

CAPTURING THE VALUE OF ECOSYSTEM SERVICES

DEVELOPING MARKETS FOR
ENVIRONMENTAL ASSETS



FOREST TRENDS & THE KATOOMBA GROUP

MARCH 13–14, 2002
STATIONERS' LIVERY HALL
LONDON, UK



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The only global publication covering the impact of environmental issues on the financial sector and its corporate clients.

KATOOMBA IV:

CAPTURING THE VALUE OF ECOSYSTEM SERVICES

DEVELOPING MARKETS FOR ENVIRONMENTAL ASSETS

HOSTED BY: FOREST TRENDS & THE KATOOMBA GROUP

The integrity of natural ecosystems is now recognized as being crucial to the health of global financial and capital market systems. Bringing together appropriate investors, buyers and sellers will help to maintain ecosystem services and assets, and will ensure continuing global prosperity and environmental security. A number of markets already have started to trade waste emissions, water rights and carbon, as well as creating attractive investment opportunities through the securitization of carbon sinks. As these markets grow and mature, early investors and innovators are likely to see a significant premium in their return.

Capturing the economic value of ecosystems services will create new markets for investment. Capital investments in these markets will enable industry and government to achieve sustainability objectives.

The Katoomba process helps develop an understanding of the interplay of public and private sector benefits created by natural assets markets. Each Katoomba gathering provides a forum for bringing together pioneer market developers with early-stage investors, analysts and risk managers. Investors and corporate observers gain insight into opportunities in natural asset markets and benefits to their businesses.

Katoomba IV will present current options for strategic and financial investments in watershed services, sustainable forestry, and salinity management. This type of investment is cost-effective in providing water infrastructure, promoting sustainable forest products and offsetting carbon emissions from power generation.

Leading investors are engaging in these markets to serve existing shareholders and to create new value. Corporations and investors will find that they possess significant assets—and face certain risks—as resources like carbon and water acquire market value. Over the next decade extractive industries will come under increasing pressure to develop sustainable practices. In this changing global marketplace, investors will use natural asset markets to allocate value, mitigate risks and garner new profits.

The challenge for investors and analysts is to understand how these markets will develop and to better recognize the dangers and opportunities presented. Katoomba IV will offer a unique understanding of this new frontier.

LOGISTICS

VENUE

Stationers' Livery Hall

Ave Maria Lane

London

EC4M 7DD

PRICING FOR THE TWO-DAY EVENT

Before February 15, 2002:

£450/724 euro for business/finance

£155/250 euro for NGO/government/academics

After February 15, 2002:

£495/797 euro for business/finance

£195/314 euro for NGO/government/academics

TO REGISTER:

Please send your name, title, company, address, phone and email address along with payment by check, credit card or wire transfer to:*

Forest Trends

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**Note: Secure credit payment may be made at:*

www.forest-trends.org

www.katoombagroup.org

KATOOMBA IV WILL:

- **DEBATE** the future interplay between environmental and financial regimes; where will there be conflict, and where will there be convergence? What will be the consequences for Capital Markets?
- **PRESENT** a range of compelling international case studies as examples of the potential for market development based on environmental assets and the services they provide;
- **IDENTIFY** potential partners and investment opportunities within emerging markets for carbon, water management and biodiversity;
- **EXPLORE** the range and nature of risk to investors arising from the degradation of natural ecosystems; and
- **FACILITATE** a deeper understanding of the latest concepts in developing markets for ecosystem services.

CONFERENCE

AGENDA

DAY 1 • 13TH MARCH, 2002 • STATIONERS' LIVERY HALL • LONDON

Morning Green Investment Opportunities

- 7:45 Registration/Coffee & Pastries
- 8:30 **Setting the scene — Opening remarks**
Michael Jenkins,
Executive Director, Forest Trends
- 8:50 **Opening keynote address — Anticipating Rio + 10**
Patricia Daly,
Executive Director, TRI-State Coalition for Responsible Investment
- 9:35 **Growing Risks & the Unexpected — The hazard of environmental liabilities**
Dr. Andrew Dlugolecki,
Aon Global Risks and formerly Director of General Insurance Development CGNU
- 10:00 **Valuing Natural Environments**
Professor David Pearce,
OBE, University College London
- 10:25 **Q&A with Dr. Andrew Dlugolecki & Professor David Pearce**
- 10:40 Morning coffee
- 11:05 **Forests as New & Innovative Investment Opportunities**
David Brand,
Hancock Natural Resource Group
- 11:30 **Green Timber in South Africa**
Jeff Leonard,
President, Global Forest Products
- 11:55 **A Mechanism to Capture Carbon Value — The Prototype Carbon Fund of the World Bank**
Ken Newcombe,
Senior Manager and Fund Manager, Prototype Carbon Fund
- 12:20 **Q&A with post-coffee break speakers**
- 12:40 Lunch

Afternoon Water, Biodiversity & Shareholder Value

- 14:00 **Liquid Gold in the Hills — New York City Invests in Water Quality**
Albert Appleton,
Former Commissioner of the New York City Department of Environmental Protection and Director of the New York City Water and Sewer System
- 14:25 **The AWG programme for Sustainable Development**
Paul Woodcock,
Director of Sustainable Development, awg plc
- 14:50 **Q&A with Albert Appleton & Paul Woodcock**
- 15:05 **Green Investments in Latin America**
John Forgach,
Director and CEO, A2R Brazilian Environmental Fund Managers
- 15:30 **The Role of SRI in Fostering the Development of Environmental Markets**
Keith Jones,
Managing Director, Morley
- 15:55 Afternoon tea
- 16:20 **Refining the SRI tool and Expanding its Impact**
Emma Howard-Boyd,
Head of Ethical Research, Jupiter Group
- 16:50 **Closing Keynote: Convergence and Conflict Between Environmental & Financial and Regulatory Regimes**
James Cameron,
Baker McKenzie
- 17:15 **Closing discussion with afternoon speakers — Are the Brown and Green Agendas Converging?**
Moderated by Eugene Linden,
Time magazine
- 17:45 Close

DAY 2 • 14TH MARCH, 2002 • STATIONERS' LIVERY HALL • LONDON

	The Mechanics of Doing the Deal	12:50	Lunch
8:50	Opening remarks <i>Michael Jenkins,</i> <i>Executive Director, Forest Trends</i>	14:10	The Sixth Environment Action Programme of the European Community 2001-2010 Key milestones and their possible impact on Capital Markets <i>José Madeira»</i> <i>Principal Administrator, Directorate Generale for the Environment, European Commission</i>
9:00	Opening keynote — The Economic Value of Environmental Assets in the Developing World <i>José Maria Figueres-Olsen,</i> <i>Managing Director, Centre for the Global Agenda, World Economic Forum</i>	14:40	The Role of ENGOs in Developing Markets <i>Michael Totten, Center for Environmental Leadership in Business,</i> <i>Conservation International</i>
9:30	The Commercial Value of Nature's Intellectual Property <i>Peter Crane,</i> <i>Director, Royal Botanic Gardens, Kew</i>		
10:00	PANEL 1 Ecosystem Services and the Market. Identifying and accurately measuring the value of ecosystem service frameworks in which to explore the critical issues of market creation and development. <i>Moderator: Adam Davis, EPRIsolutions</i> <i>Josh Bishop, International Institute for Environment and Development</i> <i>Kerry ten Kate, Royal Botanic Gardens, Kew</i> <i>Doug Lashley, GreenVest</i> <i>Pedro Moura Costa, EcoSecurities</i>	15:20	Afternoon tea
10:50	Morning coffee	16:00	The Role of Ethical Investment in the Development of Markets for Ecosystems Services <i>Alois Flatz,</i> <i>Sustainable Asset Management</i>
11:20	How Illegal and Unregulated Markets in Timber Products Impact the Cost of Risk <i>tbc,</i> <i>Swiss Re</i>	15:50	PANEL 3 Engaging with, and Guiding, the Green Investor; What Are the Tools, Resources, and Organisations that Can Best Advise the Investor on the Environmental Dimension? <i>Moderator: Brian Pearce, Forum for the Future</i> <i>Ben Feldman, Natsource</i> <i>Fiona Gadd, Arthur Andersen</i> <i>Steve Howard, URS Corp.</i> <i>Paul Moody, Morley Asset Management</i>
11:50	PANEL 2 Managing Risk in Emerging Markets, Countries & Sectors. How do we implement viable risk management strategies? <i>Moderator: Phil Cottle, Partner Re</i> <i>tbc, Swiss Re</i> <i>Charles Eyre, Aon Risk Consulting</i> <i>Mark Campanale, Henderson Investors</i> <i>John Earhart, Global Environment Fund</i> <i>Louis Boorstin, IFC</i>	16:50	Summary of day, final Q&A
12:40	Q&A, summary of morning, scene setting for afternoon		

NATURE AND THE GLOBAL MARKETPLACE:

MARCH 13, 2002 CONFERENCE • LONDON • MARCH 14, 2002 SEMINAR

Albert F. Appleton is currently a Senior Fellow at the Regional Plan Association (RPA) in New York City. Prior to joining RPA, Mr. Appleton served as Commissioner of the New York City Department of Environmental Protection and Director of the New York City Water and Sewer system. During his tenure, Mr. Appleton established New York's watershed protection program, which saved city ratepayers billions of dollars in infrastructure costs by investing in environmental landscape management and pollution prevention.

David Brand is Director of Carbon Programs for the Hancock Natural Resource Group, based in Sydney, Australia. He is responsible for the design and oversight of global forest investment programs that will bring together elements of traditional forestry investment with new environmental markets for forests including carbon sequestration, watershed management and biodiversity enhancement.

Professor Peter Crane is the Director of the Royal Botanic Gardens, Kew. He received the Bicentenary Medal of the Linnean Society in 1984 and was elected to the Royal Society in 1998. His own research integrates studies of living and fossil plants to understand large-scale patterns and processes of plant evolution. He is the author of more than 100 scientific publications, including several books on plant evolution.

Dr. Andrew Dlugolecki started his career at CGNU group in 1973 analyzing the effect of weather and economic factors on claims. In 2001 he co-authored the study "Climate Change—a Risk Management Challenge for Institutional Investors" for the Universities Superannuation Scheme, one of the UK's largest pension providers. He is now a Research Fellow at East Anglia University, and consults in a private capacity.

John Michael Forgach is the Director, CEO, and President of A2R Ltda in São Paulo, Brazil. He is the former Vice President and founding partner of Banco Axial, São Paulo; Founder and Managing Director of Titan Resources SA, Fribourg, Switzerland; and Vice President of Chase Manhattan Bank, New York.

Michael Jenkins is the Executive Director of Forest Trends, a global organization focused on conserving forests through market-based mechanisms. In 1998 he was in a joint appointment as a Senior Forestry Advisor to the World Bank. From 1989-1999 he was the Associate Director for the Global Security and Sustainability Program of the MacArthur Foundation.

H. Jeffrey Leonard is the President and founding shareholder of Global Environment Fund (GEF) and serves as Chairman of the Investment Committee for each of GEF's investment funds. Dr. Leonard also has primary responsibility for GEF's technology investments specializing in the energy, environmental, intelligent systems engineering, biotechnology and healthcare sectors.

Eugene Linden has been writing about science, technology, the environment and humanity's relationship with nature in books, articles and essays for 25 years. For the past decade, much of Linden's magazine writing has been at *Time* magazine. Linden has received numerous awards and recognition for his writing about science and the environment, including an Overseas Press Club Citation for Excellence and a Genesis Award.

Ken Newcombe is Fund Manager for the Prototype Carbon Fund and Senior Manager in the Vice Presidency for Environmental and Socially Sustainable Development, and is responsible for special initiatives promoting public-private partnerships in natural resource and environmental management. Previously he was a research scientist in environmental science and natural resource management at the Australian National University, and subsequently General Manager of the Papua New Guinea power utility and Head of the Energy Planning Administration in Papua New Guinea.

José Maria Figueres-Olsen is an expert in finance and tourism, he has been the Managing Director of the Centre for the Global Agenda at the World Economic Forum since 2000. From 1994-98, he served as President of Costa Rica. His extensive experience also includes positions as the Minister of Foreign Trade and the Minister of Agriculture for Costa Rica.

David Pearce is Professor of Environmental Economics at University College London, UK. He is the author of more than fifty books and some 300 papers in learned journals. He has advised the UK government, served as a Vice President of the World Bank, and the Secretary General of the United Nations. He holds the UN Global 500 Award for services to the environment and was awarded an OBE by Her Majesty the Queen in 2000.

David Wieder is CEO and Managing Principal of Domini Social Investments LLC and Vice President of the Domini Social Equity Fund. David is on the Board of Advisers of Kinder, Lydenberg, Domini & Co. His expertise is in the areas of mutual fund management, marketing and financial service product development. Prior to joining Domini, David founded and was President of FSSI, a mutual fund transfer agent/consulting firm that assists financial services firms in the areas of shareholder servicing, marketing and technology.

WHO WILL BE ATTENDING?

- **MANAGING, FINANCE AND OPERATIONS DIRECTORS** from major city-based corporations
- **INVESTMENT MANAGERS AND ANALYSTS** from merchant banks and fund management organizations
- **PENSION FUND MANAGERS**
- **TRADERS AND ANALYSTS** specializing in the energy, utility, petrochemical, forest and agribusiness markets
- **SENIOR UNDERWRITERS AND ANALYSTS** from the insurance and reinsurance sectors
- **SENIOR REPRESENTATIVES** from government environmental departments and from those agencies involved in disaster contingency planning
- **LEADERS FROM ACADEMIA, ENVIRONMENTAL AND INTERNATIONAL AGENCIES** working in the fields of natural ecosystems and sustainable development



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For further information, please visit the Katoomba Group Web site (<http://www.katoombagroup.org>), the Forest Trends Web site (<http://www.forest-trends.org>), or e-mail Jessica Rice of Forest Trends at jrice@forest-trends.org.