

Background

As federal restoration funding tapers off, the 2-3-2 Partnership is building the tools and relationships needed to secure long-term, diverse investment in forest and watershed health. In 2023, partners of the 2-3-2 Cohesive Strategy Partnership (2-3-2) began exploring potential paths towards diversifying sources of funding for projects within the 2-3-2 landscape. In April of 2024, Guild staff and USFS partners attended a Conservation Finance Training in Sacramento, CA and were paired with a USFS Conservation Finance Program Manager, Jonas Epstein. Upon their return, these partners invited Rio Grande Water Fund (RGWF) and National Forest Foundation (NFF), among others, to join them in forming a Conservation Finance (CF) Subcommittee to create and sustain a long-term strategy for drawing diverse investment and funding to the 2-3-2 landscape.

Over 2024 and 2025, the CF Subcommittee focused on developing shared goals and objectives, and exploring and documenting potential strategies. This information was compiled in a [CF Roadmap](#). The CF Subcommittee has the following Goal and Objectives:

Goal: To provide the 2-3-2 long-term financial security to increase forest and watershed resilience as the surge of federal funding recedes.

Objectives:

1. To provide a forum where active members of the Partnership can learn, exchange ideas, and advance initiatives that increase and maintain funding in the landscape.
2. To serve as a filter for the Partnership to narrow the diverse array of opportunities so that the people that comprise the 2-3-2 can focus on the conservation finance opportunities that fit our needs and values.
3. To serve as an action-oriented group that pursues and secures sufficient and sustainable funding.

What We Know Now

To assure future investors of a return on their investment, partners of the 2-3-2 need to be able to measure and demonstrate the outcomes of our projects, including the ecological and economic value of protected assets on the landscape and the future cost that is avoided by investing in forest restoration, especially fire resilience. Collecting this data at a landscape scale will take a long time and the results might be fuzzy, so we are focusing on

one pilot area, the West Zone of the Carson, starting with the Headwaters of El Rito Creek. The Guild recently released a Watershed Restoration Action Plan (WRAP) for El Rito, which identifies specific critical restoration projects in priority and focal watersheds, necessary to improve watershed condition class.

The Nature Conservancy has been guiding this effort through the RGWF, a public-private partnership between San Juan Chama Project Contractors Association (SJPCA) and Chama Peak Land Alliance (CPLA), among others. To oversimplify, SJPCA charges their rate-payers (residents, farmers, and Tribes) a small fee on their water bill, aggregates these funds and funds agreements with CPLA to do forest thinning and prescribed fire on large-acreage private lands in the Navajo, Blanco, and Little Navajo watersheds. RGWF has suggested, and SJPCA confirmed, that there is not room to increase the fee on municipal downstream water users.

Another funding mechanism on the 2-3-2 landscape is NFF's Northern New Mexico Forest Fund, (NNMFF) established to address funding shortfalls for the Santa Fe, Carson, and Cibola National Forests regions. NNMFF funds project implementation and is a receptacle for philanthropy funding, allowing donors to specify the type or project and region that they intend their donation for.

Path Forward

As the facilitators of the 2-3-2 and the coordinators of the CF Subcommittee, the Guild has a broad landscape perspective. We see the following strategies as opportunities to lay the foundation for long-term conservation finance mechanisms across the landscape:

- Analyze existing data on outcomes and impact of Guild and partner projects on the landscape.
- Collect, build, or extrapolate necessary data on impacts of projects in the El Rito WRAP.
- Consider contacting an economist or other experts to help us value these impacts.
- Consider contracting with a conservation finance firm like Blue Forest to help us aggregate the impact of our projects into an investable fund.
- Explore NM and CO Clean Water State Revolving Funds to fund projects quickly and pay back these loans with bond revenue generated from Blue Forest (or similar organization).