

Chesapeake Bay Commission Pay for Performance

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Chesapeake & Coastal Service

Chesapeake & Atlantic Coastal Bays Trust Fund



In 2007, Maryland General Assembly took a bold step in their efforts to restore the Chesapeake Bay with the creation of the Chesapeake and Atlantic Coastal Bays Trust Fund (Trust Fund)



The Trust Fund allows Maryland to accelerate Bay restoration by focusing limited financial resources on the **most cost effective non-point source pollution control projects**



Funding is generated through motor fuel and car rental tax in Maryland. When fully funded, the Trust Fund will generate upwards of \$50 M annually in support of watershed restoration



Maryland
Department of
the Environment



Guiding Legislation (2008)



Natural Resource Article § 8-2A-02

It is the intent of the General Assembly that:

1. Money in the fund shall be **granted** to **local governments and other political subdivisions** for agricultural, forestry, stream and wetland restoration, and urban and suburban stormwater non-point source pollution control projects.

1. Trust Fund grants shall target funds geographically and by practice to projects that will deliver the greatest, most cost-effective non-point source reduction per Trust Fund dollar.

1. To the maximum extent practicable, the state shall distribute the Trust Fund monies on a competitive basis.

1. The bay agencies develop an Annual Work and Expenditure Plan that identifies the planned work and expenditures to be funded with money from the Trust Fund for the next fiscal year.

Conservation Finance Act of 2022



- Conservation Finance Act:
 - Financing for green and blue infrastructure has **equal footing to gray infrastructure**,
 - Allows loans for forest conservation, and
 - Loan guarantees to nonprofits and for profits for green/blue infrastructure, pay for success, or impact bond work.
- Green and Blue infrastructure is a priority for the state revolving loan funds.

In CFA, *Pay for Success Contracting* is defined as

“a performance–based procurement method through which a unit contracts with an organization to deliver services or commodities in exchange for payment based on the achievement of outcomes.”

CFA 2022 Impact



1. Added the ability to directly contract with for-profit aggregators.

1. Projects that, in addition to providing **cost-effective and measurable nonpoint source pollution reductions**, provide co-benefits including:
 - the restoration of aquatic resources, such as seagrass beds or oyster reefs;
 - climate resilience;
 - carbon sequestration;
 - creation of wildlife habitat;
 - local employment opportunities;
 - the improvement or provision of recreational opportunities; or
 - environmental justice benefits

Verification (model-based)



Home

Organization

Profile

Projects

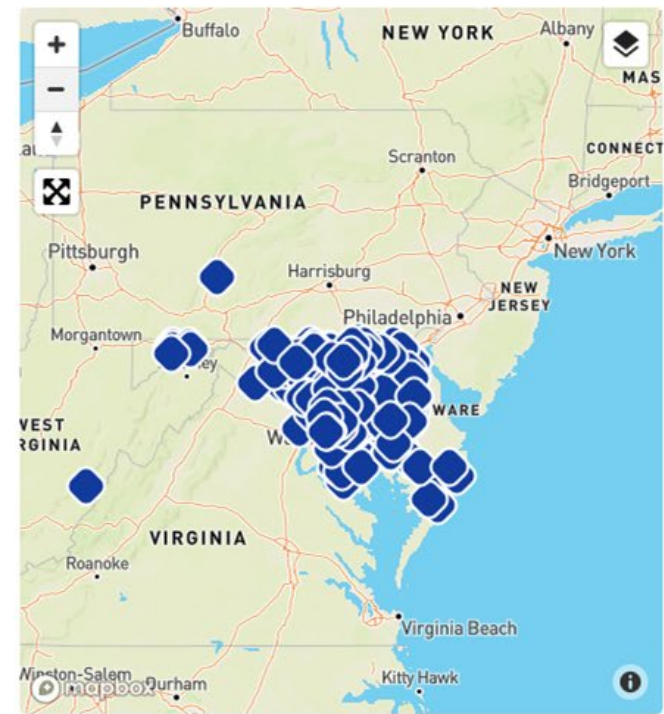
Dashboards

Tags

Chesapeake & Atlantic Coastal Bays Trust Fund

Maryland's Chesapeake & Atlantic Coastal Bays Trust Fund (Trust Fund) is seeking to fund the most cost-effective, efficient nonpoint nutrient and sediment reduction project proposals in geographic targeted areas of the State. The Trust Fund encourages projects that will achieve the greatest reduction per dollar invested.

[View website](#)



Metrics

Adapted Chesapeake Nutrient and Sediment Load Reduction Model

The following metric values were generated using data and algorithms supplied by the Adapted Chesapeake Nutrient and Sediment Load Reduction Model model. You can find more information about this model [here](#).

	Estimated value	Estimated progress	
Pounds of total suspended solids reduced	11,317.36 pounds per year of 11,317.36	100.0%	○
Pounds of total nitrogen reduced	69.34 pounds per year of 69.34	100.0%	○
Pounds of total phosphorus reduced	8.60 pounds per year of 8.60	100.0%	○

FieldDoc.org

Considerations



1. Desirable Environmental Commodities

- a. Clean Water Commerce (solicits nitrogen reductions)

2. Co-benefit targeting & tracking

- a. Determining competitive costs for ecosystem services for payment structure
- b. Determining data layers for co-benefits and ranking system for most-desireable / impactful
- c. Continued engagement of watershed organizations

3. Procurement process

- a. MD continues to engage procurement staff
- b. A Pay for Performance procurement workgroup is being developed
 - a. Confusion round the contracting v. procurement of environmental commodities

4. Allowable funding for Adaptive Management, Maintenance and additional commodity payments

5. Targeted monitoring efforts

Example Project: Zartler North



Immediately Post-Construction
(As-Built; Payment #1)

Year 5 Monitoring Report
(Payment #5: FINAL)



Contact Information



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