

ECO SECURITIES



EcoSecurities Group plc

Forest Carbon and Other Ecosystem Services: Synergies between the Rio Conventions

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Who is EcoSecurities?

A carbon trading and consulting company, founded 1997

Individual staff active in the field of carbon forestry since 1989

Over 90 consulting assignments in carbon forestry in over 30 countries



Carbon Sequestration and other Ecosystem Services

Next to sequestration, carbon forestry projects may provide other ecosystem services, e.g.:

- Biodiversity conservation or restoration
- Watershed service conservation or restoration
 - water quality and quantity
 - water flow distribution
 - soil conservation



Forestry can meet multiple objectives

- UNFCCC: Climate Change mitigation and adaptation
- UNCBD: Reducing loss of biodiversity
- UNCCD: Combating desertification

Also contribution to Millenium Development Goals in form of poverty reduction through:

- Income generation
- Reduction of opportunity costs (e.g. bioenergy)



Problem statement

Forestry activities are in practice not rewarded for the ecosystem services they offer:

- Carbon (still) undervalued
- Biodiversity not valued
- Watershed services seldom valued

There are not sufficient financial incentives for activities that contribute to the Convention's objectives!



Regulation is desired

For creation of financial incentives market mechanisms for non-carbon ecosystem services may help

Creation of market demand for ecosystem services (\neq commodities) is best done through regulation

Lessons learned from Kyoto Protocol:

- Emissions reduction targets triggered large carbon market
- Carbon market is mainstreaming climate change concerns into political and social thinking

Regulation also provides quality control



Regulation by CBD and CCD proven difficult so far

- Definition problems (what is biodiversity/desertification?)
- Quantification problems (how much biodiversity/desertification?
How much more water downstream?)
- Equivalence uncertainties (for offsetting systems)



Regulation by CBD is possible

- Quite some conceptual work done on 'Biodiversity Offsetting' to overcome difficulties, which could be taken to next level by CBD
- Develop rules and methodologies. Use CDM project design framework
- Set targets?



Synergic incentives from services

Ideally a forestry activity can get co-financed through:

- Sales of carbon credits
- Sales of biodiversity offsets
- Direct payments for watershed services (through market-based or command-and-control systems)
- Direct payments for other services (e.g. scenic beauty)



Carbon forestry experiences with synergies

- Restoration of ecosystem services through reforestation in CDM
- Conservation of ecosystem services through avoided deforestation



CDM: Restoring Ecosystem Services

First CDM forestry projects for:

- Reforestation of degrading areas (clear synergies with CCD objectives). Example: China
- Reforestation for creation of biological corridors (clear synergies with CBD objectives). Example: CI in Ecuador

CDM projects in design: mine site rehabilitation, watershed restoration for hydroelectric dam

CCD Global Mechanism – EcoSecurities Partnership seeks to promote CDM activities (reforestation and cooking stove projects)

- Projects in Ecuador, Nicaragua, Morocco, among others



Conserving Ecosystem Services

Forest conservation preserves complete set of services.

Examples of avoided deforestation projects trying to commercialize non-carbon services:

- FONAFIFO programme in Costa Rica
- San Nicolas project in Colombia



Thank you!

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