



ENVIRONMENTAL POLICY
INNOVATION
CENTER

Pay for Success Contracting

Resources to understand the benefits of Pay for Success contracting for environmental restoration projects.



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What is Pay for Success?

Pay for Success contracting is a procurement strategy that defines desired outcomes and invites the private sector to deliver those in advance of payment, ensuring outcomes are achieved before payment is provided.

They help create positive economic pressure, allowing the private sector to take on the risk of achieving project outcomes and spend funding efficiently. The bidding process, contracts, and payments are then based on delivery of those outcomes.

Key Benefits:

- Reduces risk of funding ineffective projects
- Faster, and more scalable than traditional procurement
- Attracts the private sector

How it works:

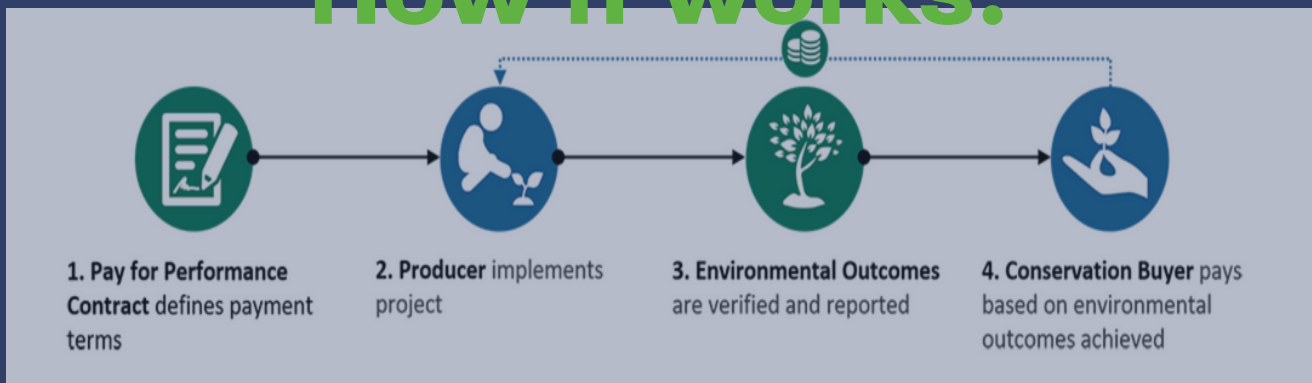


Image credit: [Environmental Incentives](#)

A note on using this document:

Underlined words denote a hyperlink to a resource. If you are using a physical copy of this Resource Packet, please refer to the URLs provided in brackets.

Resources

[Toolkit](#) by Environmental Incentives

Suite of resources for various environmental strategies including stormwater management, habitat conservation, detailed looks on different contract structures, and other great resources! [<https://enviroaccounting.com/>]

Examples of [State](#) and [Federal](#) Legislation

Links to an overview of Maryland's Conservation Finance Act as well as a full paper summarizing 4 recent natural resource procurement bills.

[<https://bit.ly/MDConFinance>]

[<https://bit.ly/FedConFinance>]

[Pay for Success as a way to deploy federal money quickly](#)

This full report discusses how Pay for Success could help deploy the influx of federal funds in a quick and efficient manner. There is also an overview of Pay for Success and P3s included as well.

[<https://bit.ly/PFSBIL>]

[Common contracting pitfalls and how to avoid them](#)

Are you writing an RFP for a Pay for Success contract? Interested in learning from other's hurdles? This blog discusses common pitfalls when designing these innovative contracts.

[<https://bit.ly/PFSPitfalls>]

[Case Studies](#)

High-level examples of successful environmental Pay for Success projects across the country. While you're here, check out other publications and blogs from restorationeconomy.org

[<https://bit.ly/PFSExamples>]

[Terminology Explainer](#)

Confused about the various terms and references when diving into Pay for Success? This quick blog discusses the nuances of Pay for Success vocabulary and what commonly used terms mean.

[<https://bit.ly/PFSTerms>]