

Incentivizing Action Plan: Implementing the Resilient Protection Frameworks

Executive Summary

Prepared by Throwe Environmental

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This report was produced by Throwe Environmental on behalf of The Nature Conservancy's Maryland/DC Chapter. Throwe Environmental is an environmental consulting firm with unparalleled experience addressing sustainable funding, financing, and investment issues across the Mid-Atlantic and nationally. For more information, please contact:

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I. Executive Summary

Project Background.

Between June 2022 and December 2023, [Throwe Environmental](#)² (TE) contracted with [The Nature Conservancy's Maryland/DC Chapter](#) (TNC) to lead the Incentivizing Action Plan (IAP) Work Group (composed of TNC and TE project team members) as part of TNC's [Resilient Protection Frameworks](#) (RPF) project. TNC's multi-faceted RPF initiative aims to address sea-level rise impacts in Maryland by (1) ensuring the healthy landward migration of coastal habitat and (2) providing landowners, land users, and practitioners with the tools necessary to respond to landscape change.

The Resilience Challenge.

More than 4 feet of sea level rise is expected in Maryland by 2100. Maryland's coastal marshes – a natural protective buffer between coastal communities and open water, and an invaluable ecosystem offering environmental, social, and economic benefits – are at risk of inundation. Marsh migration in response to rising water levels is expected to increase dramatically by 2100, threatening coastal communities, many of which are agricultural. Landward marsh migration can come at the expense of productive land, posing serious concerns to coastal communities in general, and farmers in particular. However, marsh migration can benefit farmers. Marshes' adaptive capacity offers protection from coastal processes like erosion, saltwater intrusion, and flooding.

Recognizing inevitable anticipated sea level rise, an urgent need exists to take action. Across Maryland's Eastern Shore in particular, a crucial aspect is aligning land use with essential community and environmental goals. The RPF exists at this nexus.

Project Structure and Approach.

The IAP Work Group was organized around four project tasks and their associated deliverables: (1) routine engagement of an expert advisory committee; (2) a comprehensive analysis of existing research, information and knowledge in a literature review; (3) outreach through expert interviews and a series of financing charrettes; and (4) the development of an *Incentivizing Action Plan* that provides a framework for financially and institutionally supporting CRE and CRMP implementation.

Process for Developing Recommendations.

Upon completing our research and analysis, TE provided TNC with a stepwise list of preliminary findings and action alternatives for consideration. The list of alternatives elicited conversation

² Throwe Environmental is a Rhode Island-based environmental consultancy with unparalleled experience addressing sustainable funding, financing, and investment issues nationally, and across the Mid-Atlantic specifically.

and served as a “menu of options” from which final project recommendations were distilled. TNC preferred a financing framework organized around a nimble institution that embodies the values and characteristics identified throughout TE’s research, and one with a diverse portfolio of revenue options. Using these parameters as a starting point, the final report and TE’s core recommendations are based upon our robust research, as well as previous discussions with TNC.

Core Findings.

The following findings emerged from TE’s engagement, research, and analysis:

- **New revenues are needed.** While several easement programs exist in Maryland, they operate with limited revenues and program priorities that are not specifically tailored for CREs/CRMPs. Additional funding is therefore needed to support CREs and CRMPs. The Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) may serve as initial funds, but these are only short-term solutions.
- **Regional, potentially new institutional leadership is needed.** Existing institutions must also be augmented to adequately support the RPF and associated programs. State agencies currently do not have the capacity or programmatic structures to support coastal resilience as a core priority. A new institution, or perhaps enhancements to existing institutions, is needed.
- **Institutions must (1) support CRE/CRMP programming, and (2) do so within the broader regional adaptation context.** The RPF requires certain enabling conditions for success (scale, efficiency, equity, etc.). Any institution supporting RPF implementation must embed these conditions throughout its institutional structure. Additionally, while it is critical that the RPF is successful as a singular program, it is equally important to ensure the RPF is coordinated with all existing and future resilience programming across the region. As but one piece of community resilience programming, the RPF should be integrated into the region’s broader climate adaptation apparatus.
- **Any institutional structure should leverage existing strong relationships with community-based organizations (CBOs).** Part of the need for more capacity is the need to engage CBOs, including land trusts. CBOs have forged deep relationships with community members over decades. The RPF’s institutional and financing framework should build upon these foundations and leverage these CBOs as key partners.
- **The financing framework must include sufficient incentives to garner sustained landowner/land user participation.** While revenue streams can be identified to sufficiently fund the RPF, the framework must include adequate incentives to encourage long-term participation. Landowners/land users must be financially compensated in a way that secures sustained stewardship.

Conclusions.

TE drew the the following conclusions when considering our full range of analysis:

- **There remains a need to finalize scale and scope.** There has been a recurring desire to identify particular funding streams to support the RPF in general, and CRMP development and implementation in particular. While TE does this for short-term implementation, significant unanswered questions related to scale and scope remain that complicate the exploration of longer-term funding.
 - Scale. Long-term success and financial sustainability of the RPF is predicated on identifying the scale of implementation. With notable federal, state, and local funding and implementation challenges, a regional approach emerges as arguably the most strategic.
 - Scope. There remains a need for broader engagement of interested parties to ensure the RPF's viability. Significant work has gone into the design of the CRE/CRMP tools. However, questions remain about community support that can only be answered through active engagement, planning, and collaborative decision-making. Combining broader scope and scale, there is the potential to cultivate an inclusive regional adaptation strategy.
- **Institutional support will prove critical.** While much focus has been placed on funding to support the RPF, perhaps more important are the institutional structures needed to generate funding and facilitate cash flow. In other words, the success of the RPF hinges not on financial investments, but rather critically on leadership and institutional support. Barring continued ownership from TNC, the efficacy of implementation is in doubt without leadership from one or more institutional structures.

Summary of Recommendations.

The following recommendations speak to scale, funding, and institutional support, providing a framework for advancing the RPF's financial and investment system in the long-term.

Recommendation 1: Establish the scale and scope of RPF implementation.

Implementation of the RPF relies on its ultimate scale and scope. The working assumption evolved from the IAP Work Group process is the RPF should be launched in the Lower Eastern Shore. RPF implementation lends itself to a regional approach in terms of objectives, anticipated challenges, capacity needs. However, it is nonetheless recommended these working assumptions be tested through engagement with external interested parties. Success relies on the support of partners, which requires that partners see their interests in the RPF vision. However it is decided, finalizing the RPF scale and scope will inform implementation funding and leadership strategies.

Recommendation 2: Develop a robust, diverse revenue portfolio.

No single funding source will sustain RPF programming. Rather, a comprehensive, diverse, adaptable, redundant, and flexible revenue portfolio is needed as the first piece of a broader investment system. The revenue portfolio should consider all “tiers” of funding, including (1) foundational; (2) supplemental; and (3) asset-based revenues. While all tiers should be considered, an amalgamation is necessary. Individual sources should be explored where there is value added; every dollar should be invested as equitably, efficiently, and effectively as possible. Further, the revenue portfolio should match the scale and scope of implementation. Whereas different activities require different funding structures, there will be a need for active management of funds and cash flow. This suggests a need for institutional capacity.

Recommendation 3: Establish a resilience authority.

Once scale and scope are determined, implementation will require a revenue portfolio and an institution to actively manage it. Maryland’s resilience authority model (enabled by Senate Bill 457 (2020)) makes for an ideal fit for the RPF. Namely, resilience authorities have the following notable attributes:

- Community-based and community-driven governance structures
- Dedicated programmatic capacity and leadership
- Ability to coordinate, partner, and scale within and across municipalities
- Internal policies for professionally managed funds
- Removed from partisan politics
- Flexibility amid uncertain conditions

A resilience authority has the opportunity to consider the RPF in the broader context within which it exists *and* integrate the RPF into the regional resilience programming landscape to create efficiencies and maximize effectiveness.

Recommendation 4: Establish an Authority as a regional entity focusing on the Lower Eastern Shore, but with the potential to expand over time.

TE recommends that an authority be initially established by multiple jurisdictions as a Lower Eastern Shore resilience authority. A collaborative approach offers opportunities for efficiencies, cost-sharing, and scale that make it an intriguing option, particularly for rural communities with limited resources and capacity to act. A regional approach can also build on existing partnerships to generate widespread buy-in and foster coordination. Over time, there may be opportunities to expand an authority’s purview to function as the *de facto* resilience organization for the entire Eastern Shore, or perhaps beyond. While it is too early to assume this is appropriate, the mere option to expand is an option worth consideration.

Immediate Next Steps.

Recognizing TNC's desire for short-term, catalytic action, TE puts forth the following initial "Next Steps" aimed at spurring implementation of our recommendations.

- 1. Pursue BIL and IRA funding to catalyze initial CRMP implementation.** While not a sustainable revenue source, grant funding is an appropriate short-term revenue source to build momentum. Federal BIL and IRA offer acute opportunities given their focus on climate mitigation and adaptation infrastructure, the short timeframe of these statutes, and the potential volatility of funding availability in a changing political climate.
- 2. Partner with interested local governments on the Lower Eastern Shore to develop a plan to establish a regional authority.** Resilience authorities must be established via local ordinance. Yet, while TNC cannot establish a resilience authority, it could play an important role convening conversations on this idea as a natural extension of the RPF. As a trusted entity with capacity and technical expertise, TNC could facilitate conversations between potentially interested municipalities around the idea of establishing a resilience authority.

Conclusion.

As this initial stage of the Resilient Protection Frameworks concludes, TE aims for this *Incentivizing Action Plan* to serve as the foundation for the development of the institutional systems and mechanisms necessary to financially support sustained implementation of this project's outputs.