



Getting Better Biodiversity Outcomes From Coordinated Environmental Markets

Public-Private Interactions

A Community on Ecosystem Services - December 8, 2014



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United States Department of Agriculture

Markets will work if...

... the Public's Interest is Protected

GOOD POLICY

...and the Buyers, Sellers and Regulators
are Confident in the Efficiency &
Credibility of the Programs

GOOD



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Who makes the rules?





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Credit Stacking & Mitigation

Crib Sheet for Regulatory Programs

- Credits may not be used to mitigate more than one permitted activity*
- Federally funded projects are not additional*
- Mitigation projects may address requirements for multiple programs
- Credits may be generated by activities undertaken in conjunction with, but supplemental to mitigation
- Regulatory agency is responsible for how to credit
 - Credits proportional to non-Federal investment



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“USDA asserts no direct or indirect interest in credits generated with Farm Bill funds.”

- (a) However, USDA retains the authority to ensure that Farm Bill program purposes are met. In addition, any requirements or standards of an environmental market in which a participant simultaneously enrolls to receive environmental credits must be compatible with the purposes and requirements of the USDA program contract.
- (b) The participant must meet all operation and maintenance (O&M) requirements for program-funded activities
- (c) Participants may not use program funds to implement conservation practices and activities that the participant is required to establish as a result of a court order.



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**PAYMENT
STACKING**

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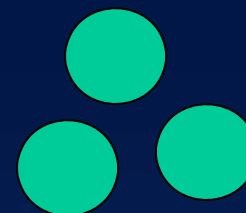


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Credits, Stacking and Policy

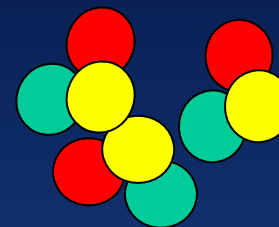
Simple Credits (CO₂ and Sediment)

- one kind of environmental benefit
- discrete unit of measurement
- can be sold individually or grouped



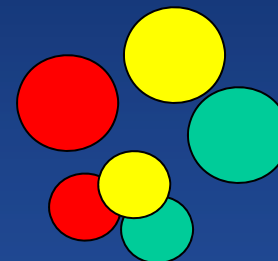
Compound Credits (Wetlands)

- consists of two or more linked environmental benefits
- cannot be broken down into simpler, discrete environmental benefits
- have properties different from the component credits



Mixtures (Habitat and Flood Control)

- consists of two or more different types of credits and/or compound credits
- can be separated into its constituent credits
- component credits retain integrity





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Can Public Lands Generate Credits for Sale in Markets?





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Can the Federal Government Provide Assurances for Markets?





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Questions?

http://www.usda.gov/oce/environmental_markets/

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