Colorado Habitat Exchange
Market-based Conservation Mechanism

T. Wright Dickinson

www.ColoradoCattle.org  www.thePWC.org
Human Demand for Natural Assets

Air, Soil and Water Quality
Species and Habitat Protection
Environmental Compliance
Food and Fiber
Energy and Shelter
Recreation and Social Values
Building a Toolbox

- Landowners Support Voluntary Conservation Initiatives
- Landowners Support Incentivizing Conservation
- Cross Section of Support for Permanent and Temporal Tools
- Landowners Have a Track Record of Creating Tools
- Landowners are Asking for More Tools

 بصورة

- High successful land trust
- Assisted numerous landowners in livelihood preservation
- Easements ~450,00 acres of ranchland

 بصورة

- Market Based Conservation
- Active Conservation Pay for Performance
- Flexible and Stackable – Works Generationally

 بصورة
A Market Emergence

- Regulations Aren’t Working – Incentives Are!!!
- Desire for a Significant INCREASE in Conservation Implementation – Landowners Want to Participate
- Allows Society to Avoid Costs Incurred in Absence of Services (e.g. regulation, resource treatment, etc)
- Services Provide Income…Income fuels the Economy
- Decrease in Civic Funding for Conservation
- Flexibility
Colorado Habitat Exchange

Other...
Objectives and Features

- Market-Based
- Science-Based
- Quantified and Verified
- Assurances – Conservation & Stakeholders
- Transparent and Fair
- Outcome-based
How Credit Exchanges Work

- **Investors**
  - Receive Credits from **Program Administrator**
  - Pay $ to **Credit Producers**

- **Program Administrator**
  - Receives Credits from **Investors**
  - Receives $ from **Credit Producers**
  - Receives Credits to **Assurances**

- **Credit Producers**
  - Receive $ from **Program Administrator**
  - Send Credits to **Assurances**

- **Assurances**
  - Receive Credits from **Program Administrator**
  - Receive $ from **Regulatory Agencies**

- **Offset Accounting**

- **Regulatory Agencies**
  - Pay $ to **Credit Producers**
  - Pay $ to **Assurances**
Colorado Habitat Exchange
Organizational Structure

- Regulators
  - CPW, FWS, BLM

- Oversight Committee

- Exchange Administrator

- Science Advisory Committee

- Verifiers

- Buyers

- Credit Developers
How Does It Work?

Science <-> Exchange <-> People
Business Case

- Improved cost efficiency
- Reduced regulatory risk
- Improved reputation, social license to operate
- Access to lending capital
- A more level playing field
- First movers advantage
- Larger, more meaningful conservation projects through aggregation of offsets
Ag and Landowner Case

- Direct involvement in the process and the outcomes
- New financial incentive for conservation
- More direct linkages to investors
- Reduced regulatory risk
- Larger, more meaningful conservation projects through landscape scale cooperation
Conservation Case

• Impacts more directly linked to scientifically quantified and verified outcomes
• Focus on outcomes, not just practices
• The possibility of larger projects through aggregation
• Integrated landscape conservation
• Net increases in conservation benefits
• Expanded private investment in sage grouse conservation
### Development Timeline

<table>
<thead>
<tr>
<th>Exploration</th>
<th>Design</th>
<th>Pilot Testing</th>
<th>Full Operations</th>
</tr>
</thead>
</table>

- Moving from Design into Pilot Testing
- Transactions in 2014
Habitat Exchanges at Work

1. Mokelumne Environmental Benefits Program
2. Central Valley Habitat Exchange
3. Nevada Conservation Credit System
4. Upper Green River Conservation Exchange
5. Colorado Habitat Exchange
6. Lesser Prairie Chicken Habitat Exchange
7. NC Ecosystem Enhancement Program
8. Texas Conservation Market

LEGEND
- Compliance
- Pre-Compliance
- Voluntary
For more information, please contact:

- Ann Hayden, Environmental Defense Fund, ahayden@edf.org
- John Cain, American Rivers, jcain@americanrivers.org
- Patricia Sussman, Environmental Incentives, psussman@environincentives.com
It's best to have had a hand in building the bridge if you want the outcome to be to your satisfaction.
Colorado Habitat Exchange

www.ColoradoCattle.org  www.thePWC.org