

COLOMBIA

Forestry project for the basin of Chinchina river (PROCUENCA)

This PES scheme in the basin of the Chinchina River in Colombia involves payments for reforestation in a critical watershed in order to secure the water supply and to promote biodiversity conservation and carbon sequestration. The sellers of ecosystem services include 232 rural land owners covering 3,427 ha. The ecosystem service buyer is the Manizales Municipality Water Supply Company, a mixed public/private water utility company. The water company has a 30 year concession and 10 percent of net revenue is allocated to payments for ecosystem services in the water basin. Payments are made to promote both the conservation and sustainable use of 15,000 hectares of natural forest in the basin and the establishment of a further 15,000 hectares of commercial forest plantations. Overall, the objective is to improve water quality and hydrological regulation in the water basin, to develop the forest production sector, and to generate 1,500 new and permanent jobs in the sector.

The payments are used to support reforestation on private lands. Participation is voluntary, but certain criteria are to be met. The project investigates the suitability of applicants based on type of property title, the technical conditions of the farm, potential ecosystem services provided, road infrastructure, etc. If the plot is considered suitable, a sustainable forest management scheme for the farm (OFSF) is developed which identifies the type of forest to establish, including species and management.

Because this scheme has focused on reforestation rather than forest conservation, there has been the opportunity to expand into a CDM Carbon Sequestration project. As a result, the project will be able to issue Certified Emissions Reductions (CERs) and benefit from the revenue from the sale of CERs.

Similar schemes are replicated in other watersheds:

- In the Chaina micro-basin, community associations made direct payments to upstream landholders to maintain forest cover to ensure the provision of water from the rural water distribution systems (2001-07).
- The environmental impact of cattle ranching in Colombia has triggered the search for tools to identify and promote land uses that are profitable for landholders and that promote the continued provision of important ecosystem services. In the La Vieja watershed, GEF has financed payments for reforestation with native species, in order to increase biodiversity and carbon sequestration. The scheme includes 80 livestock ranchers and offers direct payments up to \$6,500 per year depending on the type of reforestation package adopted.

Impact on biodiversity

The environmental outcome is positive with an increase in area under native forest, reduced pressure on natural forests, and reduced erosion.

The payments to cattle farmers resulted in a decrease in the area of degraded pasture on each property and increased the area of improved pastures with low to high tree density.

Lessons learned

Previous experience has shown that when there is a single user or a small number users of watershed services, it is more likely that ecosystem service beneficiaries will be willing to pay for these services. The PROCUENCA scheme confirms this finding.

Sources : Aristizabal Buitrago, S.L. (2009); Ocampo (2008); Zapata et al. (2007).