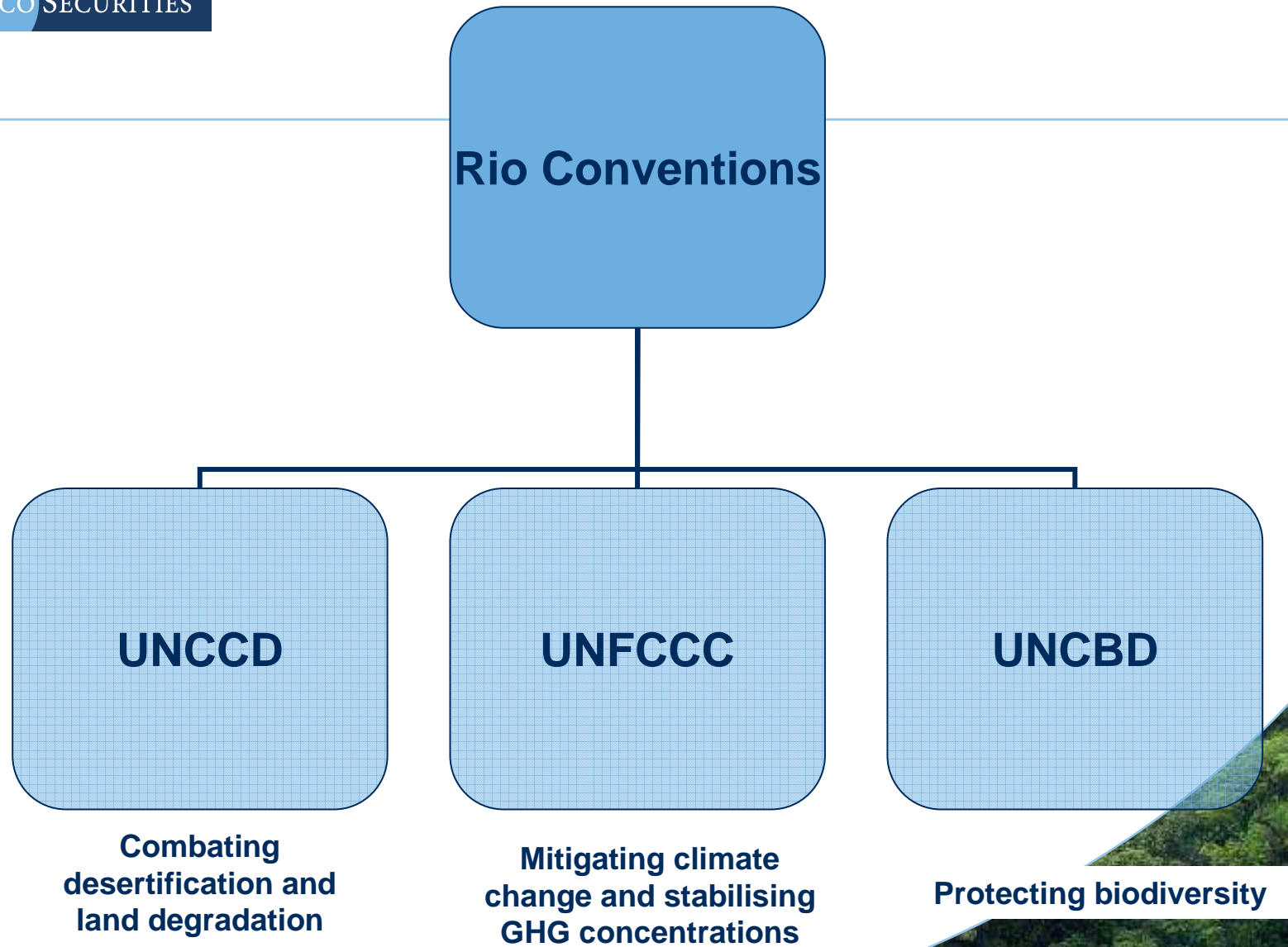


Synergies between the Rio Conventions: Supply of Carbon Storage and Other Ecosystem Services from Forestry Projects

Forest Day, 8th December 2007

Sabine Henders & Jan Fehse



Most forestry projects offer multiple environmental benefits

Examples from EcoSecurities experiences

Reforestation projects (restoration of ecosystem services):

- Combating desertification
- Rehabilitation of degraded mining sites

Avoided deforestation projects (conservation of ecosystem services):

- Protection of coffee forests in El Salvador

Non-carbon Ecosystem Services

- **Biodiversity conservation or restoration**
- **Watershed protection including soil conservation**
- Scenic beauty

Non-carbon Ecosystem Services

- Most forestry activities face a lack of funding!
- Especially conservation or conservation reforestation.
- Carbon prices may not be high enough to cover implementation costs.

Can non-carbon ecosystem services be rewarded just like carbon sequestration?

Depends on:

- Demand
- Supply (the ability to quantify ecosystem services)

Quantifying biodiversity supply

- **Difficult!**
 - Unclear definition: what is biodiversity? What is important in biodiversity?
 - Quantitative approaches exist relying on species composition and abundance. But they suffer from the lack of definition and from data constraints.
 - Already difficult comparing sites within one ecosystem – even more so between ecosystems!

Quantifying biodiversity supply

- **Solution:** work with indicators and proxies
- These can be both quantitative and qualitative
- Methodologies score areas on biodiversity performance according to defined criteria, e.g.
 - Level of threat to the biome
 - Level of rarity of biome
 - Level of species endemism
 - Presence of ‘flagship’ species
 - Etc. etc.

Methodologies and metrics need to be agreed. This is not a matter of scientific ability, but of consensus and political will!

Quantifying watershed supply

- Also difficult!
 - Hydrology is a complicated subject: requires many data and it is not easy to establish causal relationships between upstream actions and downstream effects
 - Watersheds have local/regional importance
 - The service (water quality, quantity, flow distribution, sediment load, etc.) will therefore be valued and rewarded according to local criteria -> large diversity of approaches

ES under the UN Conventions

- **UNCBD:** growing interest to establish offsetting mechanism with voluntary or mandatory targets. Pilot activities (such as BBOP) and discussions being initiated.
- **UNCCD:** currently no targeted regulations towards offsetting or PES. Priority areas for action defined in National Action Plans.

Using synergies in project design

- Carbon forestry projects have potential to provide multiple ecosystem services
- Existing project design framework under carbon trading schemes could be used for trading of other ES:
 - Definition of project boundary
 - Aspects of benefit quantification methodologies
 - Approval structures
 - Quality control criteria and processes
 - Etc.

Additionality

- Important to note that rewards for ecosystem services rendered will only be given to additional activities!
- If the service is freely available and not under threat – why pay?
- **Consequence:** combined payment schemes for services from a single project must be designed BEFORE project implementation, cannot be simply added as further component onto existing project.

Thank you!

EcoSecurities business is based on originating, implementing and commercialising one of the largest and growing carbon credit portfolios in the world.

- Carbon Credit portfolio at 31st October 2007
 - 402 CDM projects
 - 89 registered projects
 - 142 million CERs potentially being generated
 - 5.2 million VERs

Where we are

Global expansion of offices and employees



Headcount		Offices and Representatives
June 2005	27 employees	5
IPO Dec 2005	72 employees	15
August 2007	280 employees	28

(*) No legal presence but EcoSecurities has entered into contracts with individuals to act as EcoSecurities representatives