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NEWS RELEASE

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Greater Certainty, Less Risk on the Horizon for Investors and Developers in Conservation Projects

PORTLAND, Ore. – (June 20, 2017) – The USDA Natural Resources Conservation Service (NRCS) has awarded a [Conservation Innovation Grant](#) (CIG) in the amount of \$900,000 to The Climate Trust to launch the Environmental Price Assurance Facility (EPAF). The EPAF will help spur development of agriculture and forestry conservation projects by reducing the risks associated with the future value of environmental credits.

Many conservation projects have the opportunity to generate environmental credits to recognize their environmental benefits. Carbon credits, for example, are awarded as a result of a specific project or action implemented to avoid, sequester or displace greenhouse gas emissions.

The uncertain value of future environmental credits diminishes the ability of markets to mobilize much-needed capital to build conservation projects so they can generate verified benefits. Investors and lenders have been known to discount the future value of environmental credits based on perceived risk that credit value could fall to zero. Given this perceived risk, insufficient capital is being invested into sectors that have the opportunity to generate environmental credits and provide verifiable conservation benefits.

To overcome this uncertainty and make environmental markets financeable, The Climate Trust will launch the Environmental Price Assurance Facility. The EPAF brings the World Bank's successful Pilot Auction Facility model for international offsets to benefit conservation in the U.S. The EPAF will auction [put option](#) contracts to U.S. projects that generate environmental credits. These contracts guarantee a minimum value for future credits—assuring projects, investors, and lenders that environmental markets have real value. By providing a credit enhancement that guarantees a minimum value for future environmental credits, the EPAF will lower the risk and therefore the cost of capital to build conservation projects.

“As a nonprofit with two decades of experience managing carbon funds, The Climate Trust is ideally positioned to adopt this model for landowners, project developers and investors building conservation projects in the U.S.,” said Peter Weisberg, Senior Portfolio Manager for The

Climate Trust. “This is an ambitious project that has potential for massive impact and we’re excited to get started.”

“The Conservation Innovation Grant program helps partners harness science and technology to develop tools farmers and ranchers can use right now to put conservation on the ground,” said Ron Alvarado, NRCS state conservationist for Oregon. “We’re excited about The Climate Trust’s innovative strategy to spur adoption of conservation practices using a market-based approach.”

Nationwide, NRCS is investing in 33 CIG projects valued at more than \$22.6 million to drive public and private sector innovation in natural resource conservation. Projects for this fiscal year focus on conservation finance and pay-for-success models to stimulate conservation adoption; data analytics for natural resources; water management technologies and approaches; and historically underserved farmers ranchers and private forest landowners.

Read and download the [full list of this fiscal year’s selected projects](#) or view the list through our [interactive map](#).

CIG is funded through the [Environmental Quality Incentives Program](#) (EQIP). The maximum grant is \$2 million per project, and the length of time for project completion is three years. The CIG projects are designed to engage EQIP-eligible producers in on-the-ground conservation activities that speed up the transfer and adoption of innovative conservation technologies and approaches. The NRCS uses CIG to work with other public and private entities to accelerate transfer and adoption of promising technologies and approaches to address some of the nation’s most pressing natural resource concerns.

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About Natural Resources Conservation Service:

NRCS works in partnership with farmers, ranchers and forest landowners across the country to help boost agricultural productivity and protect natural resources through voluntary conservation. | www.or.nrcs.usda.gov | @NRCS_Oregon

About The Climate Trust:

Building upon a legacy of innovation and leadership in the carbon market, The Climate Trust mobilizes conservation finance to maximize environmental returns. We value air, water and soil through the development, purchase and sale of qualified offsets and a relentless investment in people and projects with environmental purpose | www.climatetrust.org | @climatetrust | facebook.com/TheClimateTrust