

Presentation given at the Southeast Asia Katoomba meeting

Katoomba XVII

Taking the Lead: Payments for Ecosystem Services in Southeast Asia

June 23-24, 2010

Hanoi, Vietnam

Hosted by:

Forest Trends, the Katoomba Group, Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), United States Agency for International Development (USAID) and Winrock International



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An aerial photograph of a lush green forest. A river with brownish water winds through the forest, creating a meandering path. The forest is dense and covers the majority of the landscape. In the background, there are rolling hills under a cloudy sky.

Payments for Environmental Services: A Bird's Eye View

Katherine Hamilton
Ecosystem Marketplace
June 23, 2010

TOP STORY



Vietnam Leads Southeast Asia in Payments for Ecosystem Services

In just a few short years, Vietnam has begun ramping up one of the world's most aggressive schemes designed to preserve nature by embedding its value in the economy. Like Brazil, Vietnam's programs are based on user fees with heavy government oversight, and they're getting results. You can find out more by tuning in to this week's Katoomba Meeting in Hanoi. [[Go To Article](#)]

MarketWatch

Carbon Mid-price* [3 month]



View Markets

- Carbon Market
- Water Market
- Biodiversity Market

CARBON HOMEPAGE



State of the Voluntary Carbon Markets 2010

[Carbon Markets Homepage](#)

WATER HOMEPAGE



Integrated Solutions

[Water Markets Homepage](#)

BIODIVERSITY HOMEPAGE



State of Biodiversity Markets

[Biodiversity Markets Homepage](#)

GETTING STARTED

Want to learn more about the basics of environmental markets? Read our market backgrounder for a crash course.

- [Eco Markets Intro](#)
- [PES Primer](#)



State of the Voluntary Carbon Markets 2010

- [Download Report](#)
- [Exec. Summary](#)



Mapping Ecosystem Markets: The Matrix

- [Download Chart](#)
- [Download Report](#)

FEATURED ARTICLES



Hanoi Meeting to Explore Participatory Forest Management

Local communities already help manage over 25% of the world's forests through what is called Participatory Forest Management (PFM). Tom Blomley, ...

[Read More...](#)



BP Disaster Highlights Need to Value Ecosystem Services

BP says it will pay at least \$20 billion for lost income and clean-up in the wake of its Deepwater Horizon ...

[Read More...](#)



Light at the End of Deepwater Horizon

Long before the Deepwater Horizon catastrophe, the Obama Administration launched its Ocean Policy Task Force, which immediately began criticizing US ocean ...

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Can Marine Markets & Ocean Zoning Help Save the Seas?

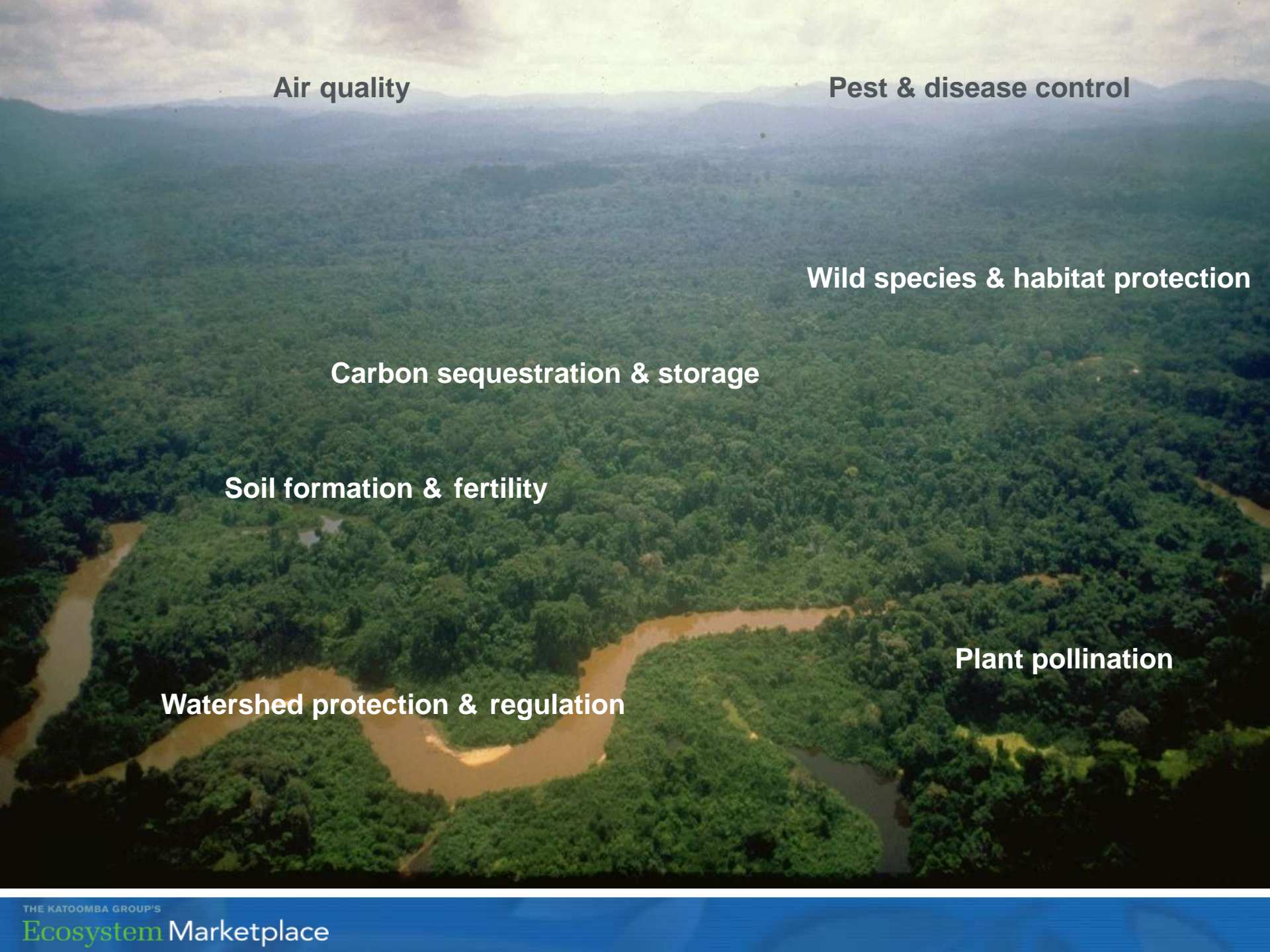
The Deepwater Horizon oil spill reminds us once again that economy depends on ecology and one man's cheap solution is often ...

[Read More...](#)

TODAY'S NEWS

- White House, Lieberman Considering Utility-Only Bill
- Guyana's president explains how forest countries can capitalise on climate change
- Protests against Union Pacific for its carbon footprint.
- Businesses urge Osborne to step up green tax plans
- Carbon Friendly Reforestation Project - First in Canada to Receive CCBS Validation Statement
- Low Carbon Growth in Brazil
- Consortium Hopes G-20 To

[View and Search All News](#)

An aerial photograph of a vast, dense green forest. A river with brownish water winds through the lower portion of the image. The sky is overcast with grey clouds. Several text labels are overlaid on the image, highlighting various ecosystem services.

Air quality

Pest & disease control

Wild species & habitat protection

Carbon sequestration & storage

Soil formation & fertility

Plant pollination

Watershed protection & regulation

Categories of Service Markets

- Carbon
- Biodiversity
- Water
- Others: Scenic beauty (eco- tourism),
bundled services (land trusts, conservation
easements)



Range of payment mechanisms

- Government Payments
- One-off Transactions
 - * Payments for watershed service
 - * OTC voluntary carbon offset
- Markets
 - * Regular meetings of buyers and sellers to undertake transactions
 - * Ex. Regulated carbon markets

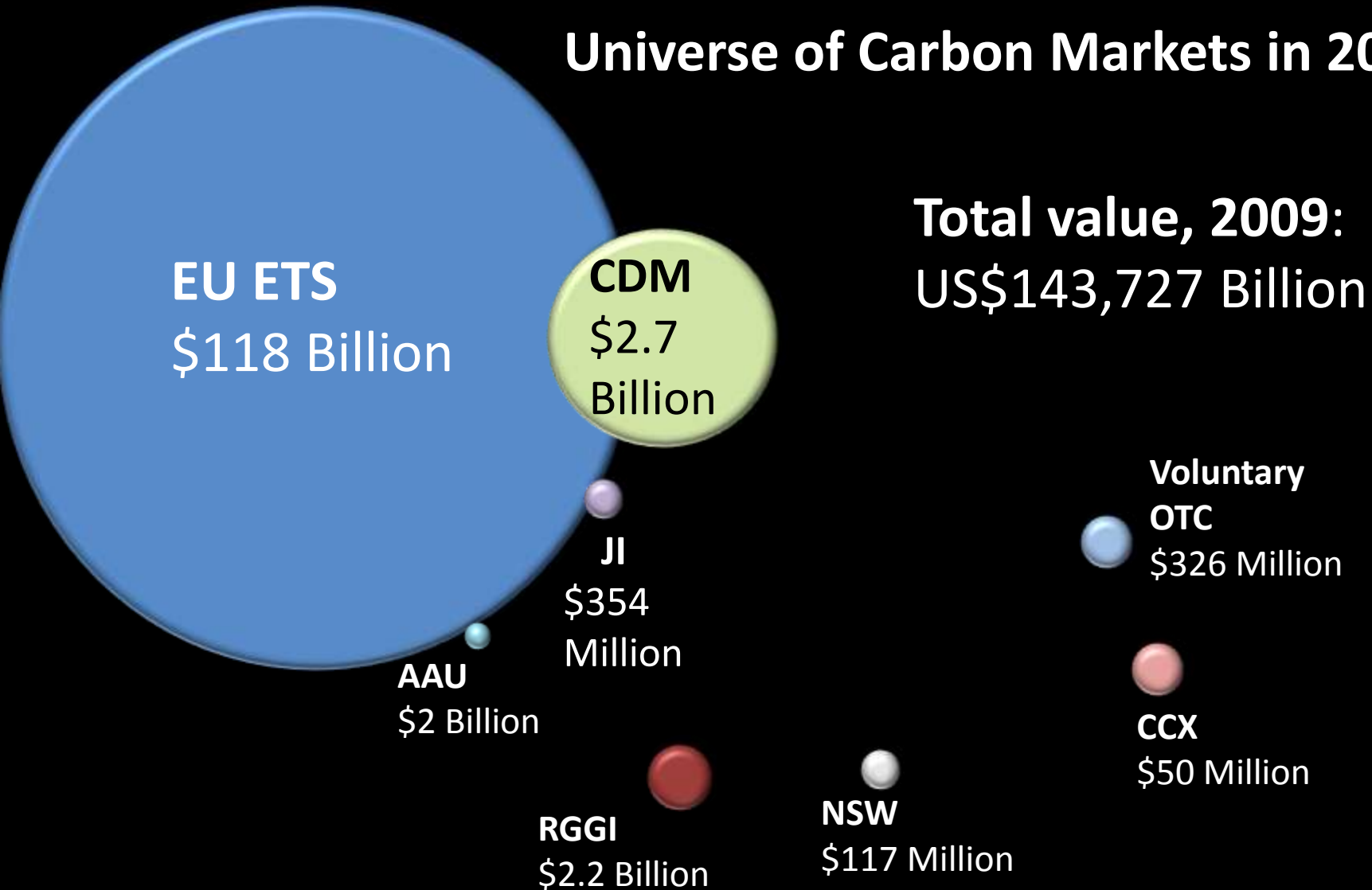


Carbon Markets

- The most global market as a result of Kyoto Protocol
- Non- Kyoto carbon markets:
 - Voluntary carbon market
 - Markets for biological carbon sequestration
 - Evolving US carbon markets



Universe of Carbon Markets in 2009



Source: *Ecosystem Marketplace and World Bank*

226 forest projects transacted 20.8 MtCO₂
for a historical value of almost \$150 million.



Biodiversity: the anti commodity



By the numbers

Number of active programs:

39

Number of programs in development:

25

Total known regional payments per annum:

US\$1.8 - \$2.9 billion

Land area protected or restored per annum:

>86,000 ha

THE KATOOMBA GROUP'S

Ecosystem Marketplace

Ecosystem Marketplace

State of Watershed Payments

An Emerging Marketplace



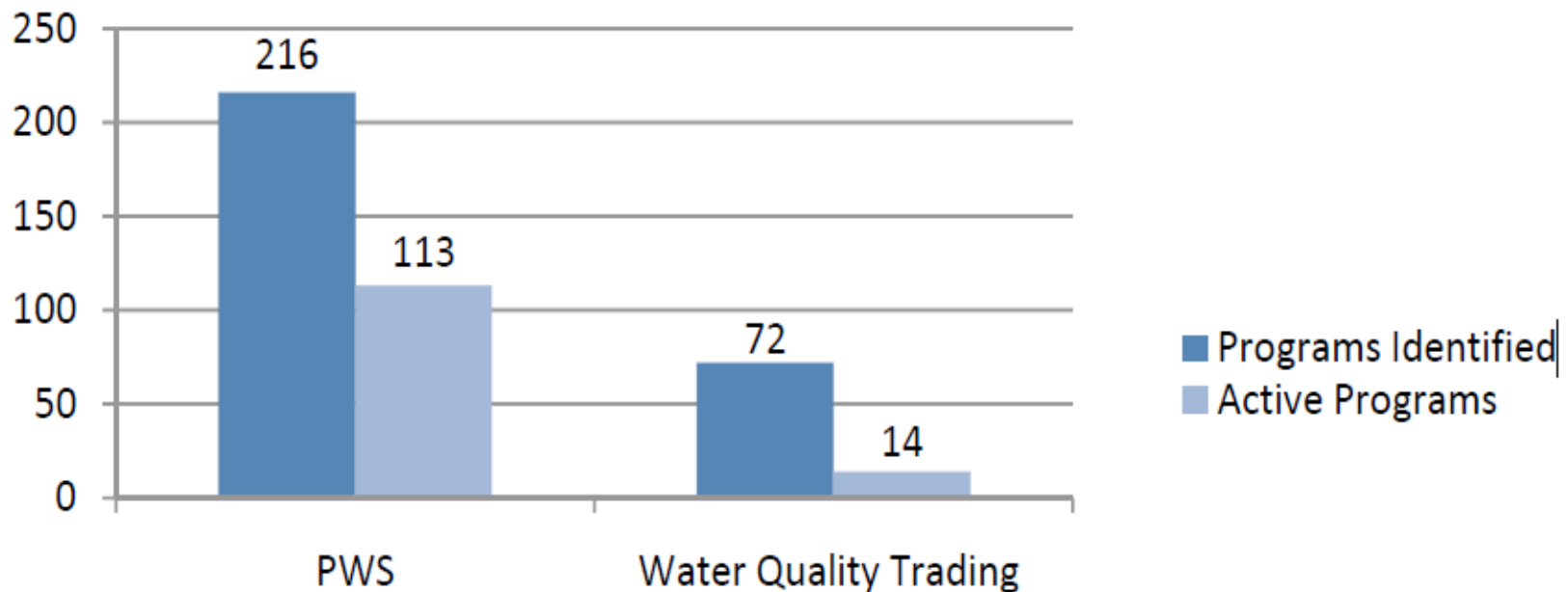
Executive Summary

Key Findings

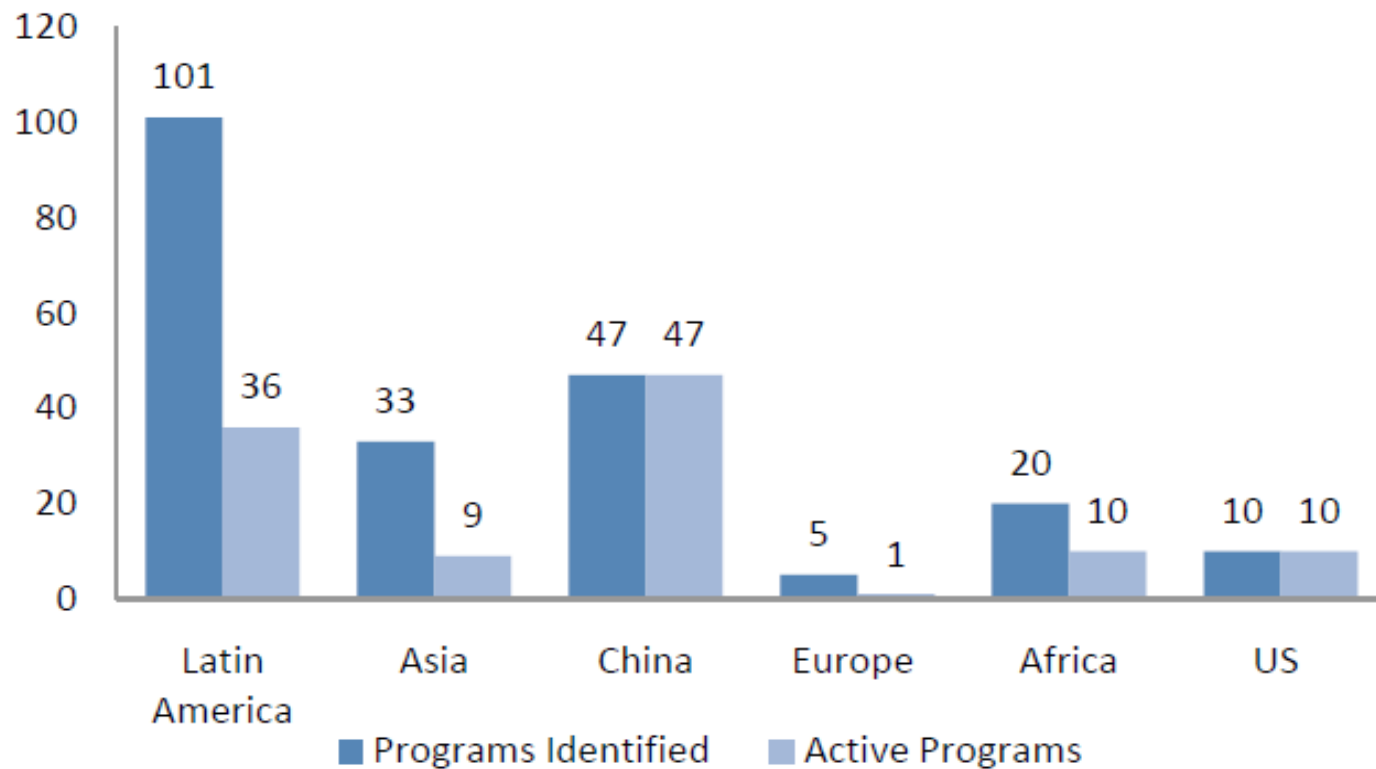
- Total number of programs growing globally
- Vast diversity of programs
- Government policies & payments critical
-



We tracked *payments for watershed services* and *water quality trading*



Asia a leader in watershed payments with 80 active programs



At least \$50 billion spent on protection payments (1985-2008)

Environmental Market	Market Value (2008)
Regulated Carbon	\$144,000,000,000
Water Quality	\$9,250,000,000
Biodiversity	\$2,900,000,000
Voluntary Carbon	\$705,000,000
Forest Carbon	\$149,000,000

Looking forward

- Drivers needed
- Methodologies & project design hurdles
- Stacking water with other payments
- Eyes on water, need for new solutions

