PES - Market Size

What are we talking about?
What does it mean for Private Capital?

ACES and Ecosystem Markets

December 12, 2012

Pat Coady
The Next 10 Minutes

Reported Size of Key Markets

What is a market? PES Market?

Issues for Attracting Private Capital

What to be Done?
Great Studies and Reports—but

www.ecosystemmarketplace.org

Ecosystem Service Market Development:
The Role and Opportunity for Finance

State of Watershed

State of Biodiversity Market

State of Carbon Markets
U.S. Market Size (2008???)

- Wetlands/Stream: $3b-but
- Species: $300m-but
- Nutrient: $15m-maybe
- Carbon: $237m-but
Example: Water Quality Transactions

Private But Not Private Capital Transactions

- Bilateral
- Sole Source Offset
- Clearinghouses/Exchanges
- Credits
Private Capital

Private Capital and Arithmetic

Risk Assessment

Scale and Market Size

Transaction Costs

Resale/liquidity

Regulatory Risk
Private Capital - Business Models

- Funds
- Project Developers
- Intermediaries
Questions For The Session

How to address impediments?

Engineering of new financial models-
How to accelerate the process?
So, What Do We Do?

Need work on new, innovative instruments

Ideas:

Methodology to pool credits

Focus on project finance models with government underpinning (think toll roads, debt)

From the audience