

Funding and Financing Forests

Brad Gentry

FK Weyerhaeuser Professor in the Practice

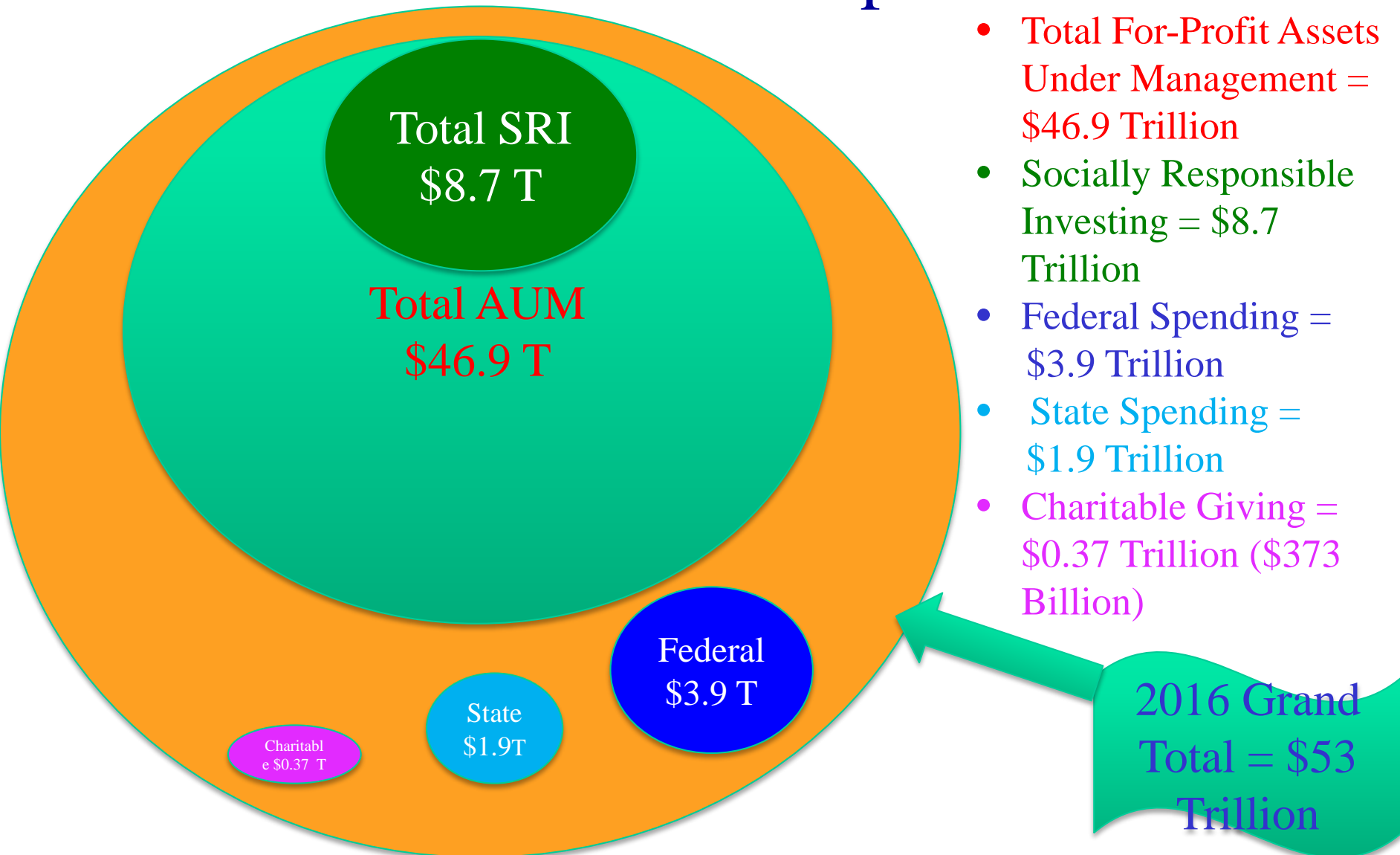
Yale School of Forestry & Env'tl Studies

Yale School of Management

What Cover Today?

1. Amounts and types of funding for forests
2. How they might be expanded in CT
3. Possible areas to explore

U.S. Public and Private Capital “Available”



- Total For-Profit Assets Under Management = \$46.9 Trillion
- Socially Responsible Investing = \$8.7 Trillion
- Federal Spending = \$3.9 Trillion
- State Spending = \$1.9 Trillion
- Charitable Giving = \$0.37 Trillion (\$373 Billion)

2016 Grand Total = \$53 Trillion

51.8

Direct market

3.8

Green commodities

6.6

Debt-for-nature

1.7

<0.1

Philanthropy

Overseas development aid

6.3

Agricultural subsidy reform

7.8

Domestic budget allocation

25.6

- Offset markets (3.30)
- Direct biodiversity fees (0.30)
- Direct ecosystem service fees (0.10)
- Auctioning of allowances (0.05)
- Bio-prospecting (0.05)

Estimate of Global Conservation Funding

(Global Canopy Programme 2012)

Major Sources of Conservation Finance

Tax Incentives for Donations	Individual/ Institutional Grants/Gifts From Savings	Public Grants From Taxes/ Fees	Cash Flows From the Land	Public or Private Debt	Tax Incentives for Investments	Public or Private Equity Invsts
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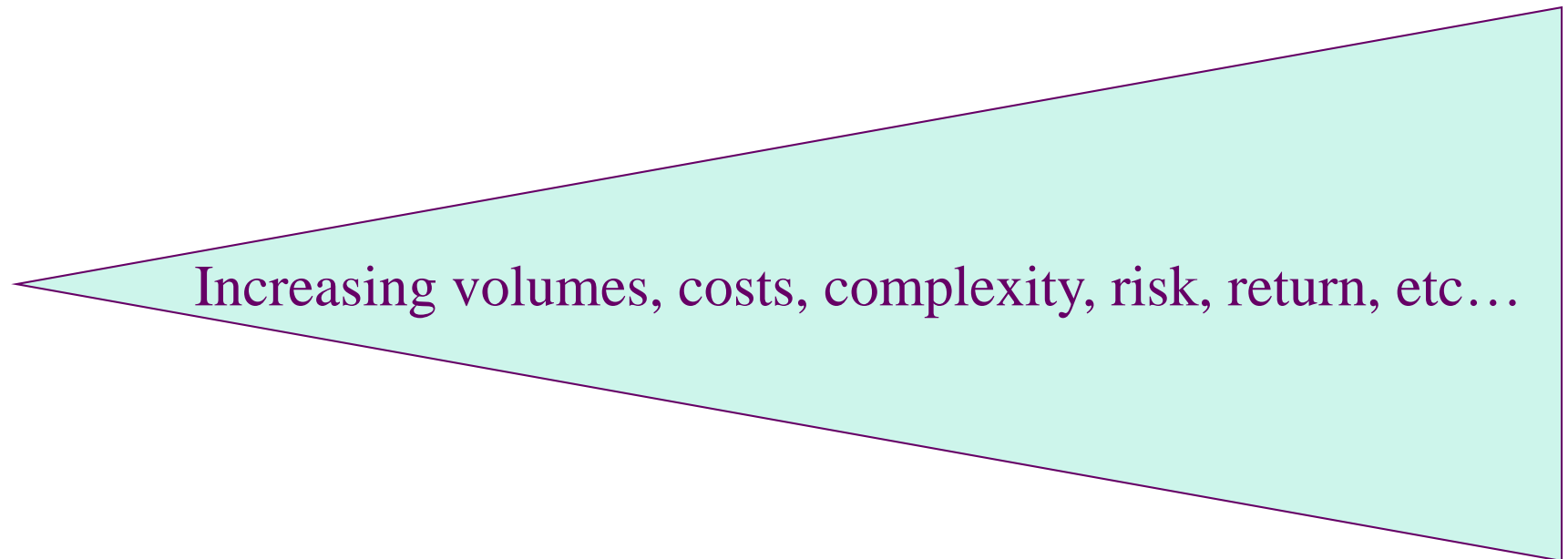
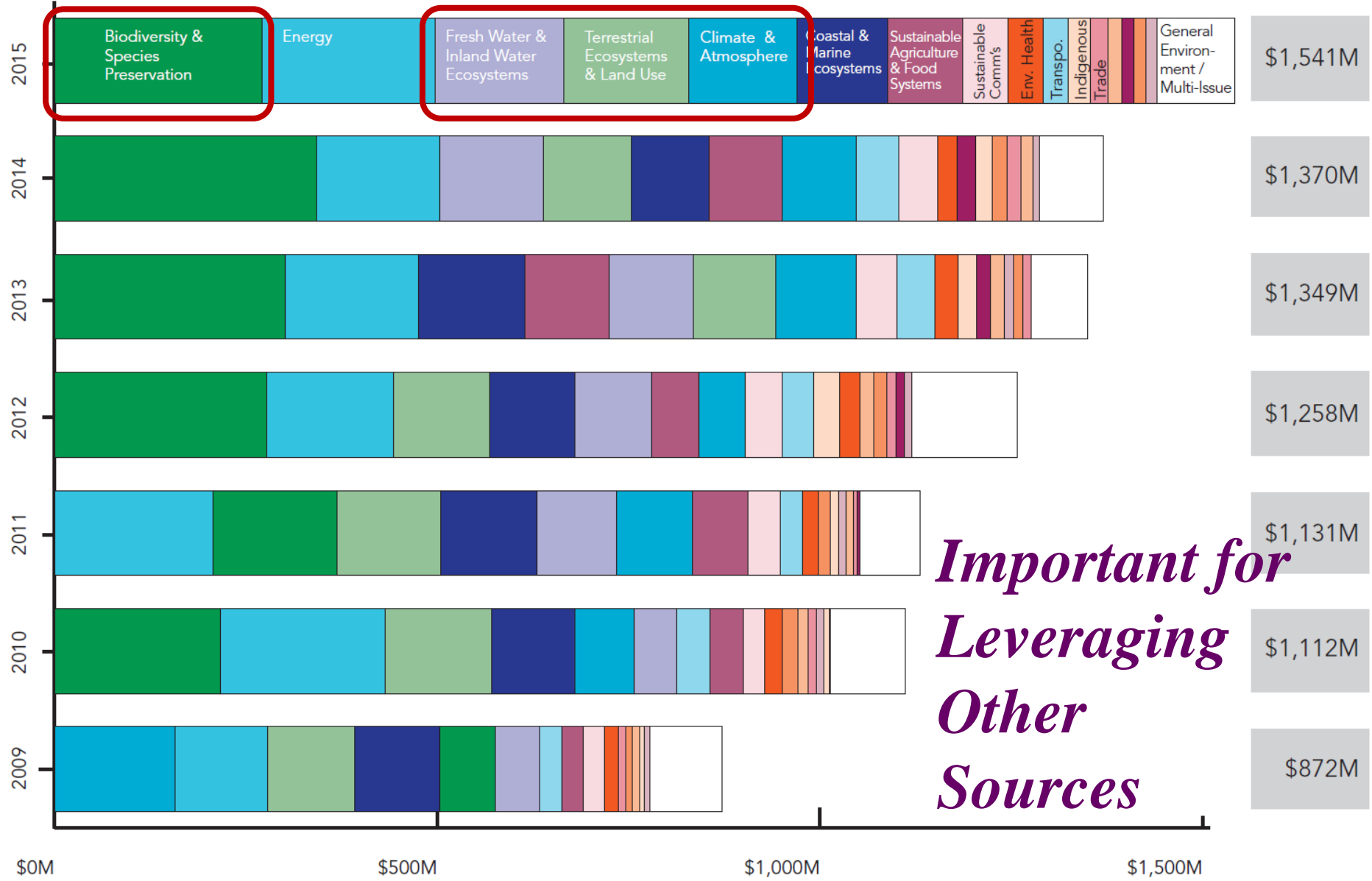


FIGURE 1. EGA MEMBERS' GRANTMAKING BY PRIMARY ISSUE AREA, 2009–2015

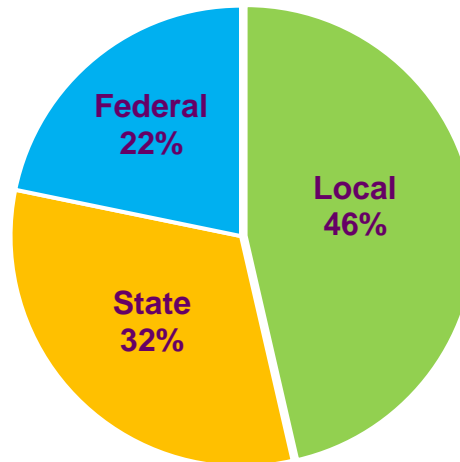


US Public Funding (TPL)

Public Funding for Land Conservation in the United States (1998-2015)		
	Amount	Annual Average
Local	\$25,829,049,100	\$1,434,947,172
State	\$17,715,694,051	\$984,205,225
Federal	\$12,121,644,312	\$673,424,684
Total	\$55,666,387,462	\$3,092,577,081

Local: Spending authorizations via local ballot measures. Source: TPL's LandVote Database

State and Federal: Actual spending. Data not complete for all 50 states. Source: TPL's Conservation Almanac Database



Public Grant/Tax Incentive Funding

- Not enough state funding
 - CLCC annual message in Hartford...
- Opportunity to expand coalitions of support
 - As with the Community Investment Act...
- Around “nature-based climate solutions”?
 - Climate mitigation: C storage
 - Climate adaptation: water, temperature
 - Health and nature: demonstrated health benefits
 - Mental, physical

Public Grant/Tax Incentive Funding

- New sources?
 - Municipal conveyance fee (CLCC)?
 - Proceeds from sale of RGGI allowances (like CA)?
 - Tradable tax credits for easement donations (like CO)?
 - Expanded access to State Revolving Funds (like OH)?
 - Green Infrastructure for resilience more broadly?
 - Expand CT Green Bank to Infrastructure Bank (like RI?)
 - Coronavirus stimulus bills?
 - Others?

Cash Flows From the Land

- Sustainable forestry
- Sustainable agriculture
- Offsets from carbon storage/avoided emissions
- Lower cost/carbon water infrastructure
- Lower cost/carbon heat reductions
- Reduced health care costs?
- Others?

Debt

- Borrowing on cash flows from the land
- Green Bonds (CT)
- Environmental Impact Bonds (DC Water)
- Role of CT Green Bank in leveraging private capital for climate investments?

Tax Incentives for Investment

- New Markets Tax Credits
- Opportunity Zones
- New incentives for investing in sustainable forestry/ag?
- Expanded incentives for investing in parks as part of affordable housing projects?
- Others?

Equity Investments

- Forests as an asset class
- Impact investors in sustainable land use (forests, ag)
- Role of CT Green Bank in leveraging private capital for climate investments?

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Increasing volumes, costs, complexity, risk, return, etc...

Possible Areas to Explore

- Broaden political coalitions
 - To increase public funding for forests
 - As part of broader climate efforts?
- Understand/use “savings streams” from investments in green infrastructure?
- Expand CT Green Bank’s remit
 - To include leveraging private investment
 - In nature based solutions?
- Others?

Conservation without money
is just conversation...

Anon.

No Money is Free...

Necessity is the mother of
invention...

Plato