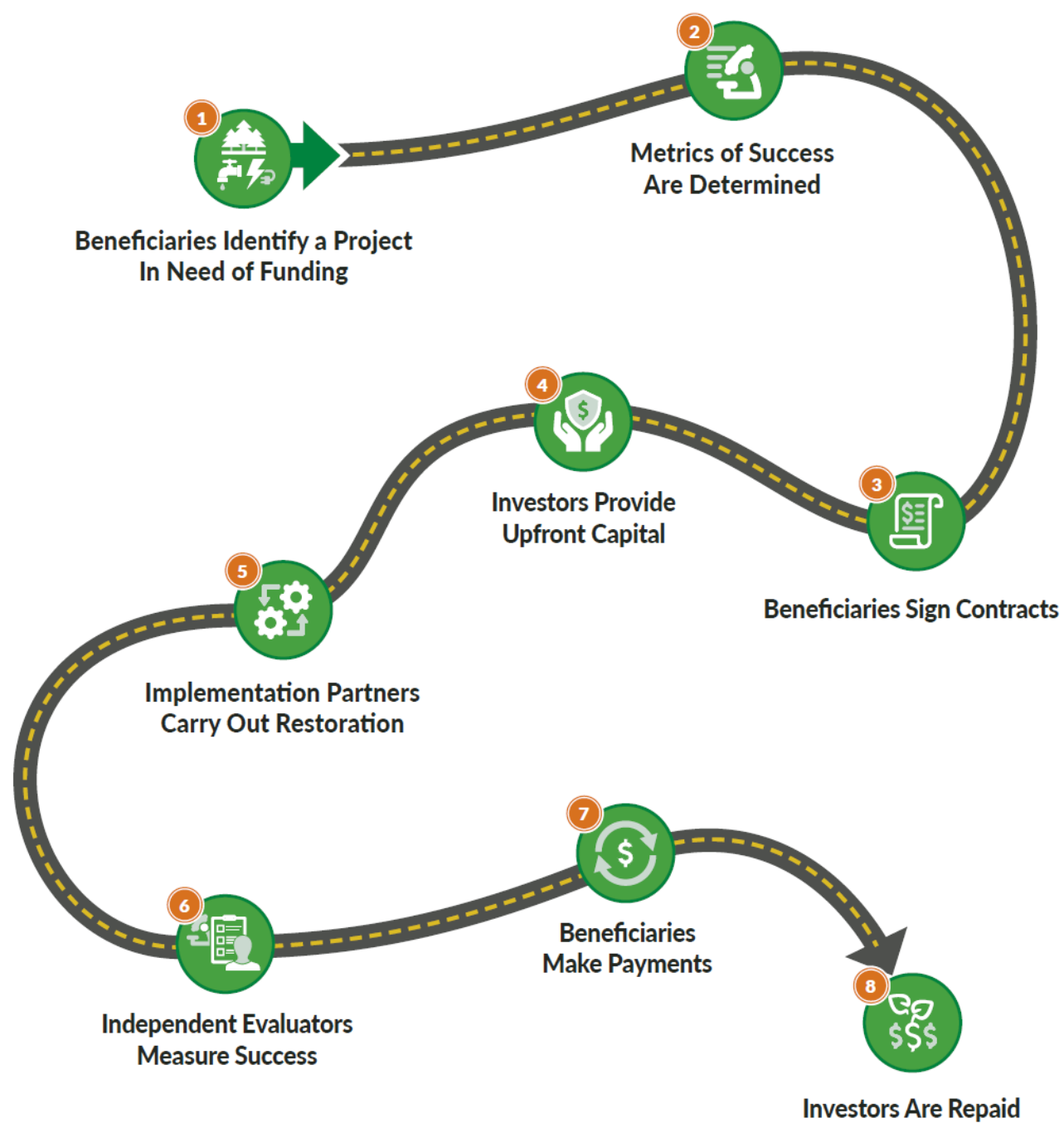
Innovative  
Contracts

Financial  
Vehicle

Investor  
Capital



# How the FRB Works





**BLUE FOREST**  
**CONSERVATION**  
Financial Innovation for Sustainable Solutions



**FOREST  
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BOND**

**Zach Knight**

Co-Founder and Managing Partner  
[zach@blueforestconservation.com](mailto:zach@blueforestconservation.com)