Blank Table 1 for use in capturing 2021 EPA GIT Funding Ideas

(See version below for more detailed instructions)

Required Components of the Phase 1 Development of Project Ideas (*Table 1*)	
Goal Implementation Team (GIT)	WQGIT (Riparian Forest Buffer Outcome proposal)
Proposed GIT Technical Lead	Katie Brownson USFS (Katherine.brownson@usda.gov)
Annual Weighting Factors to Consider	B, C, E
CBP Functional Areas (Yes or No)	no
Preparers	Sally Claggett, Katie Brownson
Project Title (10 words or less)	Strategy Development for Innovative Finance of Riparian Forest Buffer Programs
Project Type (Describe the type of project submitted)	Logic and Action Plan Implementation: Business plan development and capacity building to support a pilot project for the Natural Filters Revolving Fund (NFRF)
Proposed Project Outcomes	• Business plans demonstrate to local governments and potential funders how the NFRF can provide MS4 credits and other environmental outcomes more reliably and efficiently. • At least one local government has agreed to engage in a pilot project to test the NFRF. • At least one philanthropic donor is willing to provide the funding to support the transaction costs of the pilot project.
Project Justification (500 words or less)	The Forestry Workgroup has proposed the "Natural Filters Revolving Fund" (NFRF) program to bring buffer and upland tree planting to scale. Through the NFRF, local governments would be able to purchase environmental outcomes associated with buffer restoration at a low cost. This money would then revolve back into the Fund to finance future buffer restoration work. This is a "next step" in conservation finance compared to one-off projects. By reducing transaction costs and creating economies of scale, it will make buffer restoration more accessible for local governments and other entities. Natural Filters restoration addresses multiple crises of poor water quality, degraded habitats, climate vulnerability, and even underserved communities. But these natural filtering practices—especially buffers and wetlands—are not adequately addressed by current programs and funding. Technical assistance providers need an ongoing alternative

	program that complements programs offered through the Farm Bill as an option to sell to landowners, HOA's and other local groups. Although local jurisdictions have expressed interest in the NFRF, there are barriers to securing seed funding for a pilot project and moving the NFRF towards implementation. Potential seed funders and local jurisdictions want to better understand the costs and benefits of purchasing outcomes through the NFRF as well as the logistics of how transactions with the NFRF would work.. This project would work to understand and address the barriers, while identifying the who-what-where of program implementation that will be a guide. The end result will be to demonstrate how buffer restoration and other tree planting practices translate into MS4 credits (urban) and provide other benefits to more rural localities. These initial efforts to further develop the Natural Filters Revolving Fund would focus on riparian forest buffers and tree planting. This project would support the Riparian Forest Buffer (RFB) Logic and Action plan (items 1.3, 2.1) and the Tree Canopy Logic and Action Plan (item 1.4), which call for the development of NFRF as a complement to existing funding programs. The Action Plans include the NFRF because we have hypothesized that this innovative finance approach will be an effective and efficient way to accelerate buffer and tree planting. This project will support adaptive management towards these outcomes by determining whether this approach is economically viable or if we need to modify or refine our conceptual model before moving to the pilot phase. Once the NFRF has been effectively piloted for forest buffers, we would work to incorporate wetlands and other natural filters restoration practices into the Fund. By accelerating the restoration of natural filters, this project also stands to improve habitat for species like brook trout while improving stream health and climate resiliency.
Proposed Project Steps and Timeline	**Phase 1: Project kick-off (June 2022-July 2022)** Assemble a steering committee composed of GIT/WG members and other partner organizations. Meet initially 2-3 times with the steering committee to establish common understanding and basic design of a Natural Filters style program and its possible permutations and identify jurisdictions to work with on developing plans and guides. Meet with 2-3 jurisdictions (at least one urban and one rural) who are interested in working to develop a pilot project. *Deliverable: List of steering committee members and focal jurisdictions for the pilot project* **Phase 2: Initiating business plan development (July 2022-October 2022)** Develop an outline for two business plans. One business plan would be for buffer/tree planting that applies to MS4 jurisdictions. A second

	business plan would target more rural jurisdictions who would have a different cost-benefit analysis. This may involve quantifying some of the other benefits of natural filters practices, for example flood hazard mitigation. These plans would also explain transactions within the Natural Filters conservation finance models. Both of these would be developed with one or two local jurisdictions in mind, but would be general enough to be used by multiple jurisdictions. The steering committee should be given an opportunity to review and provide input on the outline. *Deliverable: Reviewed and approved business plan outline* **Phase 3: Develop draft "How To" guide and business plan (November 2022-April 2023)** Work directly with local jurisdictions and regional groups to develop a "how to" Guide to address needs, use tools, assign specific roles for various partners— one each for rural and urban localities. These will complement the business plans. Business plan and How To Guides would be presented as drafts for comments to local jurisdictions and the steering committee. *Deliverables: Draft "How To" guides and business plans (2 of each)* **Phase 4: Provide support for initial pilot transactions (April 2023-September 2023)** Assist local governments with setting up initial NFRF transactions, documenting steps involved, and updating the Plan and Guide accordingly. The contractor will also identify potential philanthropic donors who may be interested in supporting a pilot project and initiate contact with these potential donor organizations. *Deliverables: Documentation for initial NFRF transactions, including any MOUs and contract templates.* **Phase 5: Prepare final deliverables and disseminate findings (April 2023-September 2023)** Produce final documents and provide a summary presentation of findings for at least one GIT/WG meeting. To provide a forum for sharing lessons learned, the contractor will also provide a partnership "Wiki" for Chesapeake restoration, conservation finance, and a Natural Filters style program (or the intersection therein). *Deliverables: Final "How To" guides and business plans (2 of each), partnership "Wiki"*
Estimated Costs	$70,000
Cross-Outcome Benefits	- Developing an innovative finance model will help support tree planting (Tree Canopy outcome) - Accelerating buffer planting will provide multiple co-benefits (Brook Trout, Stream Health, 2025 WIP, Climate Adaptation outcomes) - Educating local government officials about opportunities to improve water quality and generate other co-benefits through the NFRP will improve their knowledge and capacity (Local Leadership)