

Building a Multi-Credit Marketplace in Oregon

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Overview

- Background and definition
- Why an ecosystem marketplace is important
- Essential elements of a marketplace
- Significant risks
- Policy issues
- Next steps



Ecosystem services

- Environmental benefits
 - fish and wildlife habitat
 - clean water and air
 - pollination
 - mitigation of environmental hazards
 - control of pests and diseases
 - carbon sequestration and emissions control
 - soil productivity



What is an ecosystem marketplace?

- System for buying and selling ecosystem services
- Wetland and conservation banks
- Offset, or cap-and-trade programs
- Voluntary transactions





- Diverse collection of stakeholders interested in finding creative solutions to ecological challenges
- Creating a multi-credit marketplace

Why an ecosystem marketplace?

- Doubled population by 2020
- Habitat loss and fragmentation
- Climate change, water shortages, endangered species



Why?

Existing programs are not working:

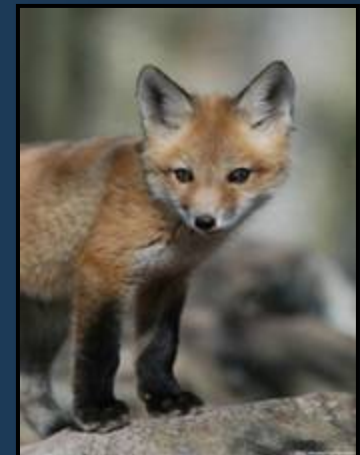
- 100% compliance is not enough
- Regulations are unevenly applied
- Investments are scattered and piecemeal



Why?

Ecosystem services are expensive to replace:

- Clean, abundant water
- Flood control
- Restoration of suitable habitat
- Pollination
- Temperature moderation



Why?



Tap private funds to offset impacts:

- Expedites development in the right places
- Steers investments to priority sites

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Essential elements of a marketplace:

1. Ecologically effective
2. Address multiple values
3. Strategic investment at landscape scale
4. Transparent and credible to public
5. Accessible with low transaction costs

1. Ecological effectiveness...

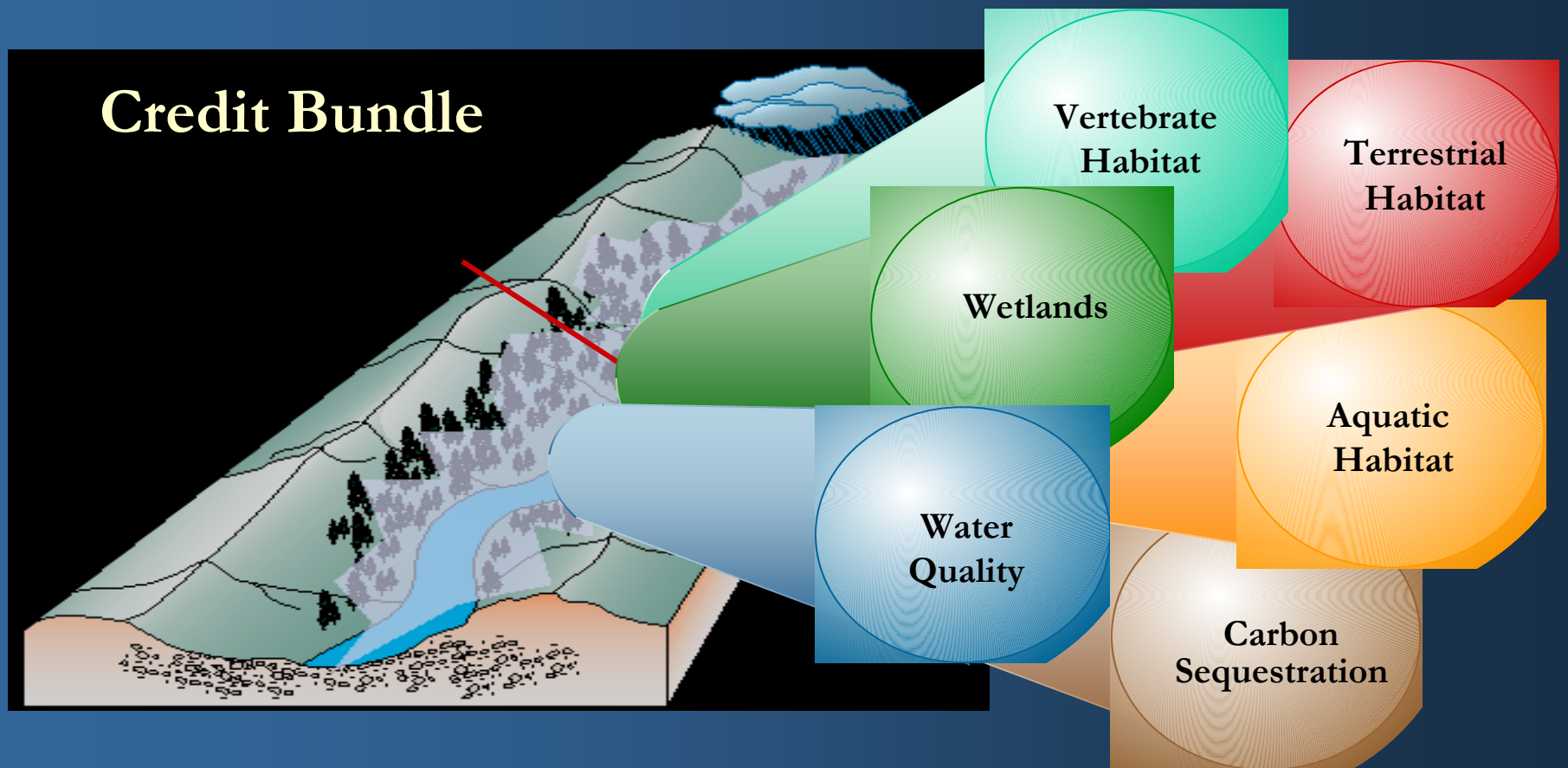
- Concrete goals with monitoring
- An accounting system
- Principles of conservation biology
 - Connectivity
 - Allows ecological processes to function
 - Addresses species, habitat at-risk



2. Address multiple values. . .

- Wetlands
- Endangered species
- Water quality
- Carbon

Bundling ecosystem services



Single purpose markets are too thin and administratively complex.



What about the possibility of generalized ecosystem credits with a common currency?

Riparian restoration



=

200 Ecosystem Services Credits

3. Strategic investment at landscape scale...

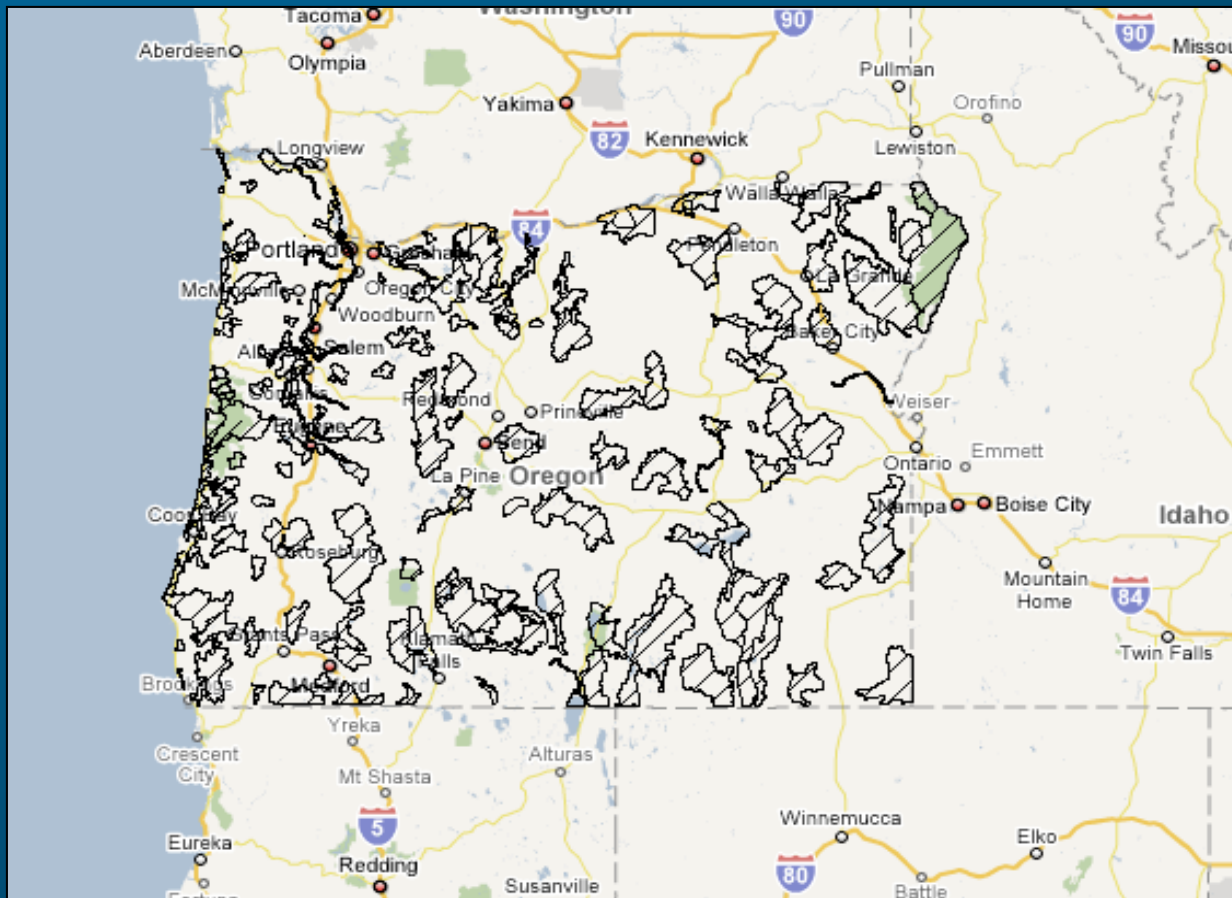
- Current projects are too small and disconnected
- Too many programs, narrowly focused

Willamette Valley
Synthesis Map



Oregon Conservation Strategy

- Expand conservation banking to statewide approach.



4. Transparent and credible...

- Existing markets opaque
- Need web site and ecosystem credit registry





5. Accessible with low transaction costs...

- Balance precision with practicality
- Attract buyers and sellers
- Provide assistance to help cover risk

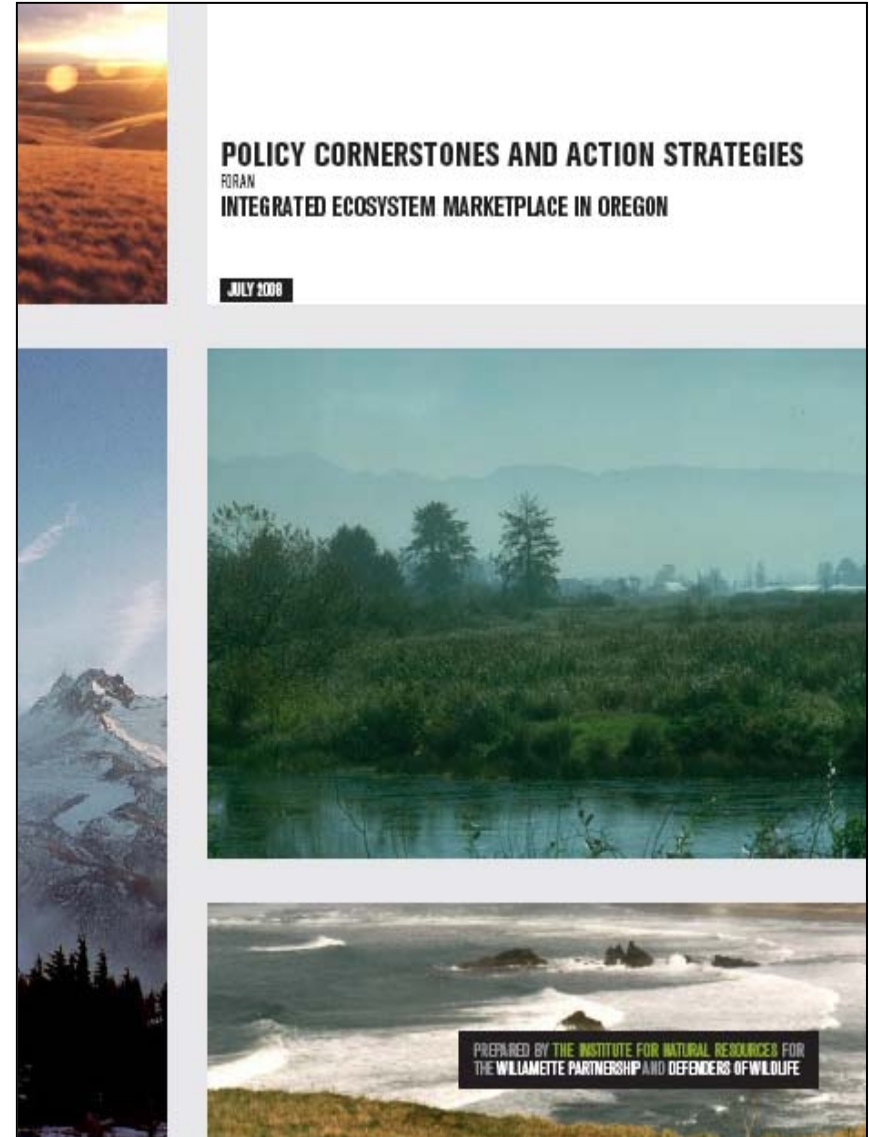
Significant Risks

- Parties could fail to agree on priorities
- Investments will be random and small scale
- Markets will remain in silos
- Transaction costs will be too high
- Measurement too difficult and expensive



Policy Issues:

- No net loss of ecosystem services AND restoration
- Role of government and private sector
- Agency authorities, obstacles
- Need to encourage, enable, assist market
- Reward agency innovation



Next Steps:

- Broader understanding and acceptance of priorities through cross-boundary planning and monitoring
- Clearly defined role for state and local government
- Legislative proposal to enable and encourage
- Mechanisms to track credit offerings, sales, ecological outcomes
- Build a voluntary ecosystem marketplace as proof of concept

Contact



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