

Presentation given at the Marine Katoomba meeting

**Katoomba XVI:
Building a Blueprint to Harness New Investment for the Protection
of Marine and Coastal Ecosystem Services**

February 9-10, 2010

Moore Foundation, Palo Alto, CA

Hosted by the Katoomba Group



This workshop was generously supported by the American people through the United States Agency for International Development (USAID), under the terms of the TransLinks Cooperative Agreement No.EPP-A-00-06-00014-00 to the Wildlife Conservation Society (WCS). TransLinks is a partnership of WCS, The Earth Institute, Enterprise Works/VITA, Forest Trends and the Land Tenure Center. The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.



Creating the right conditions for private investment: some thoughts from the forest sector





Forest management alternatives

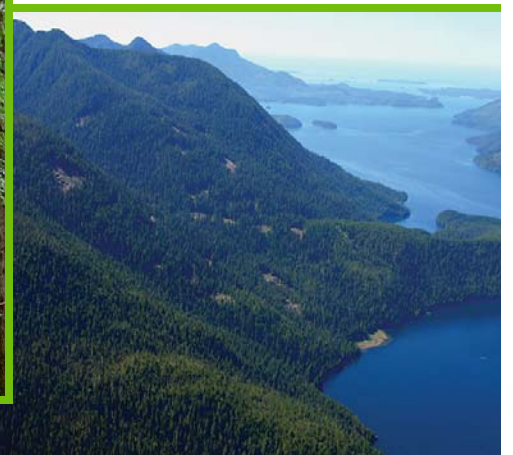
**Intensive
fiber
production
forestry**



LOGGING

LANDSCAPES

**Ecosystem-
based forest
management**



Ecotrust Forest

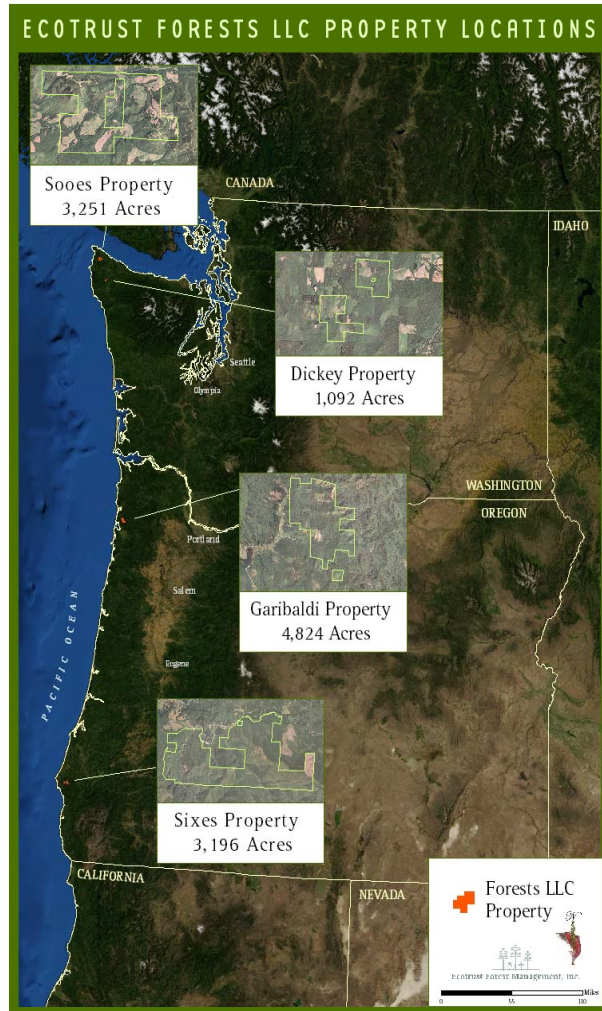


Management, Inc.



Ecotrust Forests LLC

Current status & strategy



Raise capital into open, perpetual fund

Acquire and manage forestland (12,500 acres under mgmt)

Make strategic acquisitions in high-conservation value watersheds important to salmon, owls, & murrelets, and restore health and productivity

Manage forests for longer rotations, structural complexity & diversity

Generate competitive returns for investors through full range of forest products and services: timber, non-timber, ecosystem services, recreation

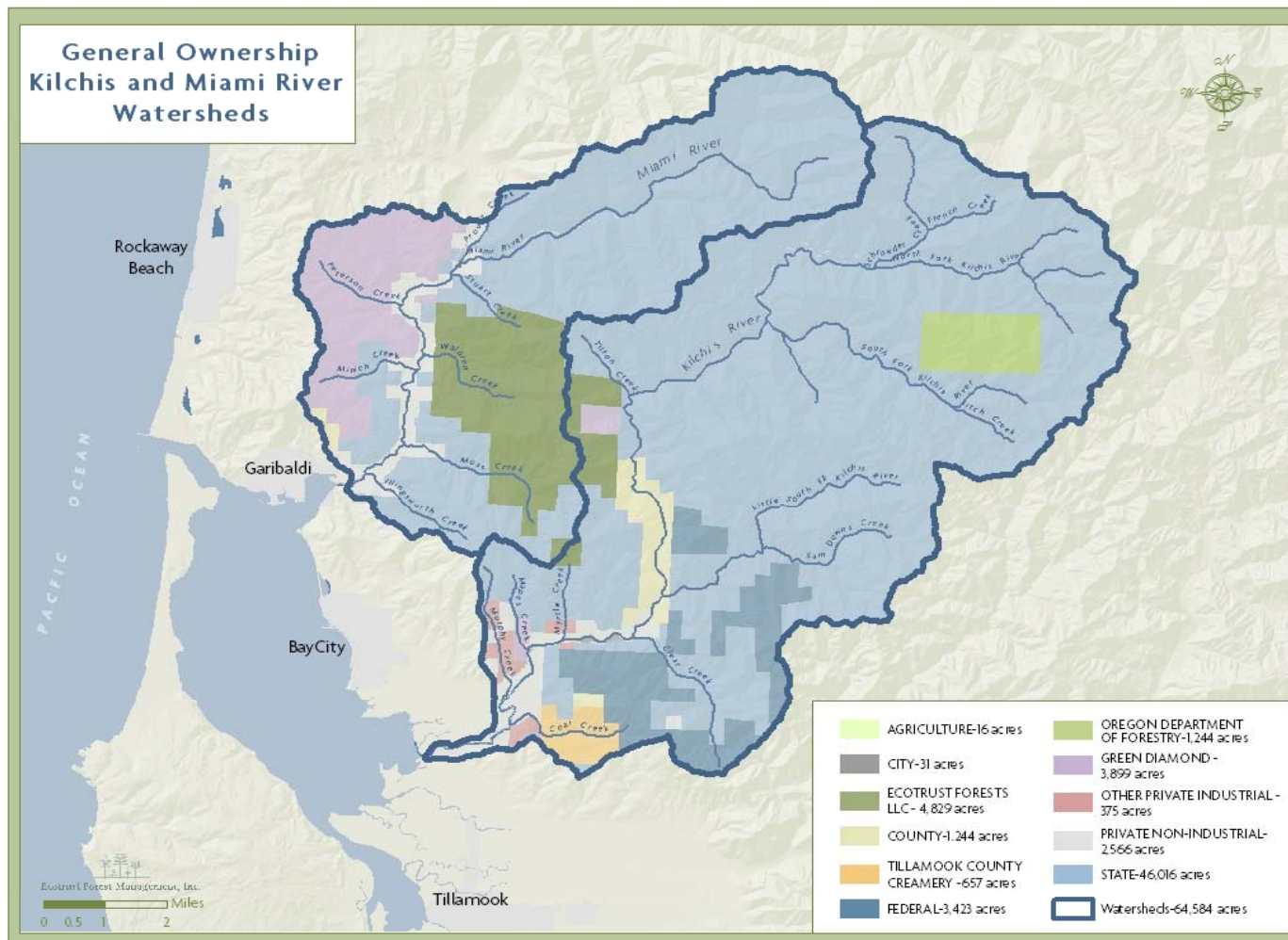
Generate jobs and opportunities for local residents

FSC certified resource manager





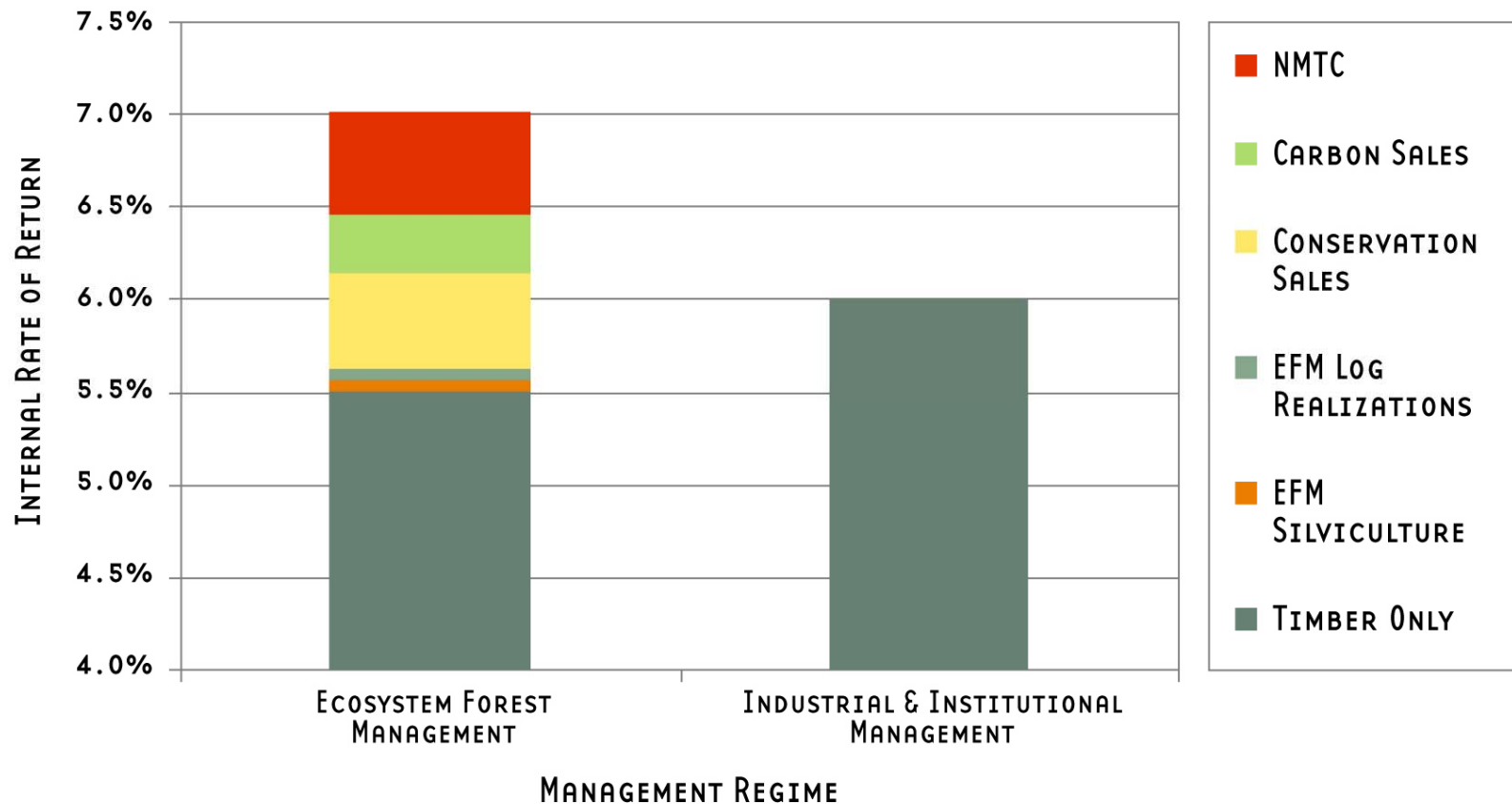
First step: acquiring properties where financing strategy works in landscapes that matter





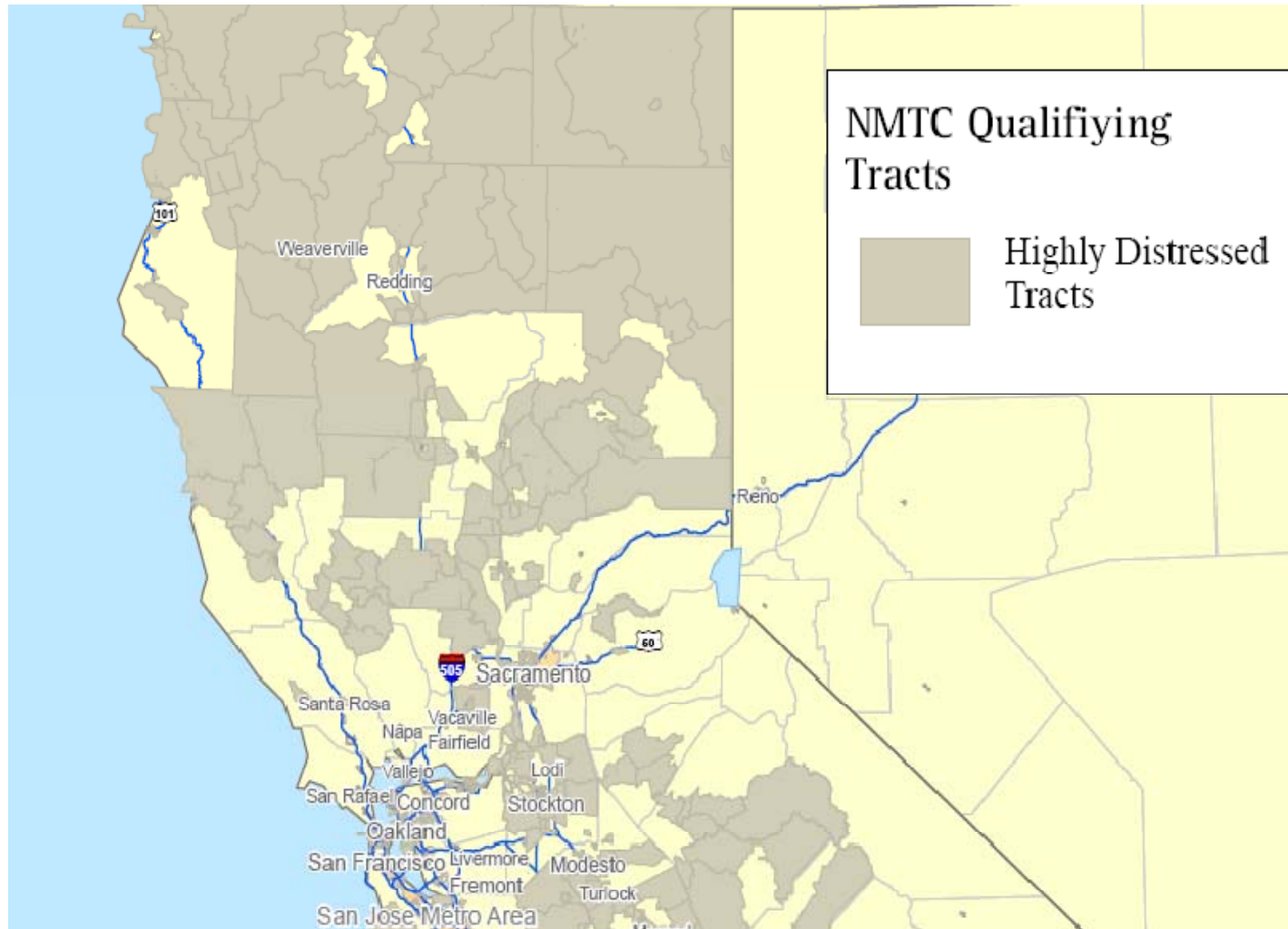
Ecosystem services markets are key, but can be found in unlikely places

INDICATIVE IRRS FROM EFM AND INDUSTRIAL MANAGEMENT REGIMES





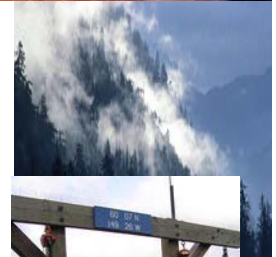
NMTC eligible tracts, N. CA





Creating the right conditions...the obvious elements

	CARBON	IFQs (Alaska, for example)
Enabling legislation	Kyoto Protocol & national counterparts	Magnuson-Stevens Fishery Conservation Act
Cap or floor (baseline)	1990 Greenhouse Gas emissions +/-	Total Allowable Catch (set annually)
Regulated entity (buyer)	Utilities & others	Qualified fishermen and CQEs
Supplying entity (seller)	Clean energy, efficiency, sequestration	Qualified fishermen and CQEs
Service area	Global	Halibut/black cod management regions
Unit of trade	One metric ton of carbon dioxide equivalent (CO ₂ e)	Quota shares/permits, translated annually into a share of the total allowable catch of pounds of fish
Trading platform	European Union Environmental Trading System, for example	Regional brokers or private sales
Enforcing agency	Designated national agencies, international accord	NOAA Fisheries/North Pacific and Pacific Fishery Management Councils
Market shapers	Secondary markets, futures, options, verifiers, appraisers, insurers	Brokers, quota/permit lessors, banks





Parting shots

Refocus research from quantifying value to market design – heavy lifting needed around unit of trade, service area, enabling regulation/standard, project development capacity

Be generous. Must leave value on the table to attract private sector.

Leave the baggage behind from the resource wars.

There will be windfall profits and bad actors as markets emerge and mature – it's part of the process. Don't freak out.

Just do it