

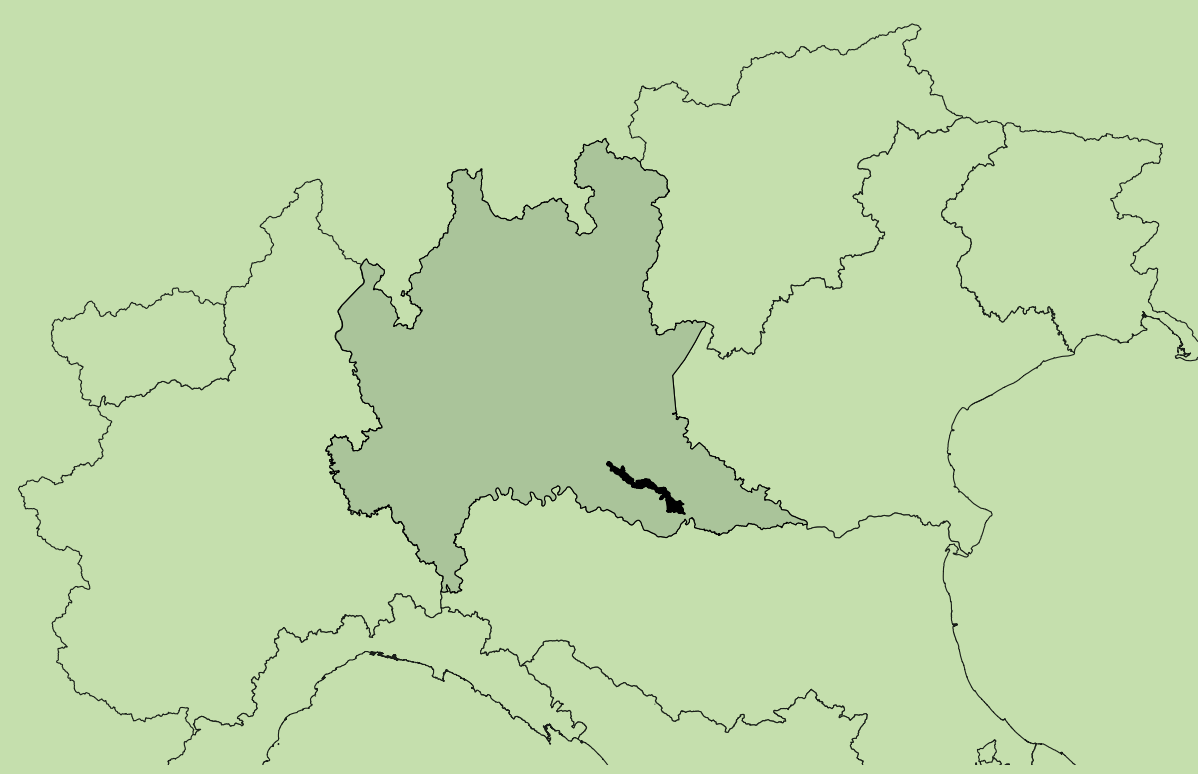
# Win-win public-private partnership for financing sustainable poplar plantations and biodiversity conservation in the Region of Lombardy

Authors: Alessandro Leonardi<sup>1a</sup>, Paola Gatto<sup>2</sup>, Giulia Amato<sup>1b</sup>

<sup>1a, b</sup> Etifor I Valuing Nature, Padova, Italy. <sup>2</sup> University of Padova, Legnaro, Italy. <sup>1a</sup> alessandro.leonardi@etifor.com <sup>1b</sup> giulia.amato@etifor.com <sup>2</sup> paola.gatto@unipd.it  
Key words: PES, FSC, ecosystem services, poplar plantations, green infrastructures, nature-based solutions

## SETTING THE SCENE

Natural protected areas and the Regional Ecological Network are the main Green Infrastructures in Lombardy Region. Supporting the maintenance of these areas is a major challenge, especially in times of public spending constraints. Payments for Ecosystem Services are considered innovative market approaches to conservation finance, with a growing interest in the field of water related ecosystems<sup>1-2</sup>. This poster presents the scientific methods and the main outcomes of a unique Payment for Biodiversity Conservation Scheme (ECOPAY Connect) that brings together park authorities, timber industry, and the poplar growers under the common framework of FSC® (Forest Stewardship Council) certification.



The scheme takes place in the Oglio Sud Regional Park, Lombardy Region, Italy.

## FROM SCIENCE TO PRACTICE

The design of such scheme is the result of a step-wise methodology<sup>3</sup>, mixing scientific and practitioner approaches:



METHODS	KEY FINDINGS
1-2. Analysis of environmental problems and possible solutions with a priority and feasibility ranking.	Fragmentation, degradation of river banks, water pollution are the key issues.
3. GIS Ecosystem Service mapping and economic evaluation for water, biodiversity, carbon and recreational ecosystem services <sup>4</sup> .	Total Economic Value of the Park = 11-18 millions €/year
4. Stakeholder analysis by level of interest, power, and ecosystem benefits generated by key identified solutions.	Stakeholder lists and matrix to allow dissemination and consultation phase.
5-6. Participatory meetings and focus groups with key stakeholders, on both sides of the market (service providers and buyers) <sup>5</sup> .	The park, the poplar plantation growers and timber industry had all different needs that could match in a win-win solution, based on a compliance requirement of the FSC certification.
7. Negotiation, design and contract signing.	Cost-based economic negotiation was conducted by the three main parties. One habitat unit is worth 300 euro/ha/year.

## 5.

During the stakeholder consultations, the industry played a key role by showing to the local grower the increasing market demand for FSC responsibly sourced poplar wood. The timber processing industry is currently buying FSC poplar wood from other EU countries as for the lack of local supply. Now, they benefit from the scheme by buying local poplar, and wanted to contribute to the providing of the ES by sponsoring the Park.

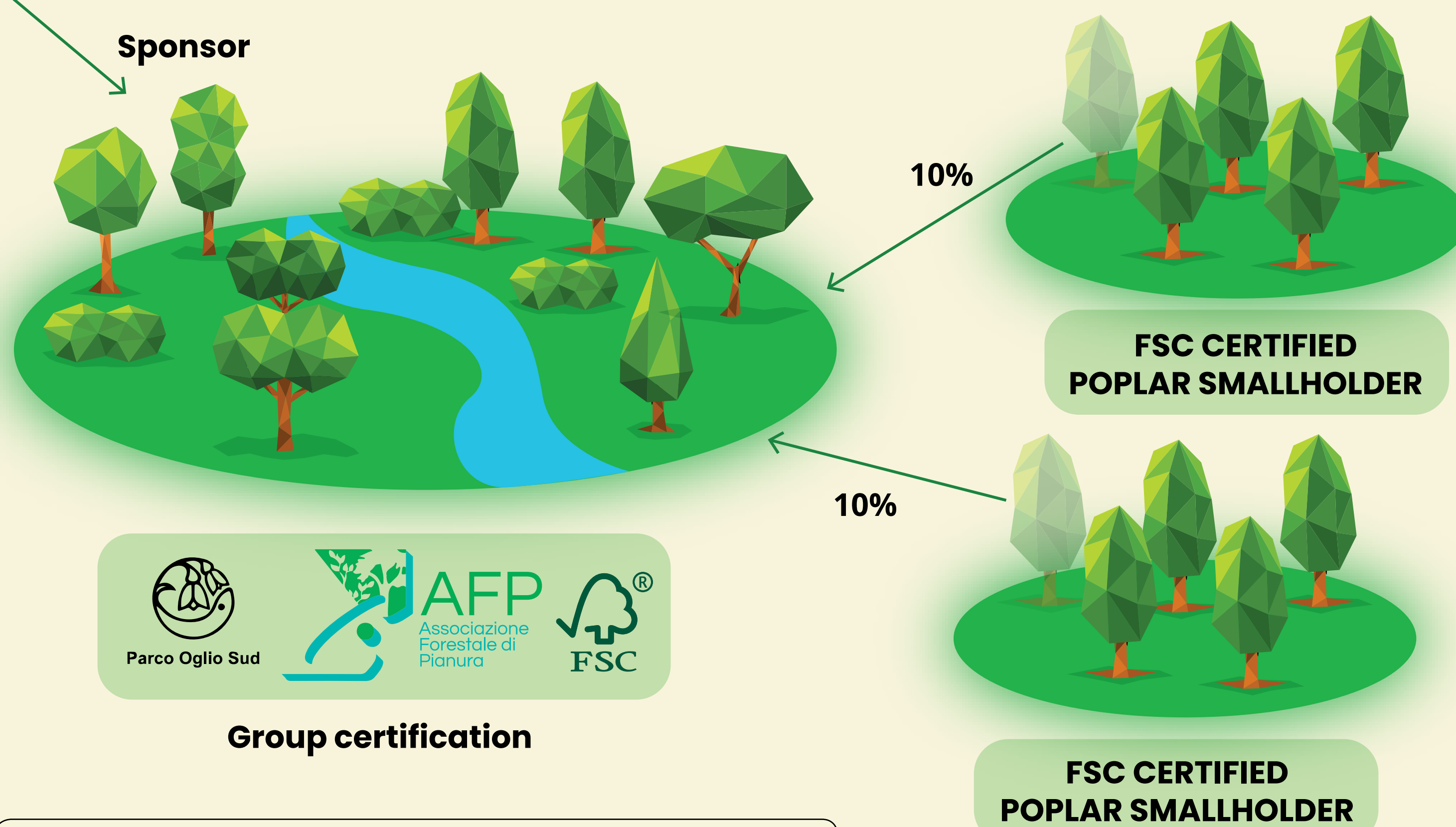


## OUTCOMES: THE WIN-WIN PUBLIC-PRIVATE PARTNERSHIP

## 6.

The processing industries will guarantee the purchase of poplar in the supply chain and will pay a premium price for local FSC supply. In this way traditional farms will be incentivized to adopt the FSC standard, associating within the FSC certification group.

 **Premium price**  
+2% to FSC certified poplar



## 4.

The Regional Park joined the Lowland Forest Association, becoming the first park under FSC Group Certification, in order to reduce management and certification costs and to facilitate the certification of traditional poplar farmers, that would contribute the financing scheme by using Park areas to fulfill the FSC requirement 6.5.5.

**3.**  
The farms and the Park Authority signed a 5-year agreement in which the farms committed to carrying out specific conservation interventions in natural areas owned by the Regional Park to fulfil the requirement: all poplar plantations will compensate their 10% by restoring the land of the park, instead of setting aside their 10% of productive land.

**The scheme represents a win-win solution and transforms a compliance requirement into an opportunity, where a public-private partnership led to reduction of costs for both partners, and more functional restoration. It also represents the first Payment for Ecosystem Services officially signed between a Park and an FSC certified farm in Italy. The scheme now runs by its own, making ECOPAY Connect one of the few functioning PES schemes in Italy and in EU.**

## 2.

The set-aside of 10% of the area is very expensive and therefore, plantation growers had two choice:

### OPZIONE A: ACT ALONE



Acting alone, bearing high costs and loss of income

### OPZIONE B: ACT IN COLLABORATION



Associating with the park, reducing the costs, targeting the conservation actions, and improve the relationships between growers and the local authority.

## THE WAY FORWARD

The scientific approach integrated with a practitioner view was a key factor in the development of the scheme. Another key factor was related with social capital: we had a university spin-off with high knowledge in PES implementation, a key technician in the regional park with specific expertise in ES and GIS mapping, the spatial proximity with the FSC certified poplar industry and the FSC Italian National Office. At regional level the start-up costs were covered by existing funding and supporting projects such as CARIPLO Natural Capital Fund. The ECOPAY Connect is now studied in GESTIRE 2020 project, LIFE IP integrated project, as an innovative and effective governance model to improve conservation finance in regional parks. Also, the scheme has been involved into the first worldwide pilot-test for ecosystem services certification under the FSC standards. The scheme now aims to involve the remaining 1260 ha of non-certified growers in the Park, improving the conservation efforts in target areas, increasing the local supply of FSC certified poplar, while improving socio-economic relations within the local stakeholders.

## REFERENCES

1. UNECE and FAO (2018) Forests and Water: Valuation and Payments for Forest Ecosystem Services. Geneva, Switzerland: United Nations. Available at: <http://www.uncece.org/index.php?id=50249>
2. Bennett, G. and Leonardi, A. (2017) 'State of European markets 2017. Watershed Investments', ECOSTAR project, p. 43.
3. Leonardi, A. et al. (2017) Pagamenti per Servizi Ecosistemici. Guida tecnica per la definizione di meccanismi innovativi per la valorizzazione dei servizi idrici e il miglioramento della governance ambientale. ETIFOR I Valuing Nature e Dipartimento Territorio e Sistemi Agroforestali, Università degli Studi di Padova.
4. Gatto P., Polato R., Leonardi A., Fosco V., 2015. Analisi e valutazione economica dei servizi ambientali erogati dal Parco Regionale Oglio Sud. ETIFOR I Valuing Nature e Dipartimento Territorio e Sistemi Agroforestali, Università degli Studi di Padova.
5. Amato, G. et al. (2017) Progettazione partecipata degli strumenti innovativi per il finanziamento degli interventi di riqualificazione fluviale e connessione ecologica nel Parco Oglio Sud. ETIFOR I Valuing Nature e Dipartimento Territorio e Sistemi Agroforestali, Università degli Studi di Padova.
6. The FSC National Forest Stewardship Standard for Italy (FSC-STD-ITA-01-2017 V 1-0), Principle 6, Criterion 6.5, Indicator 6.5.5

