

Business Engagement in Ecosystem Restoration

- AN OVERVIEW

Presented by

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Background

- Inadequate funding especially for developing countries largely accounts for limited ecosystem restoration and related initiatives
- Investments in the forestry sector are below the needs (estimated to be around only 30%).
- The private sector is unwilling to assume the high associated risks, the low returns, the increasing transaction costs, and internalisation of environmental costs.



Trends

- GEF's grants to approved forest projects worldwide, from 1996-2005 approx. US\$ 175 million.
- This represents, on average, 3.6% of the total loans approved by GEF for all types of projects
- The WB's approved US\$ 6 billion in loans and credits for forest projects worldwide between 1996-2005.
- This represents on an average, 2.8% of the total Bank's loans and credits
- Recent research shows an improvement in the financial environment for forestry activities.
- There is no evidence that official flows would reach the required levels in the short or medium-run.
- Investments within the forestry sector has been donor-driven.

Attracting Private Investment

Conditions for effective private sector engagement in the forestry sector

- Climate for investments
- Priority setting
- Risks and uncertainties
- Making funding and finance for forestry and forest-based sector more effective
- Inadequate rent capture
- Need for innovative and sustainable financing mechanisms



What are the entry points for collaboration

Mainstream biodiversity considerations into the development agenda of governments.

- Governance
- Operations
- Supply Chain
- Strategy
- Business Policy



Approaches

Ecotourism

An ecological restoration tool provides an interdisciplinary approach to analysing the relationship between the environment and public demand for a good or service.

- A case of the Kakum National Park in Ghana (funding from the USAID)

Period	Before 1996	1996-2008
Number of Tourists/year	20,000	131,637
Revenue generated	\$10,000	\$350,000
Number of Hotels	2	50
Forest Condition	4	2



Approaches

Commodity Certification



Approaches

Carbon/ REDD+ Project

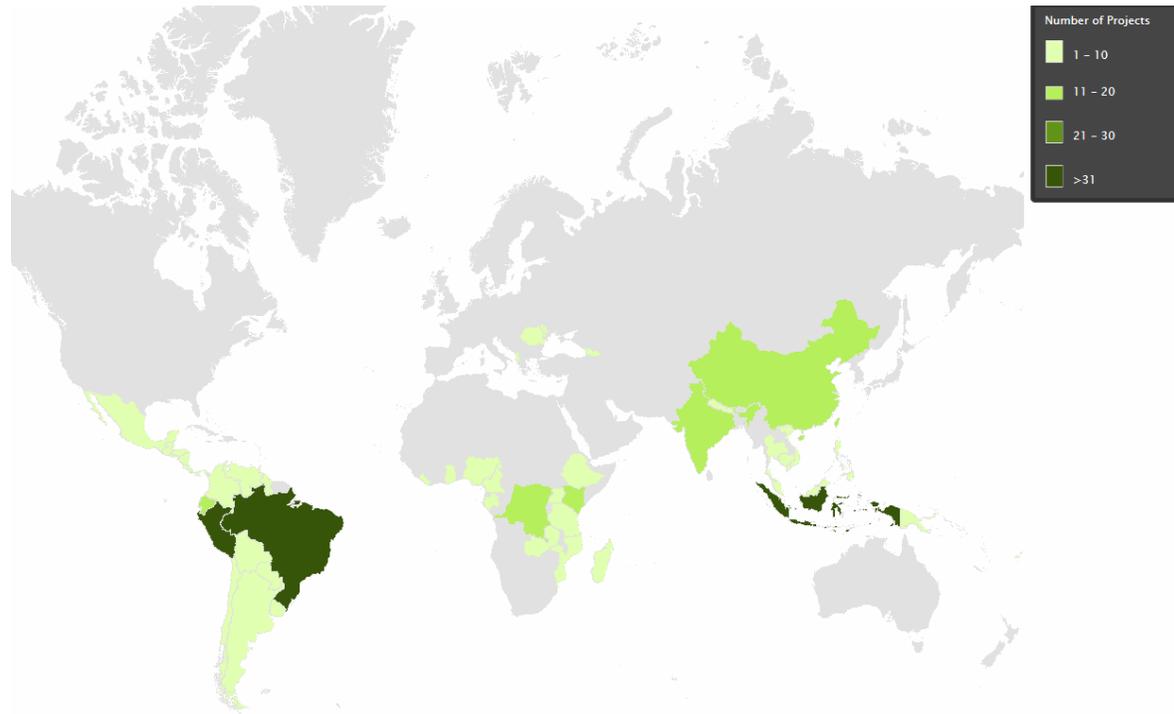
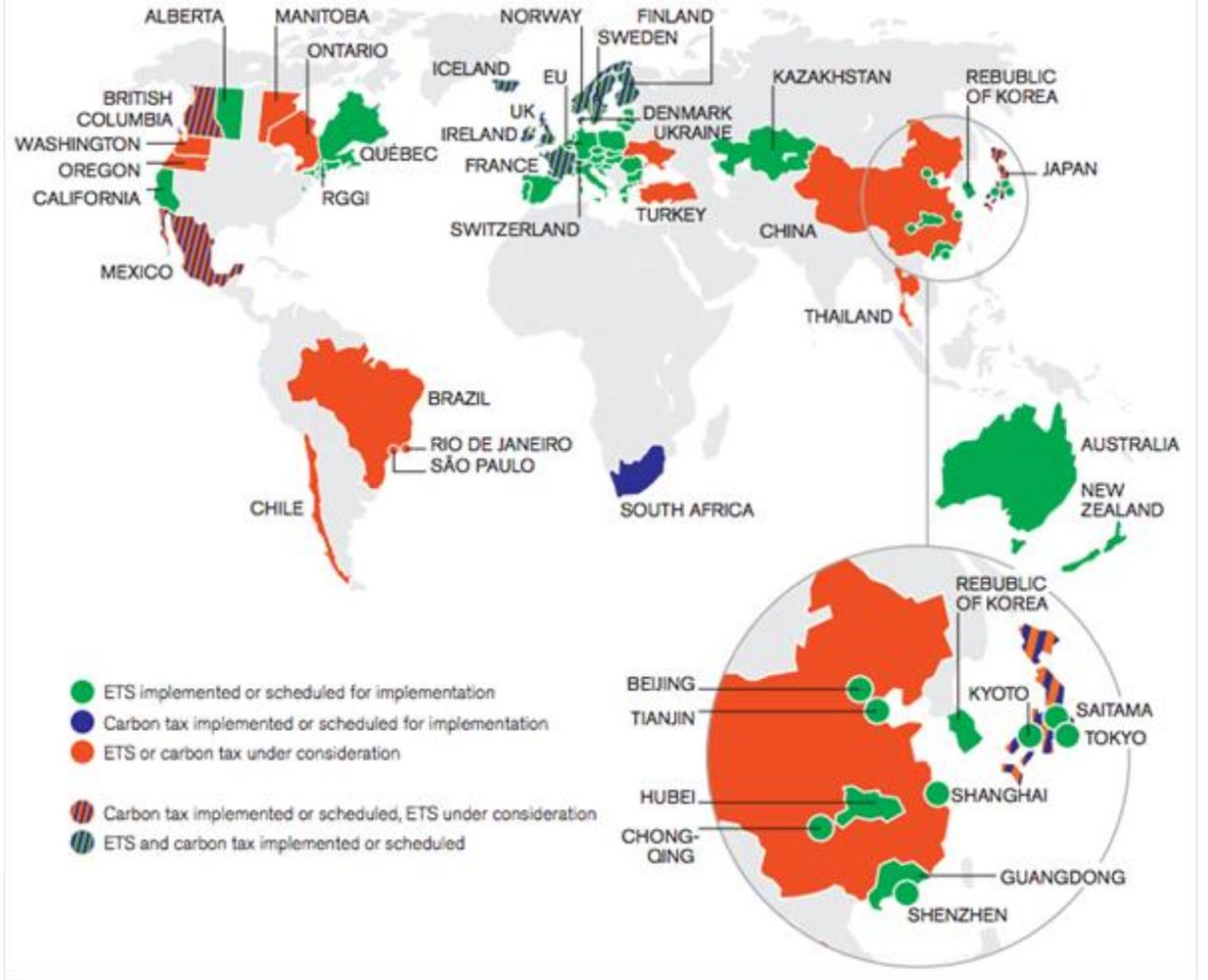


Figure 1 Summary map of existing, emerging, and potential regional, national and sub-national carbon pricing instruments (ETS and tax)



Approaches

Biodiversity Offsets

Figure 1: How Biodiversity Offsets Work

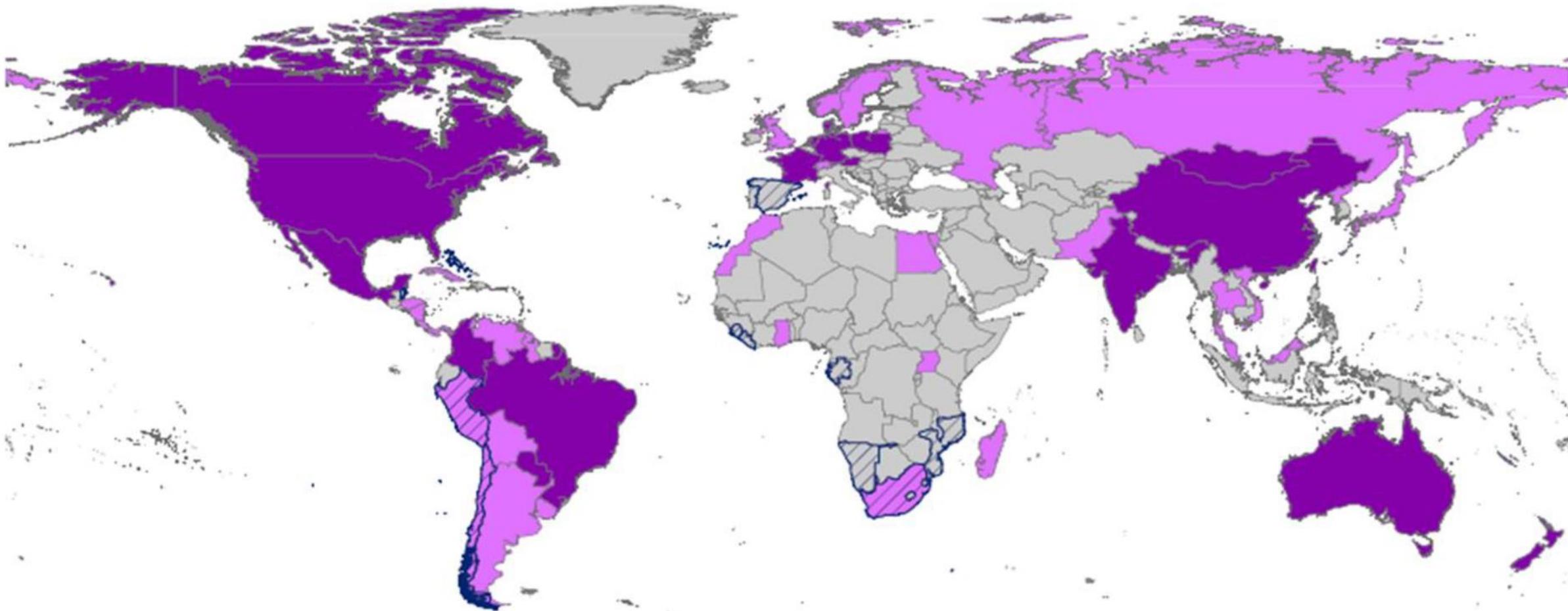
A company wishes to develop a piece of land for commercial use, cutting down trees and destroying habitat for biodiversity

In order to proceed with the commercial development project, the company secures an offset - in which habitat is recreated as a form of compensation



Approaches

Global Biodiversity Offsets sites



Approaches

Legal Requirements

Environmental impact assessment (EIA) is the formal process used to predict the environmental consequences (positive or negative) of a plan, policy, program, or project prior to the decision to move forward with the proposed action

Strategic environmental assessment (SEA) is a systematic decision support process, aiming to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and programme making

These Guidelines identify, and where appropriate clarify, those aspects of mining and environmental management practices which are key to operations within a Forest Reserve. They are designed to be non-prescriptive and set a framework within which to define best practice principles on a case-by-case basis. **Figure A-2-1** presents the structure of the Guidelines, focusing on Mining Practices and Environmental Management Practice throughout the life of mine: exploration, pre-construction, construction, operation, closure, and post-closure. http://www.newmont.com/files/doc_downloads/africa/akyem/annexes/Annex_A_Legal_and_Administrative_0.pdf

Approaches

Company Policies/CSR Programs

CSR is based mainly on the voluntary engagement of businesses which are looking to operate in a more responsible way.

Socially responsible investment models are beginning to spread widely in Africa, thanks to initiatives by major companies in the mining, infrastructure, agro-industry and ecotourism sectors.



These practices often involve high value-added subsidiary businesses which have a strong ripple effect on the local economy.

Conclusion

1 Document corporate applications of ecosystem services concepts in decision-making processes.

This documentation would ideally show the relevance and value of ecosystem services to businesses, as well as how to apply the concept in corporate settings and at what cost in terms of undertaking ecosystem services assessments at various scales.

2 Synthesize lessons learned from corporate applications.

While many companies remain in a quiet, exploratory mode, there is an ongoing need for trusted independent analysts to synthesize and disseminate lesson learned to date, particularly highlighting what is working and what is not

3 Update, maintain, and manage knowledge related to business applications of ecosystem services (Ecological) concepts.

This knowledge might include details on advances in ecosystem services science, credible available data sets for specific geographies, reliable tools for particular applications, and case studies.