

U.S. Natural Climate Solutions Accelerator Finalist: Forests of the Future: Replanting Burn Scars for Carbon Sequestration and Ecosystem Services.

Collaboration between Coalitions and Collaboratives, Inc. (COCO) and RenewWest.

Forests of the Future initiative aims to reforest post-fire landscapes that are not naturally recovering, and to develop an investable carbon-focused market mechanism and a “carbon reforestation fund” model to bring additional capital for reforestation and carbon sequestration. By quantifying tree growth into a carbon offset equivalent, an additional source of value is created for forest owners, which can be brought for sale to carbon offset buyers in the Western Climate Initiative (WCI) compliance marketplace in California and voluntary carbon markets.

Conservation co-benefits include habitat restoration promoting biodiversity, improving soil health and preventing erosion, maintaining watershed health through improved stream clarity and temperature. Economic co-benefits include improving value of degraded lands, re-establishing working lands to sustainable Forest Stewardship Council (FSC) certified wood production, and creating a source of employment for rural communities engaged in a deforestation-free timber supply chain. Investors seeking low-correlated, attractive risk-adjusted prospects, can consider a fund of combined projects, which aims to provide predictable long-term market-rate returns and quantifiable environmental and social impacts.

- **How it works:** The pilot project will be implemented in Modoc County, California on an 11,516-acre parcel of land owned by Collins Timber, which is not naturally recovering after it burned in the 2012 Barry Point Fire. Following the 30-year project period, Collins Timber will retain the ability to use the lands for sustainable, mixed-age selective-harvest forestry, certified by FSC. Offset sales into the California compliance market, which engenders a 100-year permanence post final offset sale, combined with the existing conservation easement on the land, will assure that the restored forest would exist in perpetuity. Lakeview Oregon is the nearest town and has a functioning mill that is dependent upon reliable timber supply. Restoring lands to a working forest will help to preserve the mill and the town. Further reforestation projects, even in the absence of nearby mills, will benefit the local economy by having healthy ecosystems for tourism and recreation, and creating skilled rural forestry professionals managing forests for health and climate outcomes.
- **Scaling up:** Additional potential projects have been identified within large-scale fire scars in Arizona, California, Colorado, Idaho, and Washington State and include private, industrial, and tribal landowners. In addition to engaging landowners who have suffered a natural forest loss due to wildfire that is not recovering, the initiative aims to partner with Native American tribal nations, some of which would like to also reforest former agricultural lands and reacquired historical lands that have been clear-cut.
- **Carbon Reforestation Fund Model:** The initiative aims to raise a \$20MM fund to replant over 35,000 acres, and would like to replicate and increase the fund model to \$100MM and \$200MM to reforest 550,000 acres within ten years.

The success of this project is expected to lead to adoption of carbon offset projects as a funding model for burn scar restoration, helping to address lack of capital as the single largest barrier for restoration. Reforesting burn scars allows the land to perform its natural carbon-sink function necessary to mitigate against climate change, helping to actively remove carbon from the atmosphere, while delivering numerous additional environmental, social, and economic benefits.