

## FORUM

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## Wall Street, government need to put more stock in Bay's economic value

By JOEL DUNN

I was lucky enough to grow up in the 1980s catching frogs, hooking sunfish, and exploring the mossy banks of Walden Pond, which Henry Thoreau turned into a symbol of nature and the need to protect it. There, I found the inspiration that led me toward a career in conservation that eventually brought me to the Chesapeake.

Today, I still find inspiration from Walden Pond, but now in the form of the book, *From Walden to Wall Street*, by James Levitt, which was published back in 2005. Ahead of its time, the book predicted that the future of the planet depends on private capital for conservation.

Now in my 40s, local headlines like *New State Plans Reveal Tough Path to 2025 Cleanup Goals*, and international headlines like “1 Million Species Threatened with Extinction,” have led me to join our generation's most notable conservationists, such as E. O. Wilson's work to conserve *Half Earth*, to save our planet, and Hansjörg Wyss's *Campaign for Nature* to conserve 30% of the planet by the year 2030. (See: *This 'half measure' might be enough to save Bay for next generation*, December 2018.) While there's significant interest in these conservation goals, there is always the daunting question of how we pay for it.

Specifically, here in the Chesapeake, a movement is growing to conserve and restore 30% of the Chesapeake's working lands and natural lands for the future of our region by 2030, and 50% by 2050. At the same time, we are deploying advanced technology and intense collaboration to move from an effort-based initiative to a results-oriented community, making this land conservation goal and overarching water quality goals feasible, measurable and intertwined. (See: *Data the new driver in conservation decisions regarding Bay*, June 2018.)

While the states in the Bay watershed have collectively appropriated more than \$300 million in each of the last two fiscal years to conserve important lands, and have received some complementary federal funding, these levels will be inadequate to conserve another 3.1 million acres of land by 2030 to achieve the 30% goal.

Government funding will be imperative, such as Maryland's Program Open Space, Virginia's Land Preservation Tax Credit, Pennsylvania's Keystone



*Private investment in conservation is needed to help the Bay now and to help create a sustainable world for future generations. (Steve Droter / Chesapeake Bay Program)*

Fund or the federal Land and Water Conservation Fund, but government funding alone will not protect our water quality, wildlife or way-of-life. This stark realization, and the necessity to move quickly, brings me to private investment in conservation.

Surveys by the Ecosystem Market Place have documented the continued increase in private investment in conservation over the period of 2004 through 2015 totaling \$8.2 billion worldwide. The U.S. portion of this total is \$1.7 billion. Investors are finding that nature can indeed provide quantifiable economic benefits by preserving or restoring clean water, protecting habitat and providing sustainable sources of fiber and food. This funding source is very real and growing.

In 2016, McKinsey and Company found that from 2015 to 2030, global demand for new infrastructure — transportation and energy networks and waste and water facilities — could amount to more than \$90 trillion, almost double the estimated \$50 trillion value of the world's existing stock. (Enter into search engine: Financing change: How to mobilize private sector financing for sustainable infrastructure.) Because of sustainable economic development commitments by governments, significant public and private capital will flow into sustain-

able energy, water, and transportation systems and green infrastructure, which will necessarily include land conservation.

According to the 2016 State of Private Investment in Conservation survey, there are several motivations for conservation investors other than profit, including fulfilling their own organization's conservation objectives, economic prosperity, corporate social responsibility plans and diversification of their investments.

We have officially entered the era of socially responsible and sustainable investments, where people expect to make the world a better place as well as make money. Take Baltimore's Brown Advisory and their Sustainable Growth Fund. Or look at Goldman Sach's 2018 Sustainability report, which indicates that they have surpassed \$80 billion in their goal to finance or invest \$150 billion in clean energy by 2025.

Given our region's need to significantly increase the scale of land conservation and restoration, combined with population growth projections, we need to increase existing public funding programs and create the conditions necessary to attract large amounts of private capital investment. For-profit environmental firms like Ecosystem Investment Partners, Quantified

Ventures, GreenVest, Resource Environmental Solutions, Lyme Timber, ACRE Investment Management, LLC, and others have successfully demonstrated that restoration opportunities in the Chesapeake can deliver excellent conservation and restoration results as well as provide necessary returns to private investors.

A recent conference convened in April by the Chesapeake Conservation Partnership, Alliance for the Chesapeake Bay, and Land Trust Alliance presented several tools used to attract private return-seeking investments to conservation projects. We also explored the risks, drivers and barriers in the Chesapeake region.

When we face the prospect that Pennsylvania's pollution reduction plan falls short of its 2025 goal, or that New York has suggested that they may not even follow their stated plan, both primarily due to funding limitations, then we need to come up with another way. Government leaders and Wall Street must hear this call to fund the restoration of the Chesapeake and conservation for the planet by increasing public funding and attracting sources of private capital investment. The future of our Chesapeake Bay, and indeed our planet, depends on it.

*Joel Dunn is president and CEO of the Chesapeake Conservancy.*