

Conservation Market Policy Framework

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Take Home & Use

- Understand your setting
 - Decision drivers
 - Financial drivers
- Use all policy tools
 - Sales force
 - Project financial analysis

Individual Decision Drivers

■ Pride

- Moral righteousness
- Peer support
- Family heritage

■ Envy

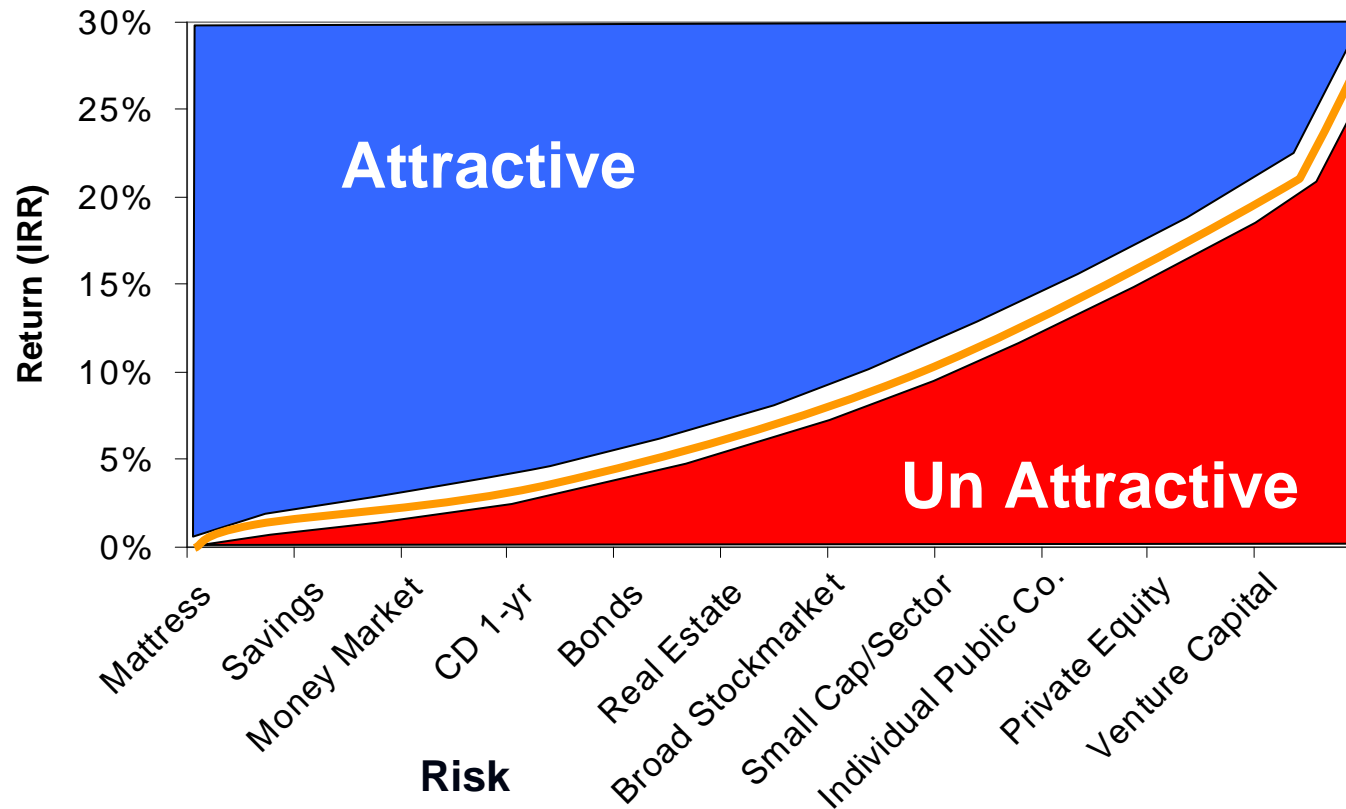
- Financial gain - Keep up with Jones'
- Be on top

■ Fear

- Financial loss - weeds
- Rights loss - ESA
- Regulatory & legal hassle - ESA
- Peer pressure

Land Owner & Investor Decisions

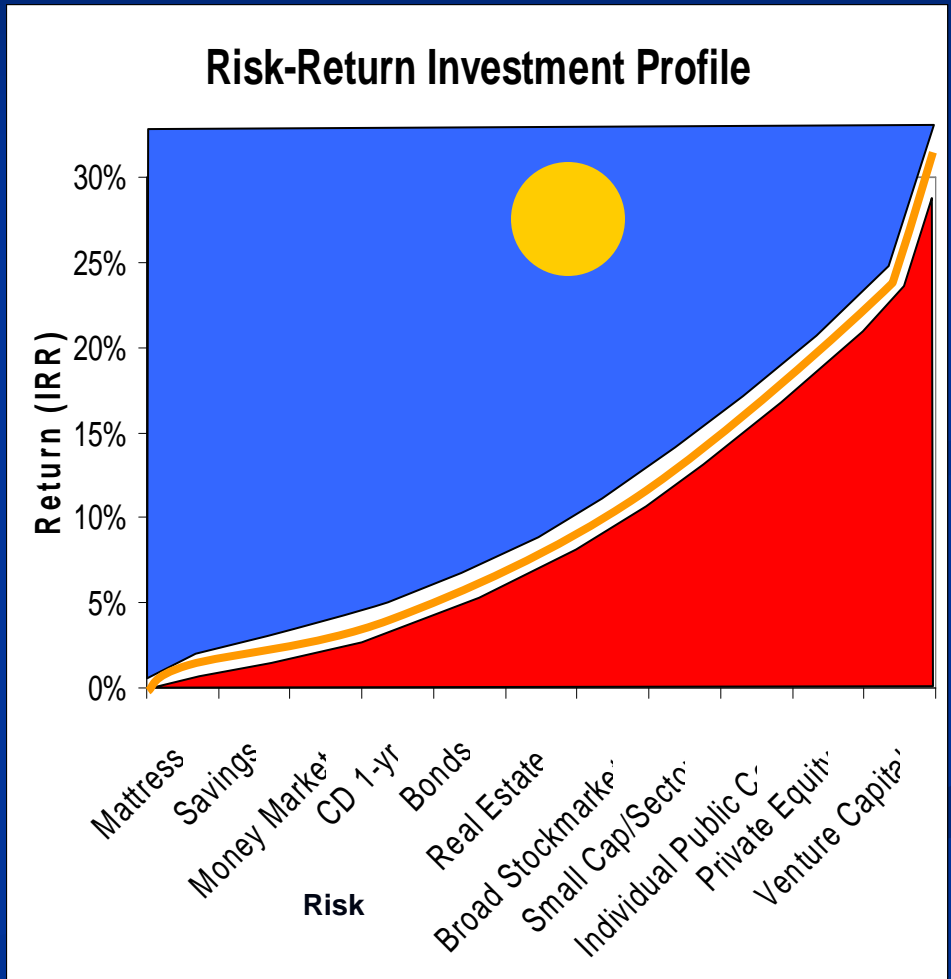
Risk-Return Investment Profile



Investment Decisions

Return Drivers

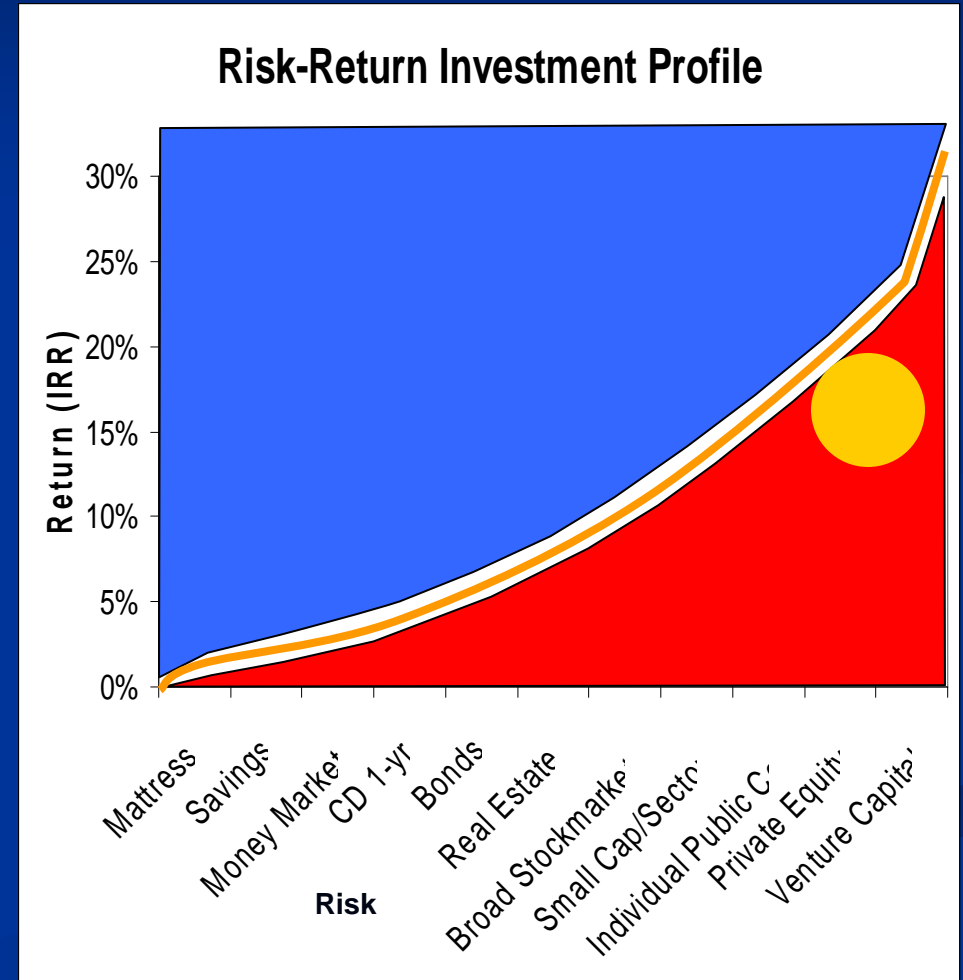
- Capital Investment
- Timing of Capital & Revenue
- Interest Rates
- Time Investment
 - Learning Curve
 - Repeatability
- $\text{Price} \times \text{Quantity} = \text{Revenue}$



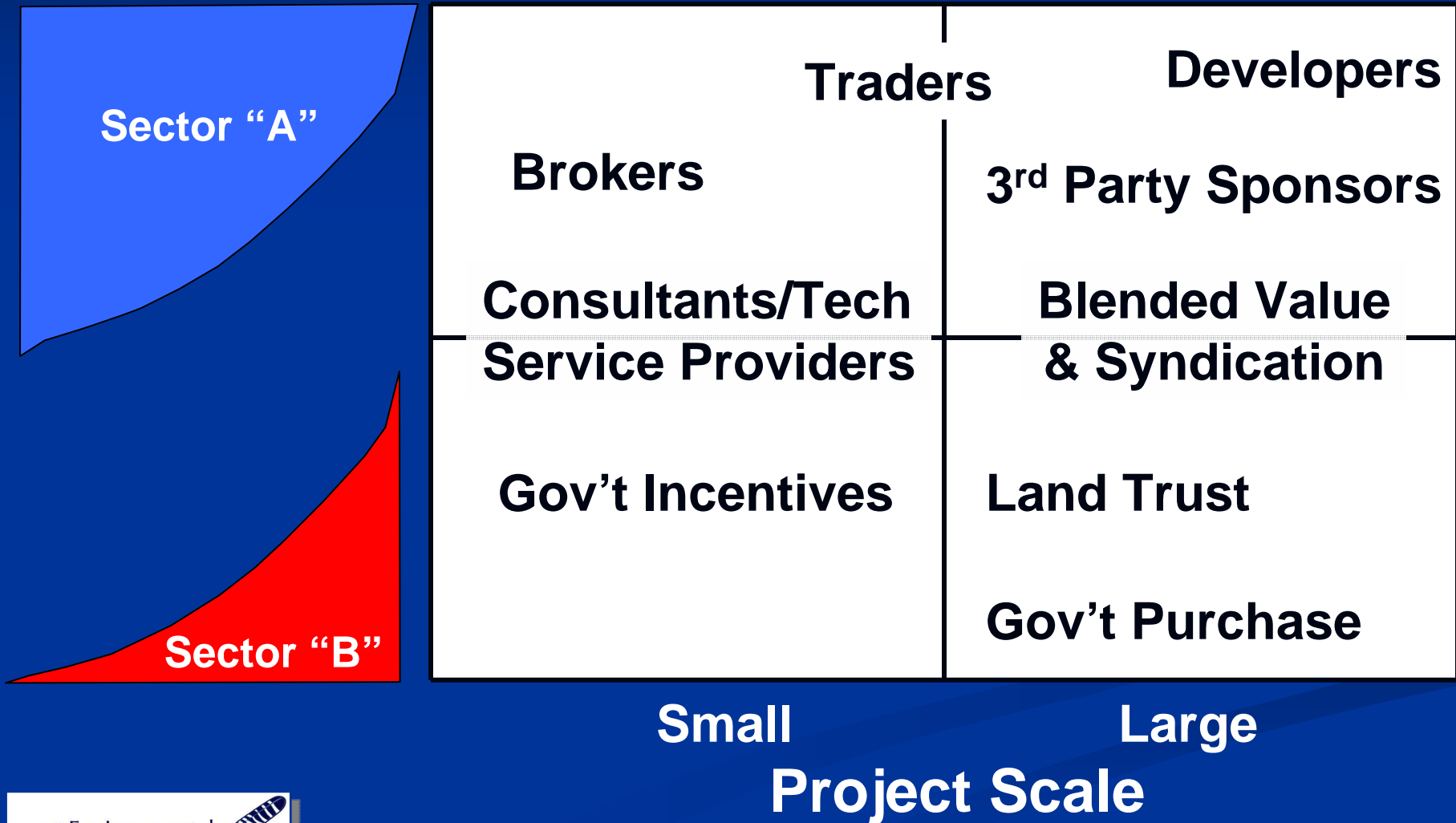
Investment Decisions

Risk Drivers

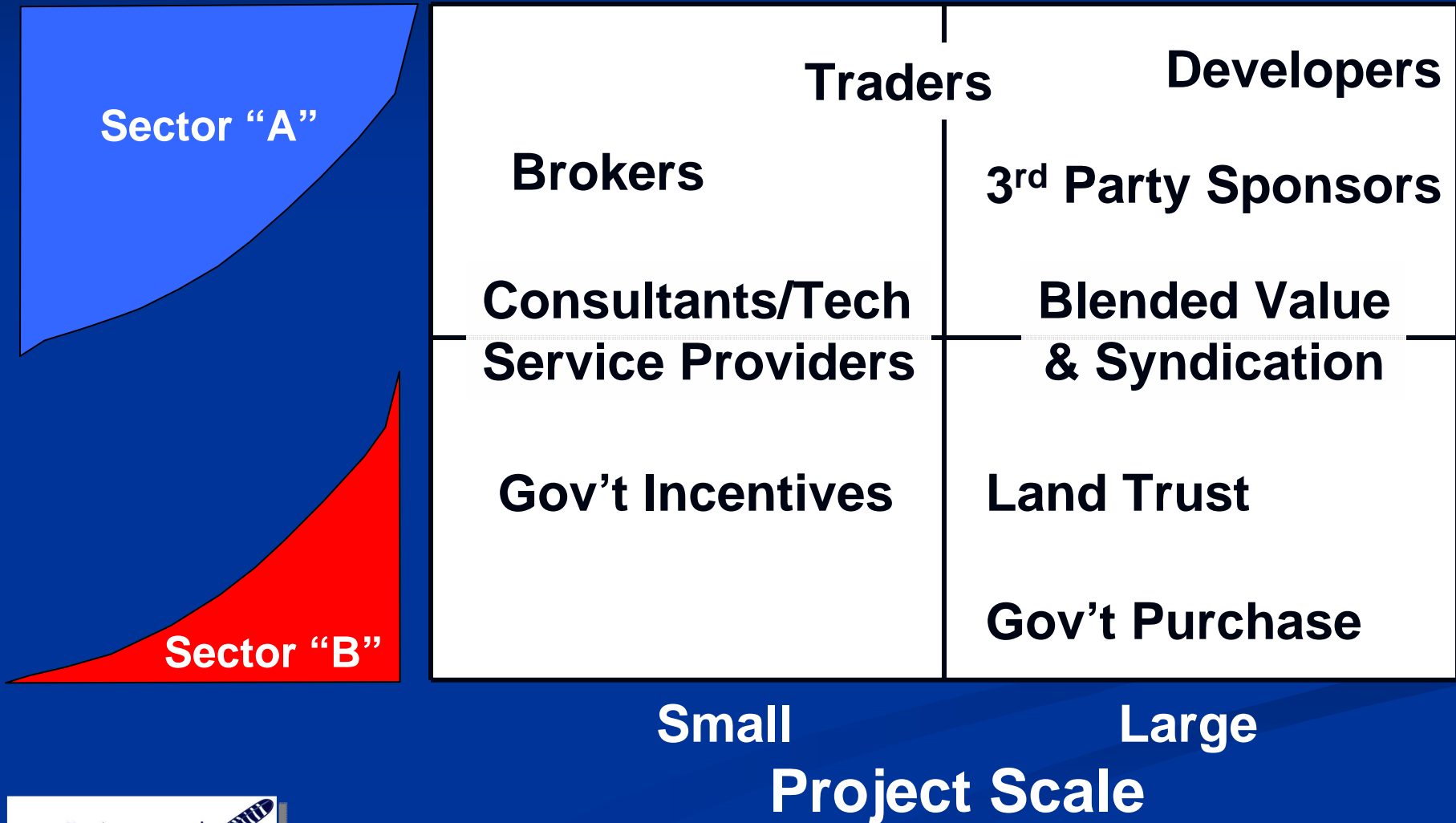
- Execution
- Competition
- Demand
- Regulatory & Political Stability
- Defined & Known Process



Environmental Incentives Conservation Markets Framework



Environmental Incentives Conservation Markets Framework



Framework Take Home

- Understand your setting
- Understand the decision drivers for the market participants
- Design the market accordingly
- Use your policy toolbox
 - Markets
 - Incentives
 - Public-private partnerships
 - Public purchase
- Create demand & they will come
 - Fancy trading platforms won't do it

