

Forests are not for free



Workshop participants in Brazil learn from Forest Trends how to add value to their ecosystem.
Photo: Rebecca Vonada

Why should we pay for the services of, say, a cellphone provider, but not those of a rainforest? Michael Jenkins, an ex-forest ranger in Haiti and Brazil, didn't see why we shouldn't, so he came up with a way of determining a realistic price for the services these ecosystems supply. As director of **Forest Trends**, he creates financial stimuli to encourage the improvement of these ecosystems and in the process create a market for environmental restoration.

Forest Trends has developed a detailed system for expressing the value of ecological improvement in terms of "ecosystem services." Water purification, wind shielding, carbon storage, nice views and so on are worth money, after all. Forest Trends expresses this value in PES, or "payments for ecosystem services." Assigning a financial value to a project that, say, improves water purification in an ecosystem or allows more carbon to be stored generates an income for the landowner or local population.

Mineral water company Perrier Vittel has entered into a PES contract with farmers and large landowners in the Meuse-Rhine watershed in northeastern France. Perrier Vittel pays farmers almost \$700 an acre (\$250 a hectare) per year, for seven years, to graze their dairy cattle less intensively and reduce waste. The landowners, meanwhile, receive money to replant forests in filtration zones, which leads to purer water. Perrier Vittel is spending more than \$3.7 million on the schemes - but it's cheaper than building big filtration installations.

Another example can be found in the hills around the Panama Canal, where deforestation is causing erosion and salinization. The result is water shortages and high dredging costs. Shipping companies are paying farmers to plant trees, bringing those costs down.

"We remain committed to helping fulfill the promise of ecosystem service market opportunities to benefit communities

and deliver real conservation outcomes around the world," ♦ Jenkins says.

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