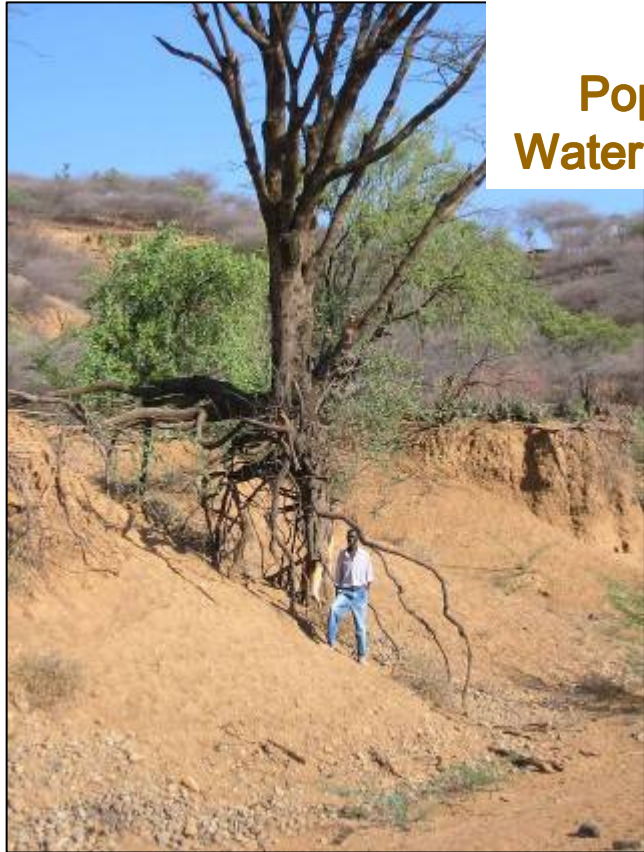


# **Missing Markets**

**Capital markets panel  
Tallberg Forum  
June 2007**

*Report back from  
'Missing Markets Group'*

# Erosion around Lake Baringo, Kenya



In 30 years\*  
Population: 40,000 → 220,000  
Water depth: 9 metres → 1.5 metres



**Population pressure, social mobility & failure of both customary & modern institutions → over-grazing & erosion.**

# Degraded → recovered lands

From this ...



... to this.



# Backed by new rights, knowledge & incomes

New land rights, both private & communal.



New incomes from grass seeds, thatching, animal fattening & bee-keeping.



**Capital markets:**  
***Missing in action***

# Can we invent a new paradigm?



Irrigation dam  
Near Pune, India  
June 2007



Top soil removed  
to make dam,  
Firewood removed  
for cooking

# Restoration of biological wealth



Sanjay & Mrinalinee



Upstream forest restoration, 50 acres



Downstream wetland restoration, 30 acres



# Where is the market for biological wealth?



“let the polluter pay ...  
for biological wealth  
& environmental knowledge”

But how?

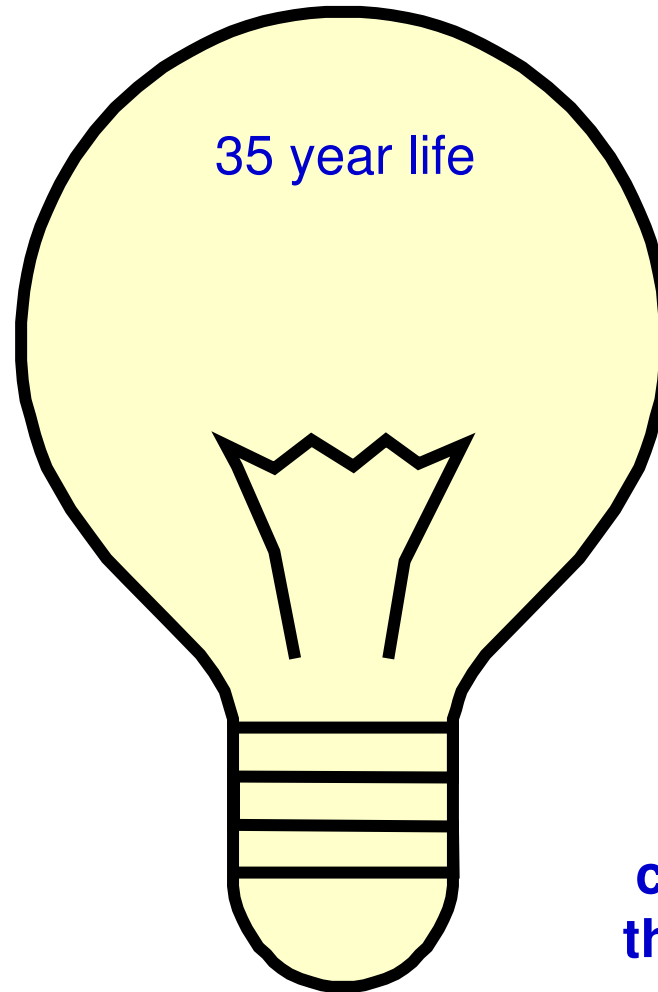


Ahmedabad power station, June 2007



**Capital markets:**  
***Missing in action***

**3 watt light bulb → 50 watts of light**



**Why invest in a  
consumer product  
that lasts 35 years?**

**Capital markets:**  
***Missing in action***

# **Capital markets & rapid evolution**

- **Are they irrelevant in their present form?**
- **Can they be redeemed?**
- **What other forms might they take?**