

# Financing Green Infrastructure: Environmental Impact Bonds

*Financial Innovation in  
the Chesapeake Bay Watershed*

Eastern Climate Preparedness Conference May 2, 2018



**CHESAPEAKE BAY FOUNDATION**

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# At a Glance: CBF's EIBs for Green Infrastructure Project

## **OUR OBJECTIVE:**

Create a model for funding green infrastructure that, where appropriate, can be duplicated in small-to-mid-size cities to help them meet federal and state Clean Water Act requirements, and related objectives such as climate resilience.

- Looking for 4 jurisdictions in PA, MD, VA
- “Pay for Success” approach to provide up-front capital for environmental projects
- CBF and Quantified Ventures will provide assistance without charge



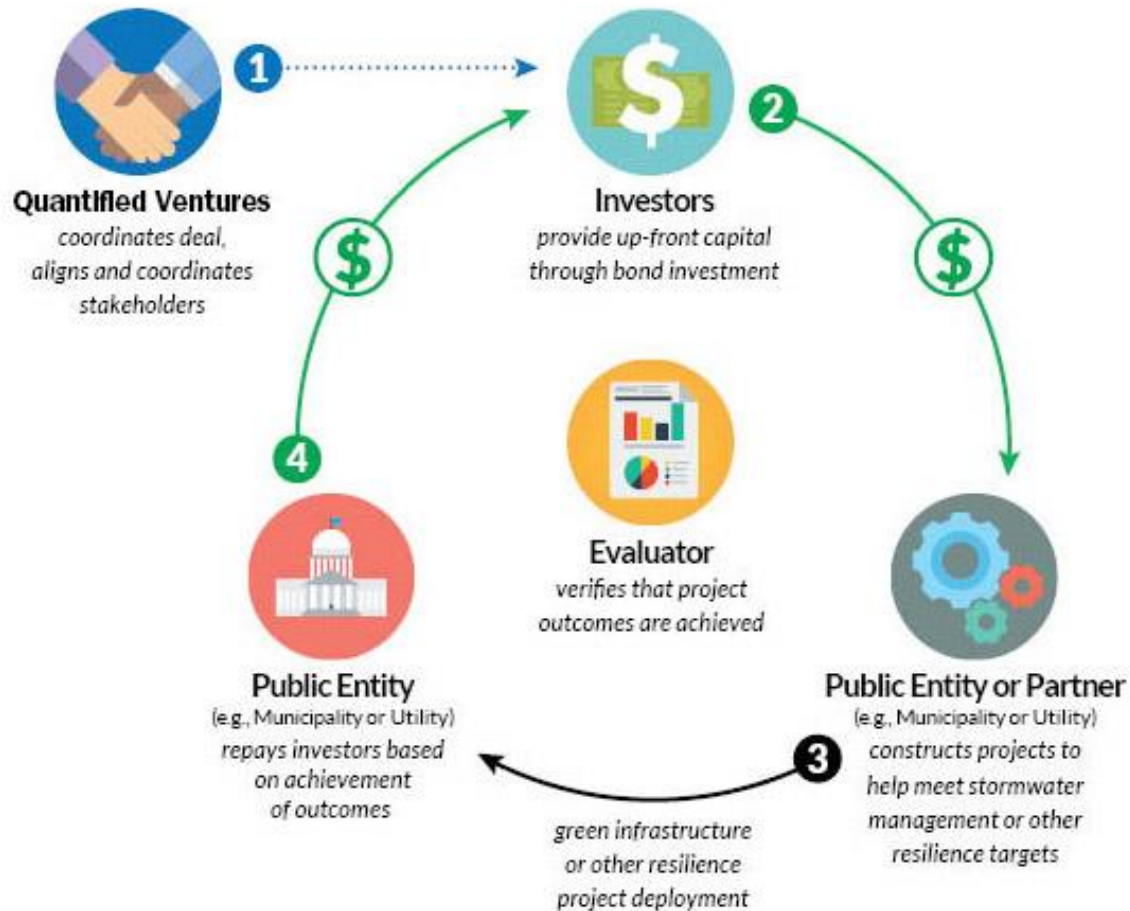
New Columbia, Portland, OR



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# How is an EIB Structured? Who is Involved?



# Outcomes-Based Bond for GI

Rock Creek Sewershed (Project RC-A)

**Pilot**  
(20  
acres)

**Consent decree  
requirement**  
(365 acres of GI)

**After 5 years, performance payments made based on stormwater captured on-site:**

**Underperform (2.5% likely):** Investors pay DC Water \$3.3M – interest rate ~.5%

**Perform as expected (95% likely):** No performance payment – interest rate ~3%

**Outperform (2.5% likely):** DC Water pays investors \$3.3M – interest rate ~6%



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# Contacts and Context

## More information:

[cbf.org/eib](http://cbf.org/eib)

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