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*Framework for Country-Level
Ecosystem Service Payment Inventory*

**A GUIDE TO
CONDUCTING COUNTRY-LEVEL INVENTORIES OF
CURRENT ECOSYSTEM SERVICE PAYMENTS, MARKETS, AND CAPACITY BUILDING**

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Purpose

The purpose of this document is to introduce a method for conducting country-level inventories of ecosystem service payment, market, and capacity building activities. These inventories are structured to document existing deals, programs, policies, capacity building initiatives, gaps and potentials. The ecosystem service transactions that are covered should include both monetary and non-monetary exchanges. Overall, the inventory is structured around a series of matrices that include key elements for robust ecosystem service payments, markets, and capacity building efforts.

The overall goal of the inventory is to “take stock” of the current status of ecosystem service payments, markets and capacity. The resulting reports will provide baseline data that can inform planning, prioritizing, and developing strategies that will expand payments and markets related to ecosystem services.

As you fill out the matrices and complete the inventory, please remember that it is designed to be an iterative process. If there are questions for which there is no available data, simply write “NA” (not available). This approach will both provide a “snapshot” of what is currently known to exist and offer an important first step in beginning to understand the full in-country picture related to ecosystem service payments, markets, and capacity.

If you have any questions about these materials, please do not hesitate to contact Sara Scherr, Director, Ecosystem Services Program, Forest Trends (sscherr@forest-trends.org) or Sissel Waage, Consultant, Forest Trends.

Background

Ecosystems provide a wide range of services from clean water through carbon sequestration and biological diversity. People and companies rely on these services—for raw material inputs, production processes, and climate stability. At present, however, many of these ecosystem services are either undervalued or have no financial value at all. As day-to-day decisions often focus on immediate financial returns, ecosystem structures and functions are being fundamentally undercut.¹

¹ For more information, please see: Daily, Gretchen C. *Nature's Services: Societal Dependence on Natural Ecosystems*. Washington, DC: Island Press, 1997; Millennium Ecosystem Assessment Board. 2005. “Living Beyond Our Means: Natural Assets and Human Well-Being.” Geneva, Switzerland: The United Nations Environment Program.



Concern is resulting in innovation. Markets are emerging for ecosystem services in countries around the world. For example, formal, multi-million dollar markets now exist in greenhouse gases, wetlands, water pollution, and even in endangered species. And systems of payment are being established for specific services provided by ecosystems.²

Current ecosystem services payments include both monetary and non-monetary transactions (such as deals related to shifting property rights) between an individual (or a group of people) who provides services (“sellers”) and an individual (or a group) who pays for maintenance of these services. The key characteristic of these buyer/seller transactions is that the focus is on maintaining a flow of a specified ecological “service,” such as retaining clean water, biodiversity, and carbon sequestration capabilities. In order to ensure that the ecological service is indeed maintained—as buyers expect for their money—the transactions require regular, independent verification of sellers’ actions and effects on the resources. In sum, the key attributes of ecosystem service payments and markets are that sellers (a) maintain specific ecological structures and functions, and (b) remain accountable to independent verifiers that the “service” being paid for is indeed being delivered.

Major Ecosystem Services

- *Purification of air and water*
- *Regulation of water flow*
- *Detoxification and decomposition of wastes*
- *Generation and renewal of soil and soil fertility*
- *Pollination of crops and natural vegetation*
- *Control of agricultural pests*
- *Dispersal of seeds and translocation of nutrients*
- *Maintenance of biodiversity*
- *Partial climatic stabilization*
- *Moderation of temperature extremes*
- *Wind breaks*
- *Support for diverse human cultures*
- *Aesthetic beauty and landscape enrichment*

Source: Daily, Gretchen. 1997. Nature’s Services. Washington D.C., USA: Island Press.

It is important to note that the definition of payments for ecosystem services does not include transactions in which money exchanges hands but there is no associated requirement that the recipient of funds actively takes particular natural resource management actions. For example, if a community were to allow a conservation organization to use and manage their historical common property for wildlife protection and revenue sharing, it would not necessarily be a payment for ecosystem service. In this case, the community is not specifically taking action (and/or foregoing other practices) to maintain a particular set of ecosystem services. Rather, the case of wildlife protection and conservation undertaken by an outside group that pays a community is simply a separate kind of transaction.

(For further information on payments for ecosystem services, please see:
<http://www.ecosystemmarketplace.com/>)

² For more information, please see: <http://www.ecosystemmarketplace.com/>



The four broad types of ecosystem service payments can be categorized into:

- (1) *public payment schemes* to private land and forest owners to maintain or enhance ecosystem services;
- (2) *open trading between buyers and sellers under a regulatory cap or floor* on the level of ecosystem services to be provided;
- (3) *self-organized private deals* in which individual beneficiaries of ecosystem services contract directly with providers of those services; and
- (4) *eco-labeling of products* that assures buyers that production processes involved have a neutral or positive effect on ecosystem services.

The focus of this country-level inventory work will be primarily on the first three categories, only briefly touching on eco-labeling.

A few examples of biodiversity and water market payments are offered in Table 1 and 2.



**Table 1:
Types of Payments for Biodiversity Protection³**

Purchase of High-Value Habitat
<ul style="list-style-type: none"> ▪ Private land acquisition (purchase by private buyers or NGOs explicitly for biodiversity conservation) ▪ Public land acquisition (purchase by government agency explicitly for biodiversity conservation)
Payment for Access to Species or Habitat
<ul style="list-style-type: none"> ▪ Bioprospecting rights (rights to collect, test and use genetic material from a designated area) ▪ Research permits (right to collect specimens, take measurements in area) ▪ Hunting, fishing or gathering permits for wild species ▪ Ecotourism use (rights to enter area, observe wildlife, camp or hike)
Payment for Biodiversity-Conserving Management
<ul style="list-style-type: none"> ▪ Conservation easements (owner paid to use and manage defined piece of land only for conservation purposes; restrictions are usually in perpetuity and transferable upon sale of the land) ▪ Conservation land lease (owner paid to use and manage defined piece of land for conservation purposes, for defined period of time) ▪ Conservation concession (public forest agency is paid to maintain a defined area under conservation uses only; comparable to a forest logging concession) ▪ Community concession in public protected areas (individuals or communities are allocated use rights to a defined area of forest or grassland, in return for commitment to protect the area from practices that harm biodiversity) ▪ Management contracts for habitat or species conservation on private farms, forests, grazing lands (contract that details biodiversity management activities, and payments linked to the achievement of specified objectives)
Tradable Rights under Cap & Trade Regulations
<ul style="list-style-type: none"> ▪ Tradable wetland mitigation credits (credits from wetland conservation or restoration that can be used to offset obligations of developers to maintain a minimum area of natural wetlands in a defined region) ▪ Tradable development rights (rights allocated to develop only a limited total area of natural habitat within a defined region) ▪ Tradable biodiversity credits (credits representing areas of biodiversity protection or enhancement, that can be purchased by developers to ensure they meet a minimum standard of biodiversity protection)
Support Biodiversity-Conserving Businesses
<ul style="list-style-type: none"> ▪ Business shares in enterprises that manage for biodiversity conservation ▪ Biodiversity-friendly products (eco-labeling)

³ Source: Scherr, Sara, Andy White, and Arvind Khare with contributions from Mira Inbar and Augusta Molar. 2004. "For Services Rendered: The Current Status and Future Potential of Markets for the Ecosystem Services Provided by Tropical Forests." Yokohama, Japan: International Tropical Timber Organization (pages 30-31).

**Table 2: Examples of Water Market Payments⁴**

Name of Case Study	Water-related ecological service provided	Supplier	Buyer	Instruments	Intended impacts on forests	Payment
Self Organized Private Deals						
France: Perrier Vittel's Payments for Water Quality	Quality drinking water	Upstream dairy farmers and forest landholders	A bottler of natural mineral water	Payments by bottler to upstream landowners for improved agricultural practices and for reforestation of sensitive infiltration zones	Reforestation but little impact because program focuses on agriculture	Vittel pays each farm about US\$230 per hectare per year for seven years. The company spent an average of US\$155,000 per farm or a total of US\$3.8 million
Reforestation but little impact because program focuses on agriculture	Regularity of water flow for hydroelectricity generation	Private upstream owners of forest land	Private hydroelectric utilities, Government of Costa Rica and local NGO	Payments made by utility company via a local NGO to landowners; payments supplemented by government funds	Increased forest cover on private land; expansion of forests through protection and regeneration	Landowners who protect their forests receive \$US 45/ha/yr, those who sustainably manage their forests receive \$US 70/ha/yr, and those who reforest their land receive \$US 116/ha/yr.
Cauca River, Colombia: Associations of Irrigators' Payments	Improvements of base flows and reduction of sedimentation in irrigation canals	Upstream forest landowners	Associations of irrigators; government agencies	Voluntary payments by associations to government agencies to private upstream landowners; purchase by agency of lands	Reforestation, erosion control, springs and waterways protection, and development of watershed communities	Association members voluntarily pay a water use fee of \$US 1.5-2/litre on top of an already existing water access fee of \$US 0.5/litre. The total investment was over US\$ 1.5 billion between 1995-200
Trading Schemes						
United States: Nutrient Trading	Improved water quality	Point source polluters discharging below allowable level; non-point source polluters reducing their pollution	Polluting sources with discharge above allowable level	Trading of marketable nutrient reduction credits among industrial and agricultural polluting sources	Limited impact on forests- mainly the establishment of trees in riparian areas	Incentive payments of \$5 to \$10 per acre
Australia: Irrigators Financing of Upstream Reforestation	Reduction of water salinity	State Forests of New South Wales	An association of irrigation farmers	Water transpiration credits earned by State Forests for reforestation and sold to irrigators	Large-scale reforestation, including planting of desalination plants, trees and other deep rooted perennial vegetation	Irrigators pay \$US 40/ha per year for 10 years to the government agency: State Forests of NSW. Revenues are used by SF to reforest on private and public lands. Private landowners receive an allowance but rights remain within the State Forestry

⁴ Source: Scherr, Sara, Andy White, and Arvind Khare with contributions from Mira Inbar and Augusta Molar. 2004. "For Services Rendered: The Current Status and Future Potential of Markets for the Ecosystem Services Provided by Tropical Forests." Yokohama, Japan: International Tropical Timber Organization (pages 30-31).



The role of government in these payments and markets can vary greatly. It covers a spectrum that includes roles such as:

- government managing transactions;
- government serving as an intermediary between buyers and sellers (which could include assisting with transactions or simply providing training);
- government overseeing contracts;
- government “making the market” by setting up a cap and trade system, and
- no government involvement—other than overall legal sanction—as payments may focus on informal agreements.

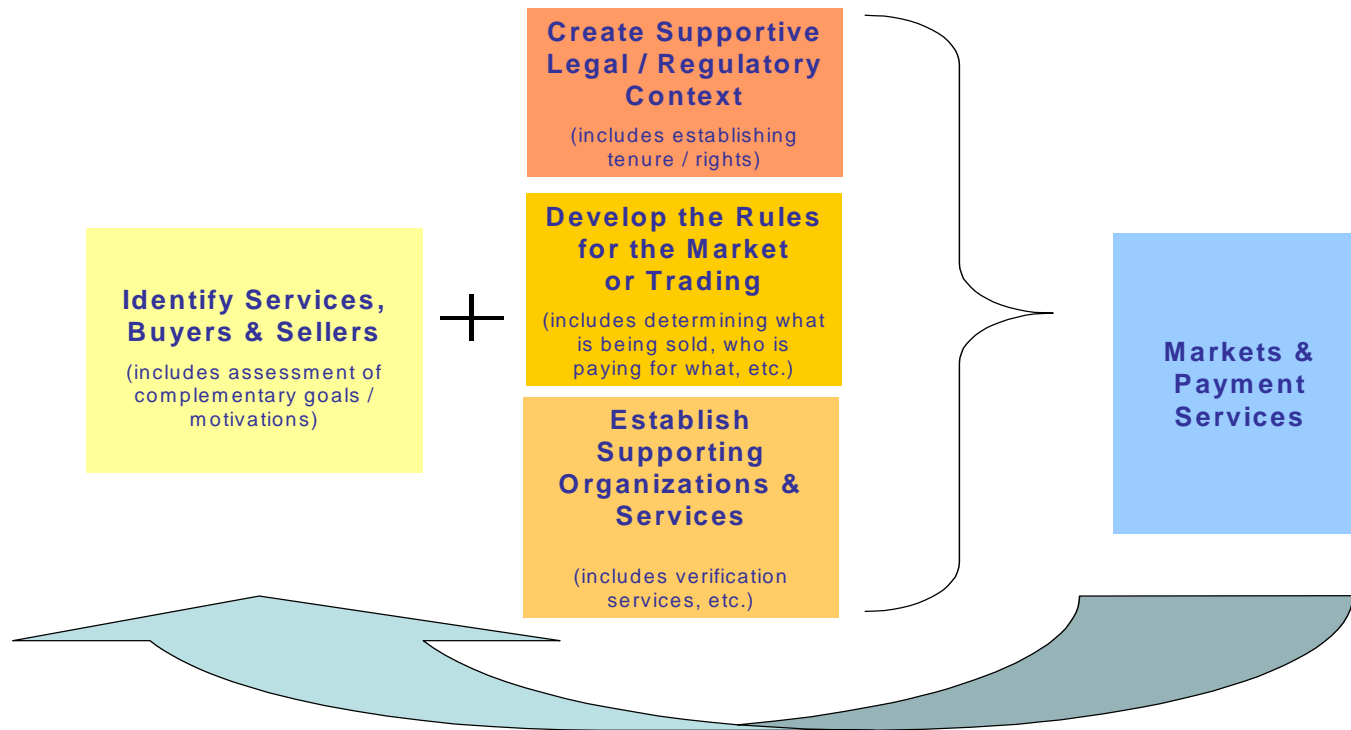
The variance in government involvement is significant. And the range of options for how to become involved in payments and markets for ecosystem services equally broad. The opportunity to begin to understand what can be done—in particular places and communities around the world.

Inventory Approach

The method for conducting a country-level inventory is organized around a series of specific steps that relate to both the phases and components essential to establishing payments and markets for ecosystem services. (Figures 1, 2, and 3 illustrate the essential phases, types of markets, and component parts of these markets.)



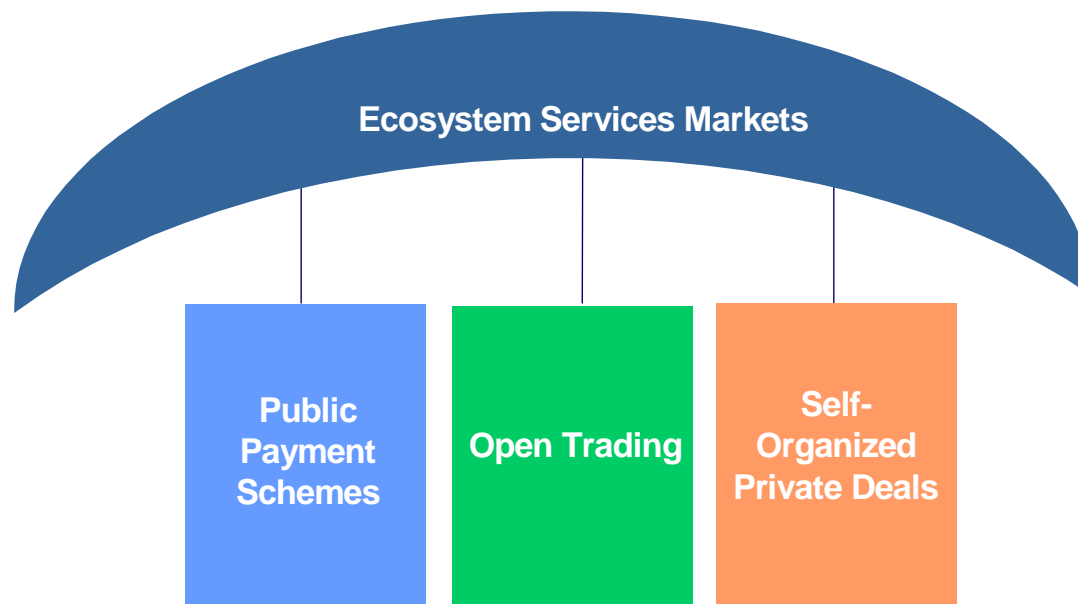
**Figure 1:
The Phases for Ecosystem Services Payment and Market Creation**



Adapted from Brand, David. 2002. "Investing in the Environmental Services of Australian Forests," in S. Pagiola, J. Bishop, and N. Landell-Mills (editors). *Selling Forest Environmental Services: Market-Based Mechanisms for Conservation and Development*. London, U.K.: Earthscan Publications.



**Figure 2:
Primary Types of Ecosystem Service Markets**





**Figure 3:
Essential Components for Establishing Ecosystem Services Payments and Markets**





Each of the essential components—delineated in figure 3—translates into a step in an inventory of current efforts related to ecosystem service payments and markets. Specifically, the steps for conducting a country-level inventory include:

	INVENTORY ACTIVITIES	RATIONALE
Step 1*	Identify Ecosystem Service Payments, Markets, and Mechanisms Currently Operating In-Country	Draws out who buys, who sells, project location, etc. Provides an inventory of payments for ecosystem services.
Step 2	Review Country-Level Legal, Regulatory, & Administrative Context for Ecosystem Service Payments	Focuses on national laws, regulations, and administrative rules that enable or impede sales of specific ecosystem services, including specifics on private property rights and community rights to interact in deal discussions. Highlights existing government agencies that are relevant to ecosystem service sales and deals.
Step 3*	Document Existence of and Need for Supporting Institutions	Provides for an understanding of what institutional support currently exists—in public, private, or quasi-autonomous non-governmental sectors—and what is needed.
Step 4*	Assess Local Involvement in Payments for Ecosystem Services	Considers the basis for community interactions with ecosystem service payments as both sellers and buyers (with as much information as possible).
Step 5	Examine Market Information Flow	Examines a few core parameters related to flow of information about ecosystem service markets in-country.
Step 6	List Available Technical Assistance	Explores availability of technical assistance for launching new ecosystem service payments / markets in-country (includes technical assistance for buyers, sellers, intermediaries, policymakers).
Step 7	Identify all Potential Sources of Financing	Documents availability of capital for launching new projects.
Step 8A*	Detail Project-by-Project Support Services for Market Actors	Specifies what projects are using what support services.
Step 8B	Document Nationally-Available Support Services for Market Actors	Lists in-country availability of support services for ecosystem services project, payment, and market establishment (with as much specificity as possible).
Step 9	List Standards and Guidelines	Lists current standards and guidelines relevant to ecosystem service payments and markets.
Step 10	Assess Awareness of Ecosystem Service Values, Payments and Markets	Describes level of awareness related to ecosystem service values, payments and markets.

* means that these steps request project-specific information.



Worksheets

The following cover sheet and matrices structure a country-level inventory according to each of the phases and essential elements depicted in Figures 1 and 2. *In conducting the inventory, please complete each element / step.*

Upon completion of the country assessments, the worksheets will summarize the current status of ecosystem service payments and markets.

COVER PAGE:

Country: _____

Period Inventory Undertaken:

Begun: _____

Completed: _____

Name of Person Completing Inventory:

Organizational Affiliation:

Contact Information:

Note:

As you complete the following worksheets, please keep notes on your thoughts regarding a SWOT analysis (strengths, weaknesses, opportunities and threats) relevant to the context for payments for ecosystem services. This information will be requested in one of the appendices. Most of the issue will arise in the course of completing the worksheets and it will be useful to keep running notes for yourself.



STEP 1:

**IDENTIFY ECOSYSTEM SERVICE PAYMENTS, MARKETS, AND MECHANISMS
CURRENTLY OPERATING IN COUNTRY**

(Please also include projects where deals have been concluded, even if payments have not yet been made)

<p>CURRENT ECOSYSTEM SERVICE PAYMENT OR MARKET</p> <p><i>List specific in-country ecosystem service projects under each of the categories below.</i></p>	<p>WHO IS THE BUYER?</p> <p><i>List name(s) of both key contact people and government agencies, companies, etc.</i></p>	<p>WHO IS THE SELLER?</p> <p><i>List both name(s) of people and/or community organizations</i></p>	<p>(A) WHERE IS THE PROJECT LOCATED?</p> <p>(B) HOW MUCH AREA INVOLVED IN AGREED DEAL (HECTARES)? <i>Include name of village and/or province</i></p>	<p>(A) HOW IS THE DEAL STRUCTURED?</p> <p><i>Is the deal:</i> (A) A gov't payment? (B) A private deal? (C) open trading?</p> <p>(B) WHAT CONSERVATION MANAGEMENT PRACTICES REQUIRED?</p>	<p>HOW DO PAYMENTS FLOW FROM THE BUYER TO THE SELLER?</p> <p><i>Provide a brief explanation.</i></p>	<p>WHAT ARE THE ROLES OF THE INSTITUTIONS ENGAGED IN PAYMENT SCHEME?</p> <p><i>List all institutions involved (including intermediaries) and briefly explain roles.</i></p>	<p>DATE DEAL AGREED?</p> <p><i>List date contract or agreement signed.</i></p>	<p>CURRENT STATUS?</p> <p><i>State if in operation, in planning phase, etc., and whether payments made.</i></p>
Carbon								
Carbon Project 1:								
Carbon Project 2:								
<i>* Please add rows as needed*</i>								
Biodiversity								
Biodiversity Proj. 1:								
Biodiversity Proj. 2:								
<i>* Please add rows as needed*</i>								
Water								
Water Project 1:								
Water Project 2:								
<i>* Please add rows as needed*</i>								



STEP 1 (CONTINUED):

**IDENTIFY ECOSYSTEM SERVICE PAYMENTS, MARKETS, AND MECHANISMS
CURRENTLY OPERATING IN COUNTRY**

(Please also include projects where deals have been concluded, even if payments have not yet been made)

<p>CURRENT ECOSYSTEM SERVICE PAYMENT OR MARKET</p> <p><i>List specific in-country ecosystem service projects under each of the categories below.</i></p>	<p>WHO IS THE BUYER?</p> <p><i>List name(s) of both key contact people and government agencies, companies, etc.</i></p>	<p>WHO IS THE SELLER?</p> <p><i>List both name(s) of people and/or community organizations</i></p>	<p>(A) WHERE IS THE PROJECT LOCATED?</p> <p>(B) HOW MUCH AREA INVOLVED IN AGREED DEAL (HECTARES)? <i>Include name of village and/or province</i></p>	<p>(A) HOW IS THE DEAL STRUCTURED?</p> <p><i>Is the deal:</i> <i>(A) A gov't payment?</i> <i>(B) A private deal?</i> <i>(C) open trading?</i></p> <p>(B) WHAT CONSERVATION MANAGEMENT PRACTICES REQUIRED?</p>	<p>HOW DO PAYMENTS FLOW FROM THE BUYER TO THE SELLER?</p> <p><i>Provide a brief explanation.</i></p>	<p>WHAT ARE THE ROLES OF THE INSTITUTIONS ENGAGED IN PAYMENT SCHEME?</p> <p><i>List all institutions involved (including intermediaries) and briefly explain roles.</i></p>	<p>DATE DEAL AGREED?</p> <p><i>List date contract or agreement signed.</i></p>	<p>CURRENT STATUS?</p> <p><i>State if in operation, in planning phase, etc., and whether payments made.</i></p>
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Other Ecosystem Service Projects?								
<i>* Please add rows as needed*</i>								
Bundled services?								
<i>* Please add rows as needed*</i>								



STEP 2:

**REVIEW COUNTRY-LEVEL LEGAL, REGULATORY, & ADMINISTRATIVE CONTEXT
FOR ECOSYSTEM SERVICE PAYMENTS**

(Please focus on specific laws, regulations, and administrative rules that pertain to sales and payments for ecosystem services. More general laws that relate to natural resource management do not have to be listed.)

ECOSYSTEM SERVICES				
	Carbon	Biodiversity	Water	Other?
DO NATIONAL LAWS, REGULATIONS, AND ADMINISTRATIVE RULES SUPPORT / HELP WITH SALES OF THIS ECOSYSTEM SERVICE? <i>(IF YES, PLEASE SPECIFY)</i>				
DO LAWS, REGULATIONS, AND ADMINISTRATIVE RULES SERVE AS OBSTACLES TO SALES OF THIS ECOSYSTEM SERVICE? <i>(IF YES, PLEASE SPECIFY)</i>				
DO LANDOWNERS HAVE A CLEAR, LEGAL RIGHT TO SELL ECOSYSTEM SERVICES? <i>(PLEASE SPECIFY WHAT LAWS RELATE TO THIS ISSUE)</i>				
DO COMMUNITY ORGANIZATIONS HAVE LEGAL RIGHTS TO: - SELL? - TO APPROVE / REJECT DEALS? <i>(PLEASE SPECIFY LAWS)</i>				



STEP 2 (CONTINUED):

**REVIEW COUNTRY-LEVEL LEGAL, REGULATORY, & ADMINISTRATIVE CONTEXT
FOR ECOSYSTEM SERVICE PAYMENTS**

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
ARE THERE GOVERNMENT AGENCIES THAT EXIST TO REGULATE AND MANAGE THE ECOSYSTEM SERVICES (E.G. CARBON OFFICE, EIA OFFICE, ETC.)? <i>(IF SO, PLEASE SPECIFY)</i>				
IS THERE ANY INVOLVEMENT OF GOVERNMENT IN DECREASING RISKS ASSOCIATED WITH PAYMENTS FOR ECOSYSTEM SERVICES (E.G. GOV'T BACKED INSURANCE, GUARENTEES, ETC.)? <i>(IF YES, PLEASE SPECIFY)</i>				
ARE ANY ADDITIONAL LAWS, REGULATIONS, OR ADMINISTRATIVE RULES NEEDED TO SUPPORT GROWTH OF ECOSYSTEM SERVICE PAYMENTS / MARKETS? <i>(IF YES, PLEASE SPECIFY)</i>				



STEP 3:
DOCUMENT EXISTENCE OF AND NEED FOR SUPPORTING INSTITUTIONS

ECOSYSTEM SERVICES				
	Carbon	Biodiversity	Water	Other?
<p>ARE THERE ANY INSTITUTIONS THAT <u>SUPPORT / HELP WITH SALES OF THIS ECOSYSTEM SERVICE?</u></p> <p><i>IF YES, PLEASE SPECIFY BY:</i></p> <ul style="list-style-type: none"> - GOVERNMENT AGENCIES? - PRIVATE COMPANIES / CONSULTANCIES? - NGOs? - QUANGOS? 				
<p>IF ANY, WHAT OTHER INSTITUTIONS ARE NEEDED TO <u>SUPPORT / HELP WITH SALES OF THIS ECOSYSTEM SERVICE?</u></p> <p><i>IF YES, PLEASE SPECIFY BY:</i></p> <ul style="list-style-type: none"> - GOVERNMENT AGENCIES? - PRIVATE COMPANIES / CONSULTANCIES? - NGOs? - QUANGOS? 				



STEP 4: ASSESS LOCAL INVOLVEMENT IN PAYMENTS FOR ECOSYSTEM SERVICES

CURRENT ECOSYSTEM SERVICE PAYMENT OR MARKET	<p>(A) DOES THE PROJECT SITE HAVE LOCAL ORGANIZATIONS AND PARTICIPATORY DEVELOPMENT PROGRAMS IN PLACE?</p> <p>(B) IF YES, HOW LONG HAVE THEY BEEN IN PLACE?</p> <p>(C) IF YES, HOW ARE THESE ORG'S ENGAGED IN PAYMENTS FOR ECOSYSTEM SERVICES?</p>	HAVE COMMUNITY REPRESENTATIVES BEEN SELECTED AND AUTHORIZED TO NEGOTIATE WITH OUTSIDERS?	<p>DO LOCAL PEOPLE DECIDE HOW INCOMING ECOSYSTEM SERVICES FUNDS WILL BE SPENT?</p> <p>(IF SO, WHAT IS THE PROCESS AND WHO IS INVOLVED?)</p>	<p>ARE LOCAL PEOPLE— INCLUDING WOMEN— PARTICIPATING IN THE ENTIRE PROJECT LIFECYCLE?</p> <p>(INCLUDING, DESIGN, IMPLEMENTATION, MONITORING, AND FINANCIAL BENEFIT ACCRUAL)</p>	<p>ARE THERE ANY EXISTING ANALYSES ON LOCAL BENEFITS FROM PROJECT?</p> <p>(SUCH AS: CONTRIBUTIONS TO: HOUSEHOLD INCOME, LOCAL ORGANIZATIONS, ETC.)</p> <p>(IF YES, PLEASE SPECIFY)</p>	<p>(A) HAS A FINANCIAL ANALYSIS OF THE PROGRAM BEEN CONDUCTED?</p> <p>(B) HAVE ASSESSMENTS BEEN MADE OF RISKS AT A LOCAL LEVEL ASSOCIATED WITH PROJECT?</p> <p>(IF YES, PLEASE SPECIFY)</p>
Carbon						
Carbon Project 1:						
Carbon Project 2:						
<i>* Please add rows as needed*</i>						
Biodiversity						
Biodiversity Project 1:						
Biodiversity Project 2:						
<i>* Please add rows as needed*</i>						



**STEP 4 (CONTINUED):
ASSESS LOCAL INVOLVEMENT IN PAYMENTS FOR ECOSYSTEM SERVICES**

CURRENT ECOSYSTEM SERVICE PAYMENT OR MARKET	(A) DOES THE PROJECT SITE HAVE LOCAL ORGANIZATIONS AND PARTICIPATORY DEVELOPMENT PROGRAMS IN PLACE? (B) IF YES, HOW LONG HAVE THEY BEEN IN PLACE? (C) IF YES, HOW ARE THESE ORG'S ENGAGED IN PAYMENTS FOR ECOSYSTEM SERVICES?	HAVE COMMUNITY REPRESENTATIVES BEEN SELECTED AND AUTHORIZED TO NEGOTIATE WITH OUTSIDERS?	DO LOCAL PEOPLE DECIDE HOW INCOMING ECOSYSTEM SERVICES FUNDS WILL BE SPENT? (IF SO, WHAT IS THE PROCESS AND WHO IS INVOLVED?)	ARE LOCAL PEOPLE— INCLUDING WOMEN— PARTICIPATING IN THE ENTIRE PROJECT LIFECYCLE? (INCLUDING, DESIGN, IMPLEMENTATION, MONITORING, AND FINANCIAL BENEFIT ACCRUAL)	ARE THERE ANY EXISTING ANALYSES ON LOCAL BENEFITS FROM PROJECT? (SUCH AS: CONTRIBUTIONS TO: HOUSEHOLD INCOME, LOCAL ORGANIZATIONS, ETC.) (IF YES, PLEASE SPECIFY)	(A) HAS A FINANCIAL ANALYSIS OF THE PROGRAM BEEN CONDUCTED? (B) HAVE ASSESSMENTS BEEN MADE OF RISKS AT A LOCAL LEVEL ASSOCIATED WITH PROJECT? (IF YES, PLEASE SPECIFY)
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<i>Water</i>						
Water Project 1:						
Water Project 2:						
* Please add rows as needed*						
<i>Other Ecosystem Service Projects?</i>						
* Please add rows as needed*						



STEP 5:
EXAMINE MARKET INFORMATION FLOW & PAYMENT FOR ECOSYSTEM SERVICES EXPERTISE

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
<p>HAS A NATIONAL ASSESSMENT OF POTENTIAL, FUTURE SITES FOR ECOSYSTEM SERVICE DEALS BEEN CONDUCTED?</p> <p><i>(IF YES, PLEASE PROVIDE DETAILS.)</i></p>				
<p>HAS A NATIONAL ASSESSMENT OF BUYERS BEEN CONDUCTED?</p> <p><i>(IF YES, PLEASE PROVIDE DETAILS.)</i></p>				
<p>IS THERE A PLACE THAT BUYERS AND INVESTORS CAN GO TO / CALL ABOUT ECOSYSTEM SERVICES DEALS & PRICES?</p>				



STEP 5 (CONTINUED):

EXAMINE MARKET INFORMATION FLOW & PAYMENT FOR ECOSYSTEM SERVICES EXPERTISE

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
ARE THERE TRAINING AND EDUCATION RESOURCES RELATED TO ECOSYSTEM SERVICES AND PAYMENTS?				
IS THERE ANY INFORMATION AVAILABLE ON RISKS AND/OR RISK MANAGEMENT ASSOCIATED WITH PAYMENTS FOR ECOSYSTEM SERVICES? (IF SO, WHERE? HOW CAN IT BE OBTAINED?)				
ARE THERE EXPERTS IN ECOSYSTEM SERVICE MONITORING & EVALUATION IN-COUNTRY?				



STEP 6:

LIST AVAILABLE TECHNICAL ASSISTANCE

(such as, training, ongoing advising / support, in-service programs, etc.)

ECOSYSTEM SERVICES				
	Technical Assistance Related to Carbon	Technical Assistance Related to Biodiversity	Technical Assistance Related to Water	Technical Assistance Related to Other Ecosystem Services?
IS THERE ANY CURRENT TECHNICAL ASSISTANCE IN IDENTIFYING AND ESTABLISHING ECOSYSTEM SERVICE PAYMENTS AND MARKETS? (e.g., training, ongoing advising / support, etc.)				
<i>IF YES, SPECIFY:</i> <i>TYPES OF TECHNICAL ASSISTANCE</i>				
<i>PROVIDERS (CONTACT NAMES & ORGANIZATIONS)</i>				



STEP 6 (CONTINUED):

LIST AVAILABLE TECHNICAL ASSISTANCE

(such as, training, ongoing advising / support, in-service programs, etc.)

ECOSYSTEM SERVICES				
	Technical Assistance Related to Carbon	Technical Assistance Related to Biodiversity	Technical Assistance Related to Water	Technical Assistance Related to Other Ecosystem Services?
<i>WHO PAYS (BUYERS, SELLERS, GOVERNMENT)</i>				
<i>WHO HAS ACCESS (WHO USES, WHERE, HOW OFTEN, ETC.)</i>				



STEP 7:
IDENTIFY ALL POTENTIAL SOURCES OF FINANCING
(such as, loans, grants, subsidies, in-kind payments, etc.)

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
WHAT TYPE AND SOURCE OF FINANCING IS AVAILABLE FOR ECOSYSTEM SERVICE PAYMENT / MARKET: - PROJECT PLANNING? - TRANSACTIONS? - TECHNICAL ASSISTANCE? - BUSINESS PLANNING? - OPERATIONS? - RISK MANAGEMENT? - OTHER?				
<i>IF YES, SPECIFY FOR EACH AREA OF AVAILABLE FINANCING:</i> WHERE / FROM WHOM?				
WHAT IS NEEDED TO QUALIFY?				
HOW MUCH? (UPWARD LIMIT TO SUPPORT)				
CONTACT INFORMATION				



STEP 8A:

DETAIL PROJECT-BY-PROJECT SUPPORT SERVICES FOR MARKET ACTORS

(including, existence of in-country providers and their availability (e.g., country-wide, capital city only, etc.))

CURRENT ECOSYSTEM SERVICE PAYMENT OR MARKET	FINANCING (Provision of necessary capital / operating funds)	MEASUREMENT (Valuation of ecosystem service)	MONITORING (Regular collection & analysis of data to ensure accountability)	VERIFICATION (Process of review to ensure accuracy of information)	BUSINESS ADVISORY SERVICES (Financial advice, legal services, mediation, technical assistance, marketing support, market information, land title services, water right services, etc.)	REGISTRIES (Collection & configuration of information in a database)	CERTIFICATION (Examination of an ecosystem service or product according to a set of guidelines)	RISK MGNT (Addressing financial and other risks associated with engaging in PES)	TRAINING & CAPACITY BUILDING (Increasing the pool of people interested in and able to act on PES)
<i>Carbon</i>									
Carbon Project 1:									
Carbon Project 2:									
<i>* Please add rows as needed*</i>									
<i>Biodiversity</i>									
Biodiversity Project 1:									
Biodiversity Project 2:									
<i>* Please add rows as needed*</i>									



STEP 8A (CONTINUED):

DETAIL PROJECT-BY-PROJECT SUPPORT SERVICES FOR MARKET ACTORS

(including, existence of in-country providers and their availability (e.g., country-wide, capital city only, etc.))

CURRENT ECOSYSTEM SERVICE PAYMENT OR MARKET	FINANCING (Provision of necessary capital / operating funds)	MEASUREMENT (Valuation of ecosystem service)	MONITORING (Regular collection & analysis of data to ensure accountability)	VERIFICATION (Process of review to ensure accuracy of information)	BUSINESS ADVISORY SERVICES (Financial advice, legal services, mediation, technical assistance, marketing support, market information, land title services, water right services, etc.)	REGISTRIES (Collection & configuration of information in a database)	CERTIFICATION (Examination of an ecosystem service or product according to a set of guidelines)	RISK MGNT (Addressing financial and other risks associated with engaging in PES)	TRAINING & CAPACITY BUILDING (Increasing the pool of people interested in and able to act on PES)
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Water									
Water Project 1:									
Water Project 2:									
<i>* Please add rows as needed*</i>									
Other Ecosystem Service Projects?									
<i>* Please add rows as needed*</i>									



STEP 8B:

DOCUMENT NATIONALLY-AVAILABLE SUPPORT SERVICES FOR MARKET ACTORS

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
ARE THERE SPECIFIC SUPPORT SERVICE-RELATED PROBLEMS / CONSTRAINTS?				
WHAT IS NEEDED TO IMPROVE SUPPORT SERVICES?				
ARE ADDITIONAL SUPPORT SERVICES NEEDED? IF YES, SPECIFY.				



STEP 9:

LIST GOVERNMENTAL & NON-GOVERNMENTAL STANDARDS & GUIDELINES

(specifically in relation to eligibility, performance, equity, environmental impact, reporting requirements, community and public input requirements, public comment, labor regulations, etc.)

NOTE: Please include specific mention / citation to specific acts, articles, and other materials.

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
<p>DO ANY STANDARDS AND/OR GUIDELINES EXIST THAT GUIDE ECOSYSTEM SERVICE PAYMENTS AND MARKETS?</p> <p>(IF YES, PLEASE SPECIFY)</p>				
<p>ARE STANDARDS AND/OR GUIDELINES NEEDED FOR ECOSYSTEM SERVICE PAYMENTS / MARKETS?</p> <p>(IF YES, PLEASE SPECIFY)</p>				
<p>HAS THE COUNTRY SET SPECIFIC STANDARDS FOR CARBON PROJECTS UNDER THE CDM?</p> <p>(IF YES, PLEASE SPECIFY AND STATE WHO WAS INVOLVED)</p>				



STEP 10:
ASSESS AWARENESS OF ECOSYSTEM SERVICE VALUES, PAYMENTS, AND MARKETS

	ECOSYSTEM SERVICES			
	Carbon	Biodiversity	Water	Other?
WHAT IS THE LEVEL OF AWARENESS OF PES OPPORTUNITIES AMONG - NATIONAL BUSINESS COMMUNITY? - GOVERNMENT AGENCIES? - COMMUNITY ORGANIZATIONS? - NATIONAL NGOS? - INTERNATIONAL NGOS?				
WHAT, IF ANY, ARE THE SOURCES OF CURRENT, AVAILABLE INFORMATION ON ECOSYSTEM SERVICE PAYMENTS / MARKETS?				
IF AVAILABLE INFORMATION, HOW ACCESSIBLE IS IT TO VARIOUS ACTORS? IN WHAT FORMAT DOES IT APPEAR? WHERE IS IT KEPT?				
WHO IS DISSEMINATING THIS INFORMATION?				



REQUIRED ANNEXES

Annex 1. Overall SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)

This annex should include an overall assessment of strengths, weaknesses, opportunities, and threats in terms of developing payments for ecosystem services within the country being inventoried.

Annex 2. Country Map with Locations of the Ecosystem Services Payments & Projects

Please also attach a map of the country in which the inventory was conducted that notes the location of the payments for ecosystem services payments and projects. The locations should all be numbered and a separate sheet should be attached with a list of the project numbers with the specific project names and locations (village, province, etc.).

Annex 3. Key Contacts

Please attach a list of key contact people related to the inventory information. For example, project leaders, experts, government officials, etc.

Annex 4. Bibliography

Provide a list of books, articles, websites, and other resources—separated into these four core categories—that would provide background material for the inventory.

OPTIONAL ANNEXES

Annex 5. Summary of Related Projects

This annex is where related ecosystem service projects should be listed if they do not fall within the formal definition of payments for ecosystem services (as explained at the beginning of this document). For example, related projects could include: CDM energy projects; green energy organizational efforts, and environmental certification initiatives.

Annex 6. Additional Descriptive Information on Projects (as available)

Please include any additional information that describes the projects and initiatives underway. Such information could include project briefs, reports, articles, etc. If attachments are included, please provide a list.