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# Green Infrastructure Financing

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# Green Infrastructure Financing

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## *Key issues:*

- Define green infrastructure
- The role and structure of the financing process
- Green infrastructure as a financing structure
- Characteristics of a successful financing strategy



# Green Infrastructure

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## *What is green infrastructure?*

- *Interconnected network* of natural areas and other open spaces that conserves natural ecosystem values and functions, sustains clean air and water, and provides a wide array of benefits to people and wild life.\*
- *Land use planning* tool incorporating multiple uses and benefits: habitat, working lands, water resources, renewable energy, recreation

\*Green Infrastructure: linking landscapes and Communities; M.A. Benedict, E.T. McMahon

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# Green Infrastructure

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## *What is green infrastructure?*

- *An ecological framework* for environmental, social, and economic health - in short our natural life support system\*
- *A very effective planning framework* for maximizing our environmental, social, and economic ***return on investment***

“Green Infrastructure: linking landscapes and Communities; M.A. Benedict, E.T. McMahon



# Green Infrastructure Financing

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## *Three related themes:*

- ***Funding:*** acquiring fiscal resources
- ***Financing:*** a discipline concerned with determining value and making decisions. It is an allocation process: acquiring, investing, and managing fiscal resources
  - The goal: increase *return on investment*
- ***Economy:*** a system of producing, consuming, and distributing wealth



# Green Infrastructure Financing

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## *What is finance?*

- A discipline concerned with *determining value* and making decisions. It is an allocation process: acquiring, investing, and managing fiscal resources
- Ultimate goal: increase *return on investment*



# Financing Truths

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- *It is cheaper to protect than to restore*
- Taking action today is cheaper than taking action tomorrow
- There is not, has never been, and never will be enough grants - public or private - to fund natural resources protection and restoration



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## *The goal of financing:*

- Increase fiscal or economic *return on investment* (ROI)
  - In the private sector: increase cash flow  
**More money**
  - In the public sector: decrease costs.  
**More money**



# Green Infrastructure Financing

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## *Three core financing components:*

- Financing *sources*: the ultimate payers of the costs
- Financing *instruments*: the tools needed to connect the sources to the costs
- Financing *institutions*: the organizations and entities necessary for implementation



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## *Effective financing strategies:*

- Community-based, incorporating all stakeholder groups
- Integrated, combining a variety of sources, instruments, and institutions
- Mirror the resource, incorporating multiple landowners, land uses and landscapes



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## *Components of a financing strategy:*

- Effective use of grant funding and technical assistance programs
- Effective, *enforced* regulations
- Fees and taxes
- Market-based programs
- *Coordination with other community programs and priorities*



# Triple Bottom Line

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**“Livable  
Communities”**

**Social  
Capital**

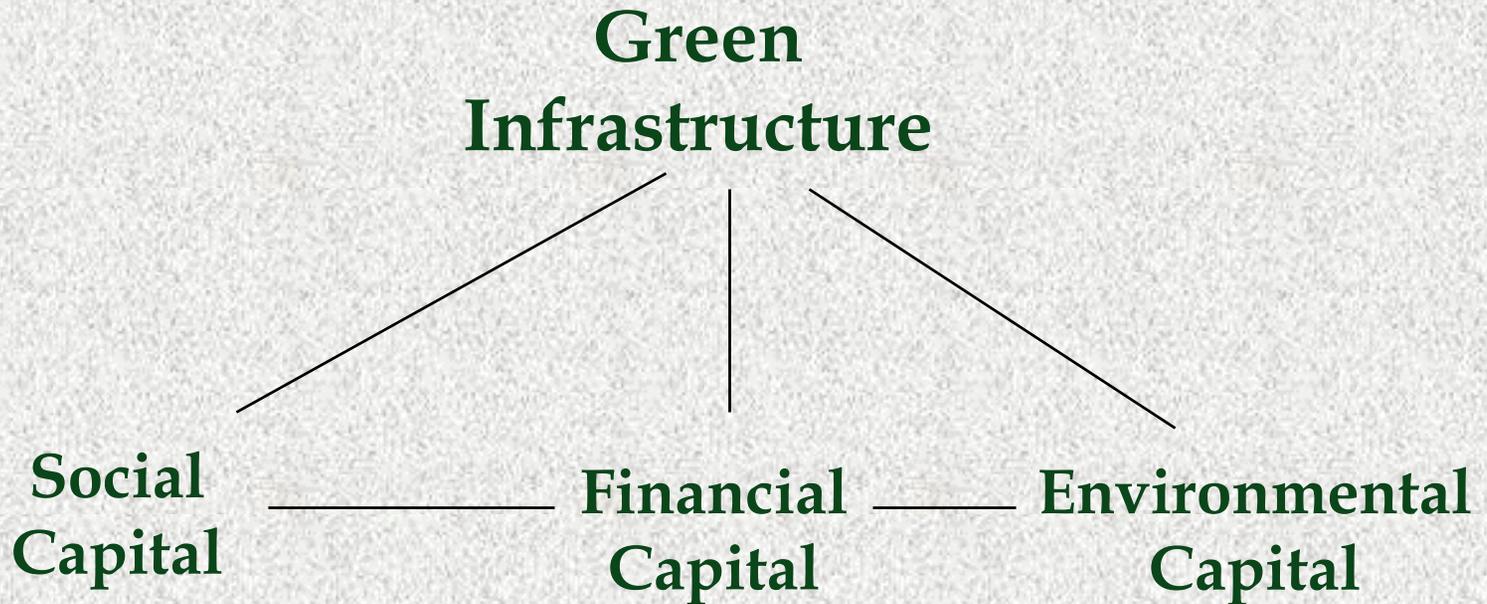
**Financial  
Capital**

**Environmental  
Capital**



# Triple Bottom Line

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# Questions and Discussion



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