

Enhancing the Economy and Environment of our Working Lands and Waters Ecosystem Markets and Private Investment Strategies

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Goal

Show how **Private Investment Capital** can fund environmental restoration through **Ecosystems Markets** (ESMs) and enhance our Environment and Rural Economies.

Presentation Topic

Successful Ecosystem Markets exist today in the US. For example, the Clean Water Act requires that any wetland destroyed through development or infrastructure construction must be replaced at a 1:2 ratio. The preferred method is to purchase credits from a Wetland Mitigation Bank that has restored a large wetland for the purpose of offsetting damage. The market has restored over 160,00 acres of wetlands and **generates over \$1.7 billion annually** in economic activity.

EPA has recently set a 'pollution diet' for the Chesapeake Bay. If a Restoration Economy based on ecosystem markets are part of this policy a developer, water treatment plant or farmer who puts too much runoff into the Bay will be able to purchase offsets or water quality credits from another entity that has reduced their runoff below required limits thereby neutralizing the pollution. This allows businesses, municipalities and farmers to offset and reduce pollution as they continue to grow their business, services and products.

Furthermore, these types of offsetting activities boost the economy more broadly than other industries (construction, high tech, etc). In the Chesapeake region water quality credits and the related pollution reduction can be generated cheaper through restoration practices than large capital projects such as a water treatment plant upgrade. These land practices also have a larger economic impact by creating over twice as many jobs per dollar invested compared to investment in infrastructure construction.

We as investors can provide the needed capital. With traditional funding for ecosystem restoration being reduced (government subsidies and charities) ESM's allow loans to be used by landowners, farmers and others to implement the needed land-based practices to offset access runoff. Now private capital can finance environmental restoration and improve the economy by promoting jobs and new income.

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