

Ecosystem Service Markets: Myths, Realities and Prospects

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One of the current “hot topics” in environmental policy is advocacy for *market based* approaches to solving environmental problems. However, there is much confusion in the public dialogue, as well as the professional literature, on the policy and technical requirements of, as well as the possibilities for, incorporating market-like features in environmental programs. I will describe what is required to add such features, with attention to the policy, regulatory and technical barriers that will be encountered. Examples are drawn from two real world contexts: nitrogen and phosphorus load trading; and, production and sale of hydrologic restoration, nutrient reductions, and habitat enhancement from working agricultural lands. Genuine market-like approaches are contrasted with existing water quality trading programs structured by the confines of the Clean Water Act and with the agricultural BMP cost share programs of the US Department of Agriculture and the states. I will illustrate my presentation with Florida experiences and examples.