Blue Forest—
Fighting Fire with Finance

A National Emergency
Decades of fire suppression in the Western United States have resulted in overgrown forests, which are susceptible to megafires. Forest restoration treatments including thinning, prescribed burning, and other fuels reduction treatments can reduce wildfire risk and help create resilient ecosystems and communities. Up to 82 million of the U.S. Department of Agriculture (USDA), Forest Service’s 193 million acres need restoration. The previous pace of fuels reduction on national forests is not fast enough for the imminent danger of catastrophic wildfires.

“High is a national emergency, and it calls for decisive action.”—USDA Forest Service, A 10-Year Implementation Plan

Market-Based Solutions to an Ecological Challenge
With a mission to harness financial innovation for sustainable solutions to challenges faced by vulnerable communities and ecosystems, the California-based nonprofit, Blue Forest, is an ideal working partner. Blue Forest identified that stakeholders such as water and electric utilities, foundations, and other groups who benefit from healthy forests could help accelerate needed restoration projects on public land. With support from the Forest Service and others, Blue Forest developed the Forest Resilience Bond (FRB) concept to leverage private finance, starting with a 15,000-acre project on the Tahoe National Forest in California. Learn more about how the Forest Resilience Bond works.
Matt Millar and Briana Tiffany working for the project implementor, National Forest Foundation, admire a newly treated area of the Tahoe National Forest. Courtesy photo by Blue Forest.

A Template for Success
Building on success from that first FRB, Blue Forest was awarded a USDA Forest Service Wood Innovations Grant to help replicate and expand the FRB through a second project in the Tahoe National Forest with additional outreach to other Western forests.

The Wood Innovations Grant has supported the creation of an impressive $25 million public and private funding source for the 48,000-acre Yuba II Project. This restoration project is located in the important Yuba River watershed descending from California’s Sierra Nevada mountains.

The catastrophic 2021 Dixie Fire, located just north of the Yuba II project area, highlighted the immediate need for accelerated restoration to help lessen the impact of future fires on communities and forest ecosystems. Blue Forest estimates that the FRB will help accelerate the pace of the Yuba II project by 6 years.

Far-Reaching Advantages
Advantages from public-private partnerships for forest restoration are far-reaching beyond protecting neighboring communities. The economic well-being of these rural areas benefits from forestry-related jobs. Secure financing for accelerated forest management can also help support markets for wood and biomass by providing reliable supply to facilities that use wood.

In addition to supporting the Yuba II project, the Wood Innovation Grant has helped facilitate outreach to other national forests and project finance and implementation partners in the Western United States to expand the FRB beyond the Tahoe National Forest. These partners include industries that rely on clean watersheds, utilities and water authorities, and conservation groups with project implementation capacity.

The Yuba II bond is testament to the effectiveness of scalable financial tools to meet the USDA Forest Service’s 10-year strategy for wildfire risk reduction, which calls for “treating up to an additional 20 million acres on the National Forest System in the West, over and above current treatment levels,” as well as “treating up to an additional 30 million acres on other Federal, State, Tribal, and private lands in the West.”

More Information
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**FAST FACTS**

- 48,000 acres of national forest treated
- $25 million in funds raised for the FRB
- 26 million board feet of lumber to regional mills
- 360,000 green tons of biomass to power generation facilities
- Over 100 jobs created through the project implementation

*upon project completion

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