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**New Investment Model for Green Infrastructure to Help Protect Chesapeake Bay  
*Business and conservation interests set to invest in Washington, D.C.'s stormwater management program***

**WASHINGTON, D.C.** – In an effort to reduce the polluting effects of stormwater on regional waterways, Prudential Financial is investing \$1.7 million towards a new pilot collaboration between The Nature Conservancy and Encourage Capital called District Stormwater LLC (DS). The announcement was made today at a White House event hosted by the Council on Environmental Quality.

This new venture is expected to prevent the runoff of millions of gallons of pollutant-laden stormwater from the nation’s capital into the nearby Potomac and Anacostia rivers. Stormwater runoff is now the fastest-growing source of water pollution both in the Chesapeake Bay Watershed and worldwide.

Funds will be deployed to finance the development of green infrastructure on properties in the District of Columbia that measurably reduce stormwater run-off through proven distributed, nature-based solutions. These projects, such as permeable pavement and rain gardens will generate Stormwater Retention Credits (SRCs) under the District’s new Stormwater Credit Trading Program. The Conservancy and Encourage, an asset management firm based in New York, will oversee the enterprise.

“District Stormwater takes an innovative approach to improving critical environmental infrastructure in our nation’s capital and is a model for addressing similar issues nationally,” said Lata Reddy, vice president of corporate social responsibility at Prudential and president of The Prudential Foundation. “This investment is a

great example of how public policy can encourage private investments to solve urban challenges and the critical role that impact investments can play in catalyzing new markets.”

Underlying the DS investment is Washington, D.C.’s Stormwater Retention Credit Trading Program, a first-of-its-kind environmental market for stormwater management. The District’s program allows land-constrained developers to meet part of their mandated stormwater retention requirements by purchasing credits from offsite projects that reduce stormwater runoff, like rain gardens, green roofs, permeable pavement and other green infrastructure practices. Credits can be sold on the open market to those who need them to meet regulatory requirements.

“We view Washington, D.C.’s Stormwater Retention Credit market as a powerful opportunity to accelerate use of green infrastructure through private sector investment while also reducing the need for public spending on stormwater management,” said Marc Diaz, managing director for NatureVest, the impact investment unit of The Nature Conservancy. “We would very much like to see the financial model that allowed us to create this project in Washington, D.C. be replicated in other cities, bringing positive environmental and social impacts along with financial returns.”

“Encourage Capital believes that leveraging private capital can make a meaningful impact towards solving pressing environmental problems in urban communities. Investment strategies like District Stormwater can help make cities more sustainable and resilient using proven nature-based solutions that are as effective, if not more effective, than traditional gray alternatives, while offering meaningful co-benefits to communities and the environment,” said Eron Bloomgarden, partner at Encourage Capital. “We envision a world where the built infrastructure is designed and constructed to harness the power of natural systems, and where cities recognize the value and potential of natural ecosystems as mission critical infrastructure. We hope and expect that this pilot will pave the way for more investments like it in Washington, D.C. and beyond.”

"The Nature Conservancy is committed to demonstrating that cities can become more resilient with strong, nature-based solutions," said Dr. Elizabeth Gray, executive director of the Conservancy in Maryland/D.C. “Through this new collaboration, we can show how innovative financing can bring such nature-based investments to Washington, D.C. where they can make a positive impact on the health of our watershed.”

Next steps for DS include identifying priority sites around Washington, D.C. to implement strategically placed green infrastructure. The projects are anticipated to benefit the District's waterways, provide social benefits for local communities, and financial return for investors.

**The Nature Conservancy** is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. To date, the Conservancy and its more than one million members have been responsible for the protection of more than 119 million acres worldwide. Visit The Nature Conservancy on the Web at [www.nature.org](http://www.nature.org). In Maryland, The Nature Conservancy has helped protect more than 75,000 acres since 1977, including Nassawango, the state's largest private nature preserve. For more information, visit [nature.org/maryland\\_dc](http://nature.org/maryland_dc).

**NatureVest:** The Nature Conservancy launched its impact capital strategy in 2010 with support from the [Robertson Foundation](#) that continues today, and built a global network with subsequent support from the Jeremy and Hannelore Grantham Environmental Trust. In early 2014, with founding sponsorship from [JPMorgan Chase & Co.](#), NatureVest was launched as a concerted effort to change the way we invest in nature.

**Encourage Capital, LLC** is an asset management firm specializing in profitable and strategic investments to solve critical social and environmental problems. Encourage Capital was formed by the merger of Wolfensohn Fund Management L.P. and EKO Asset Management Partners, LLC. A unique partnership of disciplined investors and creative problem-solvers, the firm is working with major asset owners to deploy investment capital to solve problems like global ecosystem decline, climate change, and bringing financial services to the world's poor. Visit Encourage Capital at [www.encouragecapital.com](http://www.encouragecapital.com).

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