

The Nature Conservancy & the Natural Capital Project in Ecuador

Securing Clean Water

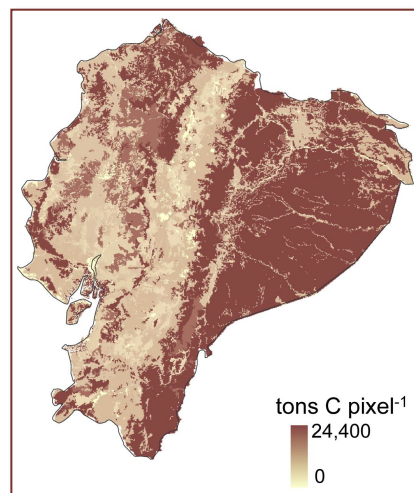
Clean, reliable water supplies are a major issue for corporations and other constituencies in Ecuador. The Nature Conservancy and the Natural Capital Project have been working together with water funds to provide tools to guide investments in nature to secure clean water supplies for the future. Water funds are mechanisms where a group of water users voluntarily pay into a fund that makes investments in the way land is managed around water sources. These changes can improve water supplies, and often have co-benefits for biodiversity and the ability of local communities to respond to climate change.

The Nature Conservancy is working with the Guayas Provincial Government in promoting the creation of a water fund for the **Guayas River**. TNC is using a science-based approach there developed with the Natural Capital Project to help design the Guayas River water fund so it can spend its money wisely by focusing investments in parts of the watershed that are likely to give the best return on investment. The approach also uses social information to ensure that the investments are socially acceptable.

With support from Coca Cola Foundation and in collaboration with Fundación Pro-Bosque, TNC has started to develop conservation work in a sub-watershed of the Guayas river. Working with the Natural Capital Project,

National Accounting

All national governments face the challenge of tracking their country's wealth on a regular basis. Indicators like GDP do not fully reflect the happiness or well-being of their citizens. The Natural Capital Project has developed an approach that starts to allow practical application of the economic theory of inclusive wealth. With support from TNC, the Natural Capital Project produced the first national maps and national estimates of carbon sequestration value and water quality purification for Ecuador. These preliminary maps are included in the Inclusive Wealth Report that will be released at the Rio +20 United Nations Conference on Sustainable Development.



National map of carbon storage in Ecuador in 2000.

priority areas have been identified for reforestation and restoration activities which will bring the highest the highest returns for a clean, secure water supply.

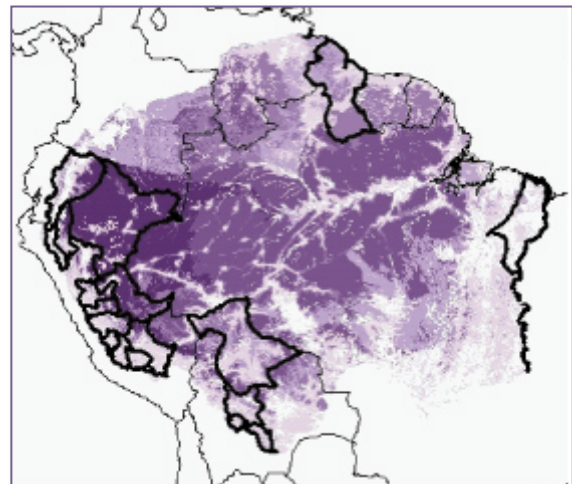
TNC is using the same approach in the larger **Cordillera Costera** region that includes the Guayas, Manabí and Santa Elena provinces. Here, there is special focus on using landscape management to help people adapt to climate change through local government involvement. TNC, CIIFEN (Centro Internacional para la Investigación del Fenómeno del Niño), the Ministry of the Environment, and local governments are exploring what conditions might look like in this area in the near future, and how best to make landscape investments that secure water supplies in the face of climate change.

Water funds can bring benefits to many sectors, including the energy sector. In the **Paute** water fund, TNC is introducing the water fund investment approach to a water fund that has the country's major hydropower producer as one of its members. They are interested in controlling erosion above hydropower reservoirs.

This approach is relevant nation-wide. In the coming year, TNC will use a new, specialized water funds tool being developed with the Natural Capital Project, called RIOS, in the Sucumbios province in the **Amazon**.

Forest Use by the Poor in the Amazon Basin

Many rural populations in the Amazon Basin rely on forest products for food, medicine, building materials and income. TNC and the Natural Capital Project identified where rural groups rely on these products throughout the Amazon basin, estimated how use of these products will change with development of roads and urban areas in the Amazon and how the poor will be disproportionately affected. Maps and findings of this work were published in the Oxford University Press book called Natural Capital: Theory and Practice of Mapping Ecosystem Services. This work was one piece of a larger effort with CIAT, Kings College and other partners to predict how the poor in the Amazon will be affected by environmental change. The full set of findings was reported to the funder of the work, the UK Department for International Development.



Harvest of wood for market sale is highest in dark purple areas. The poorest regions of the Amazon (based on unsatisfied basic needs) are outlined in black.