Private Capital and Public Policy:
The potential for private capital funds to serve public policy goals for conservation and restoration
• The Dover Farm story
  – Landscape scale, high conservation value properties
• The EIP pilot round
  – Combining the power of private equity with banking
• Ecosystem Investment Partners, but also Crossover Fund, Eco-Products Fund, Resource Environmental Solutions, and others...

• Significant, *additional*, funds for conservation – beyond “closed loop” of public and philanthropic $

• Environmental Markets: Equivalent to ‘Clean Tech’ in 2000?
• The clear public policy benefit: Risk capital that only delivers returns if government standards are met

• Ecological success, protection, financial assurance: scientifically verifiable results in advance of impacts
Ecosystem Markets

**LIMIT**
- “no net loss”
- “cap and trade”
- “total maximum daily load”

**UNIT**
- functional acres
- tons CO₂e
- lbs of N reduction

**GEOGRAPHY**
- service area
- historical range of species
- watershed

**TRANSFER**
- mitigation bank
- conservation bank
- mitigation bank
• Needed: Clear indicators of policy support
  – Concerns from Sox ruling, CO2 markets
• And: An efficient and supportive entitlement process
  – ecological integrity with economic efficiency
• Recent developments: 2008 Rule and new preference language from USACE

• Opportunities:
  – From guidance to rules under ESA
  – Energy and transportation infrastructure
  – TMDL, NRDA, other forms of compliance
• Investors need strong assurance of policy continuity
• Impacts on private investment must be considered as implementation rolls out: Example of Washington State Parks RFQ
• Regional offices of regulatory agencies require explicit support and funding in order to enable environmental market transactions.
• The Big Shift: From investment in direct acquisitions to investment in *transaction infrastructure* that can enable multiple actions
"Markets" vs. "Payments for E-Services"

- Private investment
- Public spending
- Shared infrastructure
- Compliance credits
- Public priorities
CONTACT

Adam Davis
adam@ecosystempartners.com
(415) 462-0163
www.ecosystempartners.com