



Emerging Markets for Conservation— New Opportunities for Investment

Regulations and protected areas alone cannot conserve the world’s precious ecosystems. Emerging financial markets are providing incentives for land-use practices that restore or conserve natural habitats. Among others, they include markets for watershed protection, carbon sequestration, wetland mitigation and biodiversity protection. While still young, these markets are providing much needed finance for conservation, new investment opportunities for businesses, and additional livelihoods for landowners and local communities. The Ecosystem MarketplaceSM will cover these markets.

The Ecosystem MarketplaceSM will provide:

ANALYSIS AND COMMENTARY BY
MARKET LEADERS

A ONE-STOP RESOURCE CENTER

MARKETWATCH — TRACKING
ACTUAL TRADES IN ECOSYSTEM
SERVICE-RELATED MARKETS

KEY DEVELOPMENTS AND TRENDS



THE KATOOMBA GROUP'S
Ecosystem MarketplaceSM

Making the
www.ecosystemmarketplace.com
Priceless Valuable

IN THE END, WE WILL ONLY CONSERVE WHAT WE VALUE

Markets can help give value to the priceless services we obtain from nature. The Ecosystem MarketplaceSM will not only help usher in this impending future, but it will also help businesses, governments, investors and others prepare for the new realities that emerge. To access the Ecosystem MarketplaceSM internet clearinghouse and sign up for the bulletin update, go to:

www.ecosystemmarketplace.com

“We are on the verge of a new era in which transparent, well-regulated markets in ecosystem services are making conservation a strong business opportunity.”

Jose-Maria Figueres, *former President of Costa Rica*, Senior Managing Director, World Economic Forum



the
katoomba
group

Innovative Solutions to a Global Problem



Natural terrestrial, marine, and freshwater ecosystems provide an array of services that sustain life. Forest ecosystems, for example, regulate the earth's climate, purify and deliver water, and provide habitat for the world's biodiversity. Without

nature providing these services, we would need to spend billions of dollars developing the infrastructure to accomplish what ecosystems do for free, if we were able to replace them at all.

Despite their intrinsic value, hundreds of millions of hectares of forest are destroyed every year, and global finance for conservation provides only a small fraction of what is needed to stem the destruction. Ecosystems are degraded in large measure because alternative land uses, such as agricultural and development enterprises, possess greater economic value. Until the economic value of conservation and restoration is recognized, these losses will continue. The **Ecosystem Marketplace**SM offers powerful solutions to address this problem.



THE KATOOMBA GROUP'S
Ecosystem MarketplaceSM

The **Ecosystem Marketplace**SM — the first global information resource on ecosystem service markets — offers the most timely, relevant and comprehensive information on price trends, deals and events, as well as resources and tools for buying, selling and investing in ecosystem services. It covers:

- **Markets for carbon sequestration related to land-use and forestry**

For the past three years, the overall carbon market has doubled in volume every year with several hundred million dollars worth of carbon trades completed in 2003. Forest sequestration alone accounted for approximately \$30 million of these trades.

- **Water quality and quantity related to watershed management**

Watershed management and water quality markets are emerging worldwide. Just one example is the development of over 300 wetland mitigation banks in the United States with a market value of well over \$500 million.

- **Biodiversity and endangered species markets**

In Australia, the Bush Tender program uses a 'reverse auction' method to value habitat. In Costa Rica, there is a national system for trading bioprospecting rights and conservation management payments to private landowners.

- **Other conservation-related transactions**

In addition to these markets, there are government and NGO programs that invest billions of dollars in payments for environmental stewardship. Throughout Europe and North America, large-scale programs have contracted farmers to protect or restore biodiversity habitat.

Participation in the Ecosystem MarketplaceSM

The **Ecosystem Marketplace**SM will be the premier source of information on ecosystem service markets intended for:

- **Businesses** to find innovative investment opportunities to more cost-effectively meet regulatory obligations; and strategic analyses that help structure deals and contracts.
- **Governments** to learn more about models to encourage private sector investment and improve public payment schemes; and regulatory, monitoring and enforcement trends related to market mechanisms for conservation outcomes.
- **Local communities and landowners** to identify potential buyers and investors and increase their own participation in shaping policies and regulations.
- **Brokers, investment advisors and insurers** to find business opportunities, to identify growth companies and to lower transaction costs.
- **Policy makers** to better achieve their conservation mandates and create policies that spur the development of ecosystem service markets.
- **Environmentalists** to understand markets as an additional tool for conservation and to become better advocates for policies that conserve ecosystems and the services they provide.

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