Agenda

► About Blue Forest
► Overview: Forest Resilience Bond
► Case Study: Yuba Projects
► New Strategies
  - FRB Catalyst Facility
  - California Wildfire Innovation Fund
About Our Organization

- Blue Forest Finance Inc. (Blue Forest) is a mission-driven, nonprofit organization creating sustainable financial solutions to environmental challenges.

- An interdisciplinary team of 30 scientists, finance experts, and engineering professionals.

- Blue Forest’s signature financial product, the Forest Resilience Bond (FRB), deploys private capital to finance forest restoration projects on private and public lands that reduce the risk of catastrophic wildfire and enhance landscape resilience.

Timeline

- 2015: Blue Forest founded
- 2017: MOU with the USDA Forest Service
- 2018: $4 million Yuba I FRB
- 2021: $11 Million Yuba II FRB
- 2022: Catalyst Facility
- 2023: CWIF & Rogue Valley I FRB
The Wildfire Crisis

“15 years ago, a 100,000-acre fire would be the largest fire of your career. Now we have one-million-acre fires. It’s hard even for us to comprehend.”
The **Forest Resilience Bond** (FRB) develops new funding streams to increase the pace and scale of forest restoration.

### Create New Funding Streams

- **Attract Flexible Funding** for planned forest and watershed restoration projects
- **Quantify Ecosystem Benefits** to engage & motivate beneficiaries to additionally contribute to projects to expedite forest restoration
- **Develop Long Term Contracts** supporting local contractors and wood products infrastructure

### Finance Upfront Project Costs

- **Provide upfront capital** needed for project work to enable faster implementation
- **Allow implementation partners** to pay contractors within 7-10 days, reducing cash flow burden
- **Smooth cash flows** and seamlessly combine multiple funding sources to enable consistent and ongoing work
Goals of the Forest Resilience Bond

Enable landscape scale restoration by blending and bringing in new funding streams

Accelerate implementation by removing administrative and financial burdens

Facilitate collaboration and increase capacity

Guiding Principles

➔ Supports projects that are regional priorities and scale across the landscape
➔ Does not influence project planning and priorities
Forest Resilience Bond Flow of Funds

Investors → Forest Resilience Bond → Implementation Partners → Beneficiaries → Restoration Activities

Outbound Cash Flow  Inbound Cash Flow  Resource Flow

Multiple Benefits
Project Overview: Yuba Forest Resilience Bonds

- Initial pilot FRB to protect 15k acres
- Scale to future FRB: 50k acres
- Spur sustainable growth in biomass, timber, recreation
- Catalyzed formation of the North Yuba Forest Partnership (275k ac)
- Beneficiaries include Yuba Water Agency, State of California, private corporations

North Yuba River Watershed, Tahoe NF, California
Blue Forest is deploying new strategies to address the wildfire crisis.

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<tr>
<th>FRB Catalyst Facility</th>
<th>California Wildfire Innovation Fund</th>
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<tr>
<td>➔ Pooled investment vehicle that finances portfolio of <strong>high-impact pilot projects</strong></td>
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<td>➔ Targeting investments in at least <strong>10 FRB projects</strong>, revolving $12 million into $50 million worth of project activities.</td>
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<td>➔ Projected to <strong>restore at least 50,000 acres</strong> and reduce fire risk on at least 100,000 acres</td>
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<td>➔ First-of-its-kind <strong>climate solutions strategy</strong> that seeks to generate competitive financial returns while reducing fire risk</td>
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<td>➔ Targets investments in <strong>emerging opportunities</strong> across the forest restoration, wood utilization, and wildfire mitigation sectors</td>
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<td>➔ Anchored by and created in partnership with <strong>CSAA Insurance Group</strong></td>
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