



**Catalyzing Payments for
Ecosystem Services in Africa:**
A Meeting of the
East & Southern Africa Katoomba Group

November 8, 2006
Kirstenbosch Botanical Gardens
Cape Town, South Africa

CO-HOSTS

the katoomba group

The Katoomba Group is an international working group composed of leading experts from forest and energy industries, research institutions, the financial world, and environmental NGOs, dedicated to facilitating strategic partnerships to launch innovative market-based mechanisms that enhance and conserve ecosystem services. The Katoomba Group has explored and incubated ecosystem service payment schemes with diverse stakeholders as a means of preserving forested landscapes since its first meeting in Katoomba, Australia in 2000.



FOREST TRENDS

Forest Trends is a Washington, D.C.-based nonprofit organization that promotes market-based approaches to conserving forests outside of protected areas, by moving beyond an exclusive focus on lumber and fiber to a broader range of products and services. Forest Trends brings together leading agents in industry and finance with representatives from governments and non-governmental organizations (NGOs) to advance markets for forest ecosystem services, markets for sustainable forest products and investments and markets that bolster the livelihoods of forest-based communities.



SOUTH AFRICAN national biodiversity institute S A N B I

The South African Biodiversity Institute (SANBI) is mandated to monitor and report on the status of the Republic's biodiversity. Its activities include undertaking and promoting research on indigenous biodiversity and its sustainable use; establishing and managing collections of plant and animal specimens; managing and maintaining all National Botanical Gardens, with their facilities for horticultural display, environmental education, visitor amenities and research; collecting and disseminating information about biodiversity; assisting in the development of a national biodiversity framework, including bioregional plans and strategies; and coordinating programmes in conservation and sustainable use of indigenous biological resources and the rehabilitation of ecosystems.



The Cape Action for People and the Environment (C.A.P.E) is a partnership programme that seeks to protect the rich biological heritage of the Cape Floristic Region (CFR) while delivering benefits for local communities. It is hosted by the South African National Biodiversity Institute (SANBI) and has the support of local partners in government, civil society and the private sector and international donors. C.A.P.E seeks to unleash the economic potential of land and marine resources through focused investment in development of key resources, while conserving nature and ensuring that all people benefit.

SPONSORS



The Department of Water Affairs and Forestry is the custodian of South Africa's water and forestry resources. While striving to ensure that all South Africans gain access to clean water and safe sanitation, the water sector also promotes effective and efficient water resources management to ensure sustainable economic and social development. The forestry programme promotes the sustainable management of the country's natural forest resources and commercial forestry for the lasting benefit of the nation.



EcoAgriculture Partners is an international non-profit organization that works with farmers, conservationists, researchers, leaders in rural development, entrepreneurs and policymakers around the world to sustain, develop and promote ecoagriculture.



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The International Fund for Agricultural Development (IFAD)'s mission is to enable the rural poor to overcome poverty. The Fund ensures that there is broad consensus on the centrality of rural poverty in overall poverty-alleviation efforts; that the poor have a role as protagonists in the formulation and implementation of poverty-reduction programmes; and the forging of a broad-based coalition for that purpose among all sectors of society



TerrAfrica is a multi-partner initiative which aims to increase the scale, efficiency and effectiveness of investments towards sustainable land management (SLM) in sub-Saharan Africa. TerrAfrica partners include African governments, NEPAD, regional and sub-regional organizations, the UNCCD Secretariat, the UNCCD Global Mechanism (GM), the World Bank, GEF, IFAD, FAO, UNDP, UNEP, AfDB as well as multilateral organizations including the European Commission, bilateral donors, civil society and scientific organizations including FARA and CGIAR centers.



The United Nations Environment Programme (UNEP) aims to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations

CONFERENCE OVERVIEW

In Africa, there is growing potential for markets and payments for the ecosystem services (PES), including deals related to carbon sequestration, biodiversity conservation and watershed protection. These emerging markets and payments have the potential to encourage sustainable land management, conserve biodiversity and improve rural livelihoods throughout the continent.

Today, however, PES in Africa occurs on an *ad hoc* basis and primarily as small-scale pilot projects. Information gaps, lack of capacity to design and manage projects and the absence of institutions to support on-the-ground implementation have largely hindered efforts to scale up.

The East and Southern Africa Katoomba Group's regional conference aims to address these impediments by providing a forum to develop a shared understanding of PES in the region. The gathering also seeks to strengthen Governments' role as supporters and creators of an enabling environment for investment in PES.

The meeting will also launch the East & Southern Africa Katoomba Group Network, which aims to catalyze the development of markets for environmental services through ongoing information exchange and capacity building.

The 2006 Katoomba Group meeting builds on a 2005 gathering held in Uganda, which brought together more than 70 experts from East and Southern Africa, Europe, North America and Australia. The Uganda meeting demonstrated that African countries have become increasingly interested in market-based conservation strategies, such as payments for ecosystem services (PES) and that a number of projects are underway.

The 2006 meeting will bring together representatives from African and international NGOs, private business and industry associations, the rural development community, as well as political leaders interested in spurring the growth of environmental markets. During the meeting, participants will discuss the challenges and lessons of environmental markets around the world and in Africa.

We look forward to a fruitful discussion on how to scale up PES in East and Southern Africa and how to shape a vibrant regional Katoomba Group network.

CONFERENCE AGENDA

Wednesday, November 8, 2006

Linking Buyers and Sellers in the South African Context

Venue: Old Mutual Hall, Kirstenbosch Botanical Gardens

OBJECTIVES

- To share international PES lessons learned that can be applied within East and Southern African nations
- To identify and bring together buyers and sellers in South Africa as well as from throughout the region
- To discuss the legislative and regulatory barriers in South Africa that are obstacles to payments for ecosystem services (PES)
- To brainstorm how to address the barriers

OUTCOMES

- To catalyze a vibrant conversation in South Africa about the potential of PES
 - To bring together the key players who can further work on PES in South Africa and the East and Southern African region
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8:00-8:30 REGISTRATION

OPENING PLENARY

8:30-8:45 Dr. Nicolas King, Endangered Wildlife Trust, South Africa
Chairperson's Opening Remarks

8:45-9:00 Brian Huntley, South African National Biodiversity Institute
Welcome

9:00-9:30 Michael Jenkins, Forest Trends
Payments for Ecosystem Services (PES): A New Stream of Conservation and Restoration Financing

9:30-10:00 Ms. Rejoice T. Mabudafhasi, Deputy Minister of Environmental Affairs and Tourism, Government of South Africa
The Promise of PES in South Africa

10:00-10:30 QUESTIONS & DISCUSSION

10:30-11:00 COFFEE/TEA BREAK

CONFERENCE AGENDA (continued)

Wednesday, November 8, 2006

PANEL 1: PAYMENTS FOR ECOSYSTEM SERVICES: GLOBAL OUTLOOK & LESSONS FOR AFRICA

11:00-11:10 Sosten Chiotha, Leadership for Environment and Development
Moderator's Introduction of Speakers

11:10-11:30 Carlos Munoz Pina, National Institute of Ecology, Mexico
Payments for Ecosystem Services: Experiences in Central America

**11:30-12:00 Albert F. Appleton, City University of New York and
Institute for Urban Systems, New York**
Payments for Watershed Services: Experiences from Around the World and
Opportunities for Africa

12:00-12:20 Willie McGhee, Greenergy Bioenergy Ltd.
Payments for Carbon: International Experiences and African Opportunities

12:20-12:40 Sara Scherr, Ph.D., EcoAgriculture Partners
Payments for Biodiversity: Cases from Production Landscape Mosaics

12:40-13:15 DISCUSSION

- What are the most relevant international PES examples that can be adapted and applied within East and Southern African countries?
- Are there particular countries and sites that are 'ripe' for particular PES applications? If so, which and where?
- What is needed to catalyze more PES experimentation in the region?

13:15-14:15 LUNCH

PANEL 2: SOUTH AFRICAN PES EXPERIENCES & OPPORTUNITIES

14:15-14:25 Christo Marais, Department of Water Affairs, South Africa
Moderator's Introduction of Speakers

14:25-14:55 Professor Kader Asmal, Member of Parliament, South Africa
Lessons learned from South Africa's *Working for Water* Programme

14:55-15:15 Elandre Bester, Blue Ridge Mining
Buyer's Perspectives

**15:15-15:35 Chief Ngangomhlaba Matanzima, Eastern Cape House of
Traditional Leaders**
Seller's Perspectives

15:35-16:00 DISCUSSION

- What are the key lessons learned?
- What are the prospects for expanding and/or replicating these South African PES models, both in the country and across the region?
- What is needed to engage more buyers in the region?
- What is needed to engage more sellers?

16:00-16:30 COFFEE BREAK

CONFERENCE AGENDA (continued)

Wednesday, November 8, 2006

16:30-17:30 KATOOMBA DIALOGUE

Question:

How can payments for ecosystem services (PES) address poverty and livelihood issues in the African context?

MODERATOR:

Michael Jenkins, Forest Trends

PANELISTS:

Gavin Quibell, Consultant

Legal/Regulatory Issues

Anantha Duraiappah, United Nations Environment Program (UNEP)

Equity Issues and Mechanisms Needed for Effective PES

Saliem Fakir, LEREKO, South Africa

Opportunities for the Private Sector and Buyers

Ivan Bond, International Institute of Environmental & Development, U.K.

Facilitators and Seller's Experiences

**Jones Muleso Kharika, Department of Environmental Affairs and Tourism,
Government of South Africa**

The Role of Government as a Facilitator and Creator of an Enabling Environment

Beatrice Ahimbisibwe, Bitereko Women's Group, Uganda

Community Perspectives

17:30-18:15 QUESTIONS & DISCUSSION

- What are the lessons learned to date about key elements needed to ensure that PES addresses poverty and livelihood issues?
- Who are the key players that need to be engaged in the design of PES schemes to achieve these 'pro-poor' outcomes?

18:15-18:30 CLOSING REMARKS

Michael Jenkins, Forest Trends

Mandy Barnett, SANBI

Alice Ruhweza, East & Southern Africa Katoomba Group Coordinator

PARTNERS



The National Museums of Kenya is a leading centre of excellence, housing the finest museum collections and exhibits in the world. Its principal mission is to collect, document, preserve and enhance knowledge, appreciation, management and use of these resources for the benefit of Kenya and the World.

The National Environment Management Authority (Uganda) is in charge of supervising, monitoring and coordinating all activities in the field of environment in Uganda. While NEMA has relied mostly on command and control approaches in addressing some of Uganda's environmental management objectives, NEMA has recognized the need for and is pursuing the use of economic instruments (such as payments/incentives for ecosystem services) to encourage biodiversity conservation and sustainable land management. NEMA hosts the office of the *East and Southern Africa Katoomba Group*

Nature Harness Initiatives is a Ugandan non-profit organization that aims at promoting enhanced capacity of the people to utilize nature for the sustainable livelihoods and income. Nature Harness Initiatives was born out of a realization that the African continent is endowed with natural resources yet its peoples remain poor because the resources have not been harnessed to their full potential. NAHI aims to contribute to the improvement of livelihoods and income through efficient and strategic utilization of nature's gifts.

Leadership for Environment and Development (LEAD) is an international non-profit organisation with a fast growing network of 1600 leaders in more than 80 countries. Its mission is to inspire leadership for a sustainable world. By searching worldwide for outstanding people, developing their leadership potential through innovative training programmes and working with them to mobilise others to make a real difference to the future of this planet.

The International Institute of Environment and Development is an international policy research institute and non governmental body working for more sustainable and equitable global development.

The Wildlife Conservation Society saves wildlife and wild lands through careful science, international conservation, education, and the management of the world's largest system of urban wildlife parks. These activities change attitudes toward nature and help people imagine wildlife and humans living in sustainable interaction on both a local and a global scale. WCS is committed to this work because we believe it essential to the integrity of life on Earth.

BIOGRAPHIES OF RESOURCE PERSONS

Beatrice Ahimbisibwe is a Community Leader and Chairperson for Bitereko Women's Group based in Uganda. The group is involved in a number of community development activities including tree planting for carbon trade. Beatrice has been involved with implementation of a forestry based carbon trading project for the last 4 years under the "Trees for Global Benefits Program" working in partnership with ECOTRUST Uganda. She has specifically been mobilizing communities to enroll in the program, conducting monitoring of tree growth and achievement of tree planting targets by farmers; also providing a link between the farmers and ECOTRUST a Ugandan carbon trade intermediary between farmers and carbon buyers in Europe. Beatrice was previously involved in mobilising the women to undertake income generating activities. The group has been able to attract funding to undertake two important projects so far namely: Promotion of tree planting for provision of fuel wood and construction of energy saving stoves; and rearing of exotic goats for improved household incomes. Beatrice is also a full time secondary school teacher of Geography and History; and Chairperson of Bitereko Peoples Co-Operative Savings and Credit Society Limited, which is a village level microfinance institution providing savings and credit facilities to its members mainly farmers. Carbon payments to the farmers are made through this institution.

Albert F. Appleton (Al Appleton) is a Senior Fellow at the City University of New York Institute for Urban Systems (CIUS) where he coordinates their programs on operationalizing sustainability and on creating new 21st century water resource and regional landscape management institutions and strategies. He is a member of the Katoomba Group, an officer of the China Planning and Development Institute of Beijing, and an Adjunct Associate Professor in the Hunter College graduate program in Urban Affairs and Planning, where he teaches The Environment and its Economics, and Sustainability and Urban Development. He also serves as an international environmental consultant on issues of watershed management, water utility management and financing, regional land use, demand side services strategies and on establishing payments for ecosystem services (PES) programs. His most recent work includes developing a new system of financing environmental infrastructure for the City of Shanghai water and sewer system, and assisting the implementation of ecosystem service programs in the Danube River Basin. During much of the 1990s, 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, where he developed and implemented the *New York City comprehensive Catskill mountain watershed protection program and urban-rural partnership*, New York's comprehensive water conservation program that has permanently reduced New York City's water use by 300 million gallons of water a day or 20% of total consumption.

Professor Kader Asmal has been a Member of Parliament in the National Assembly since 1994. He is a former Minister of Education (1999 – 2004), Minister of Water Affairs in the Mandela Government (1994 – 1999), Chairperson of the Cabinet's National Conventional Arms Control Committee (1995 – 2004) and chair of the Portfolio Committee on Defence in the National Assembly (2004 – 2005). He was vice-president of the World Commission on the Oceans (1995 - 1998) and chairperson of the World Commission on Dams (1997 – 2001). He has been a Patron of the Global Water Partnership since 1995. He was awarded the Prix UNESCO for human rights in 1983 and the Stockholm Water Prize in 2000 and numerous other awards, including the Gold Medal of the World Wide Fund for Nature – SA, for conservation (1996). In 2005, he was made an officer of the Order of the Légion d'honneur by President Chirac.

Ivan Bond is a Senior Research Associate with IIED's Forestry and Landuse Programme (FLU). Over the last two and half years he has coordinated the DFID-funded project, "Developing Markets for Watershed Protection Services and Improved Livelihoods." Prior to moving to the U.K., Ivan worked for WWF's Southern African Regional Programme Office (SARPO) in Harare as a resource economist and project executant

BIOGRAPHIES OF RESOURCE PERSONS (cont'd)

Professor Sosten S. Chiotha is the Regional Program Director for Leadership for Environment and Development (LEAD)-Southern Africa. Mr. Chiotha actively participated in the process of drafting Malawi's National Environmental Action Plan and the national disaster preparedness plan. On the international scene, he has contributed to publications on Research for the Association of African Universities and the American Association for the Advancement of Science. S.S. Chiotha took charge of the Malawi component of "IRALAS" Project (Innovative Rural Action Learning Areas), a regional project aimed at identifying initiatives by rural smallholder farmers on sustainable natural resource utilization. He has served as a member of the African Crop Science Society Governing Council and the International Network for Genetics for Aquaculture (INGA). S.S. Chiotha has been a guest researcher to the University of Newcastle-upon-Tyne. He has presented many public lectures on environment including one at Florida Atlantic University.

Anantha Duraiappah is presently the Chief of the Emerging Issues unit in the Division of Environmental Conventions at the United Nations Environment Programme (UNEP). His present work focuses on the analysis of the Human Well-being Ecosystem Services Nexus by extending Amartya Sen's Capability-Freedom framework to include the role of institutions in the provisioning of instrumental freedoms for the sustainable use of ecosystem services. He has written a concept paper on the poverty-environment nexus as well as a policy guideline for incorporating ecosystem services into poverty reduction strategies for the UNEP and was a Coordinating Lead Author for the chapter on Human Wellbeing as well as response actions for the Millennium Ecosystem Assessment (MA). He was also the co-chair of the Biodiversity Synthesis working group of the MA. Much of his recent work relates to the equitable dimension of economic instruments.

Saliem Fakir currently works for Lereko Energy (Pty) Ltd focusing on project development and financial arrangements for renewable energy, biofuels, waste and water sectors. He previously served as Director of the World Conservation Union South Africa (IUCN-SA) office for 8 years. Saliem serves on a number of Boards. Between 2004-2005 he served as a chair of the Board of the National Botanical Institute, and is now non-executive member. He also serves on the board of the Fair Trade in Tourism Initiative, the Sustainability Institute, and is member of the Technical Advisory Committee of the Global Reporting Initiative, based in Amsterdam.

Michael Jenkins is President & CEO of Forest Trends. In 1998 Michael 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. Michael's responsibilities with the Program included all grant making in Latin America and the Caribbean, as well as overarching program management. Before entering the Foundation, he worked for three years as an agroforester in Haiti with the U.S.A.I.D. Agroforestry Outreach Program. Previous to that he worked with a Washington based development organization, Appropriate Technology International, as a technical advisor. In the late 70s, Michael was a Peace Corps volunteer in Paraguay working in agriculture, apiculture and forestry projects. He has traveled and worked throughout Latin America, Asia and parts of Africa, and speaks Spanish, French, Portuguese, Creole and Guaraní. Michael has contributed to a number of books and articles and with Island Press published "The Business of Sustainable Forestry, Strategies for an Industry in Transition". He holds a Master's of Forest Science from Yale University.

BIOGRAPHIES OF RESOURCE PERSONS- cont'd

Brian Jones is an independent environment and development consultant focusing mostly on policy development and implementation of community-based natural resource management (CBNRM). He is Namibian and currently works as CBNRM and Collaborative Management advisor to the Namibian Ministry of Environment and Tourism. He is a former government official in the Namibian Directorate of Environmental Affairs where he coordinated the national CBNRM programme.

Honorable Rejoice T. Mabudafhasi is the Deputy Minister of Environmental Affairs and Tourism. She is a member of the following Parliament Portfolio committees: Safety and Security Environmental Affairs and Tourism Labour ;& Agriculture, Water and Forestry. She is also a convenor of the following sub-committees: Community Policing Forum & Weather and Climate Change. She is also a member of the International Committee on Business Partners for Development of Water and Sanitation

Chief Jacob Mbuzo Ngangomhlaba was born in the former homeland of Transkei in the Eastern Cape of South Africa. As a young man he completed his Diploma in Administration at Jongilizwe College and his Junior Certificate and Rhoda before he started his working career. He started his traditional leadership career as Acting Chief for the Tembuland Nation in 1972. He has a keen interest in rural development but specifically in Agriculture. He served as Minister of Agriculture in the Transkei government between 1987 and 1994. In 1997 he was appointed as a member of the House of Traditional Leaders. In 2002 he was appointed as Chairperson of the Provincial House of Traditional Leaders in the Eastern Cape. During this period he also served as a chairperson on the Constitutional Development Committee of the National House of Traditional Leaders."

Willie McGhee is a forest ecologist whose pioneering work in social and environmental forestry has influenced the direction of community and native woodland initiatives in the UK. He has worked on Plan Vivo projects in Mexico and Uganda for the last 8 years and is a Director of BioClimate Research and Development. He has extensive experience of establishing and assessing forestry programmes and projects, in UK, Europe and in developing countries, principally Sub Saharan Africa. He has recently moved into the field of bioenergy, biomass and biofuel and is working for a London based company Greenergy Bioenergy Ltd. He has carried out forest based ecological research and silvicultural assessment for governmental such as Forestry Commission Scotland and the environmental sector such as World Wide Fund for Nature Scotland. Publications include jointly authored papers for the OECD, the United Nations FAO (State of the World's Forests 2001) and World Wide Fund for Nature. He has recently co-authored two chapters for a book on *Restoring Natural Capital* to be published by Island Press.

Carlos Muñoz Piña is the director of Environmental Economics and Public Policy Research at the Instituto Nacional de Ecología (INE), the research agency of the Mexican Ministry of Natural Resources and the Environment. INE was the institution responsible for the design of the Mexican system of Payments for Hydrological Environmental Services (PSAH), and its extensions into the biodiversity and carbon sequestration environmental markets project. He has been an activist in environmentalist and human rights groups, and has worked as an economist for the government of Mexico, the World Bank, the London Environmental Economics Centre, with internships at the North American Commission for Environmental Cooperation in Montreal and the Resources Renewal Institute in San Francisco. Carlos has published papers on topics related to the economics of rural migration, environmental taxes, common property resources, poverty and the environment, economic valuation of ecosystems, water economics and policy and the payment of environmental services. He has taught microeconomics and environmental economics courses at ITAM, U.C.Berkeley, Universidad Iberoamericana, Colegio de México and ITESM.