PRIVATE INVESTMENT IN ECOLOGICAL RESTORATION: A LOUISIANA EXAMPLE

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INTRODUCTION

Ecosystem Investment Partners

Private Equity Fund Manager
- 100% focus on ecological restoration
- Over $500M AUM
- 18 major restoration investments in six states

Primary Demand from Section 404 of the Clean Water Act
- 20+ year history of market-based compliance solutions
- 1 million acres protected and restored using private capital on private land

Experience and Capacity to Implement Green Infrastructure
- Real estate + Construction + Science
- A ‘credit’ = permanent protection, verifiable ‘units’ of uplift, financial assurance

100+ Miles of Streams Restored
30,000+ Acres of Wetlands Restored
75,000+ Acres Owned
COASTAL LAND LOSS

Applying CWA Experience to Regional Restoration Needs

Root of the Problem
- Levees channel the river and prevent natural processes
- Lack of Sediment from the Mississippi, compounded by sea level rise

Diversions and Restoration
- Reversing the problem by breaching the levees
- Restoring coastal marsh ‘green infrastructure’

The role of private financing to speed implementation
- RFP procurement of restored acres has potential to triple projected pace between now and 2025 (11,000 acres to 30,000 acres)
- ‘Pay For Success’ contracts shift risk to private sector
OVERVIEW

Projected Land Loss: The Next 50 Years

Source: 2017 Coastal Master Plan (Medium sea level rise projection)
OVERVIEW

Restoration On The (New) Ground

- 3.6M yds. of sediment placed: Over 500 acres of open water converted back to healthy marsh
- Customers: Unavoidable impacts under CWS
- Co-Benefits: Flood protection, habitat for birds and aquatic species
SUMMARY

Implications for Resilience

Experience based on providing outsourced compliance for ‘no net loss’ provisions of the Clean Water Act:

- 20+ year history of market-based compliance solutions
- 1 million acres protected and restored using private capital on private land
- Competitive pricing: innovation and economies of scale

Move beyond planning!!

- Focused capital resources with professional management allow engagement of institutional investors
- Risk transfer from public sector to private sector
- Division of labor
  - Public sector sets goals and standards
  - Private sector provides efficient implementation

The ‘New American Restoration Industry’: Capacity to Implement Green Infrastructure
Questions or Follow-up

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