

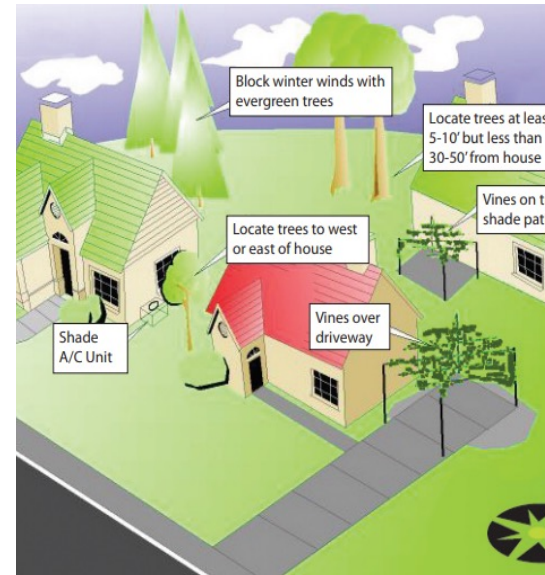
GREEN BANKS, CDFIs, AND NATURE-BASED SOLUTIONS

Conservation Finance Network Roundtable

April 25-26, 2024

What Are Nature-Based Solutions (NBS)?

*Nature-based solutions are actions to protect, sustainably manage, or restore natural or modified ecosystems to address societal challenges, simultaneously providing **benefits for people and the environment.****



* Definition from White House Report 2022.



What are Green Banks and CDFIs?

Green Banks

“Mission-driven institutions that use innovative financing to accelerate the transition to clean energy and fight climate change.”

(Coalition for Green Capital)

Community Development Financial Institutions (CDFIs)

“Lenders with a mission to provide fair, responsible financing to rural, urban, Native, and other communities that mainstream finance doesn’t traditionally reach.”

(Opportunity Finance Network)



Why would green banks and CDFIs care about NBS?

If a financial institution is driven by a mission that includes:

- equity,
- community and climate resilience,
- reduced greenhouse gas emissions,
- sustainable infrastructure,
- health, or
- workforce development,

NBS can be an important part of the solution set.



Expanding Finance for Nature-Based Solutions to Achieve Climate, Environment, and Community Goals

An Introduction for Green Banks and Community Lenders

Nature-Based Solutions Financing Working Group

What does financing NBS look like?

Possible roles that these institutions could play in financing NBS are similar to what they already do:

- Mobilize debt and equity providers
- Matchmake capital with viable projects
- Provide bridge financing
- Aggregate viable projects to create investable products to reduce transaction costs
- Provide sweat equity and technical assistance to enable deals that might not otherwise happen

How have NBS been financed before?

Project Name	Nature-based solution	Financing Mechanism	Repayment source
Yuba Forest Resilience Bond	Forest management to reduce wildfire risk	Bond	Utilities, insurers
Soil and Water Outcomes Fund	Climate-friendly farming practices	Payments for environmental outcomes	Governments and corporations
DC Stormwater	Green stormwater infrastructure	Revolving loan fund	DC Green Bank Loan Fund
RI Water Quality Protection Charge	Drinking water source protection	Funding program	Surcharge on utility fees
Annapolis Green Waterfront	Green space along the coast	Bond	Parking garage fees
Nisqually Community Forest	Forestland acquisition, sustainable timber management	Clean Water State Revolving Loan Fund	Timber harvest revenues, federal grants (CWSRF used as a bridge loan)

Find more detail on these cases here:



Next Steps...

- Working group
- More case studies
- How-to guides for common financing techniques
- Engagement with existing green bank and CDFI networks

