

FACT SHEET

Some of the Roles in Ecosystem Services Markets

We talk a lot about our mission to create ecosystem services and biodiversity markets here in Alberta. We understand the complexity of this work, so we've created a fact sheet to break down what market infrastructure is and some of the roles involved in ES and biodiversity markets.

What Is Market Infrastructure?

Market Infrastructure consists of institutional arrangements that bring together buyers and sellers, sending the right price signals to help us manage ecosystems and their services. Market infrastructure provides information that translates change in practice to change in ecosystem service. It also includes a marketplace (or exchange) that facilitates the trade between buyers and sellers.

Why Do We Need Market Infrastructure?

Market Infrastructure is important because buying or selling a credit for ecosystem services is very different from buying or selling a typical consumer product such as clothing or a household appliance. An individual change in practice does not equal a change in ES – the larger scale, collective changes do.

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“We need to find ways to send the right signals about the value of services in order to bring significant funding into the marketplace and coordinate investment in ecosystems so that the impacts of our investments are not dissipated, and so that we maximize value.”

- Dr. Marian Weber, Senior Researcher, InnoTech Alberta

Setting up an exchange is a way to coordinate this investment. An exchange can organize auctions with multiple buyers and sellers of individual or bundled ecosystem services.

How Does The Exchange Work?

The exchange would include a trading platform for buyers and sellers. This would allow sellers to find opportunities to sell their ecosystem services and it would allow buyers to identify cost-effective solutions to meet their environmental requirements.

An exchange would also provide the price of the ecosystem services as well as the demand for and availability of those services. It's important to note that establishing prices through market infrastructure is critical.

Currently, researchers are working to better understand the socioeconomic aspects of markets, such as how much people are willing to pay for ecosystem services, and the risks and return to sellers who provide services.

To learn more, visit ecoservicesnetwork.ca

Some of the Roles in Ecosystem Services and Biodiversity Markets

Graphic from "Creating Ecosystem Services and Biodiversity Markets in Alberta"



Buyers

- Buyers are organizations required to offset environmental impacts.
- They are organizations and individuals that want to invest in ecosystem services credits.
- Their role is to buy credits from sellers or work with landowners to create credits.



Sellers

- Sellers are landowners and organizations that restore and manage land for environmental benefits beyond regulatory requirements.
- Examples include farmers, foresters, land trusts, watershed councils and businesses.
- Their role involves using specific land management practices to manage the land to specific outcomes.



Verifiers and Certifiers

- Roles are filled by different actors in the markets.
- Verifiers determine whether conservation actions are producing the ecological benefits that are required to create credits.
- Certifiers confirm that the processes used by the verifiers are valid.



Exchange

- An exchange is an electronic meeting place where buyers and sellers trade credits.
- Price, quantity and other terms can be negotiated.



The Registry

- The registry is an information database that accounts for all credits available within a market.
- It documents the generation, ownership and trade of credits.