

Ecobank Project

Ecosystem Enterprise Partnership (EEP)



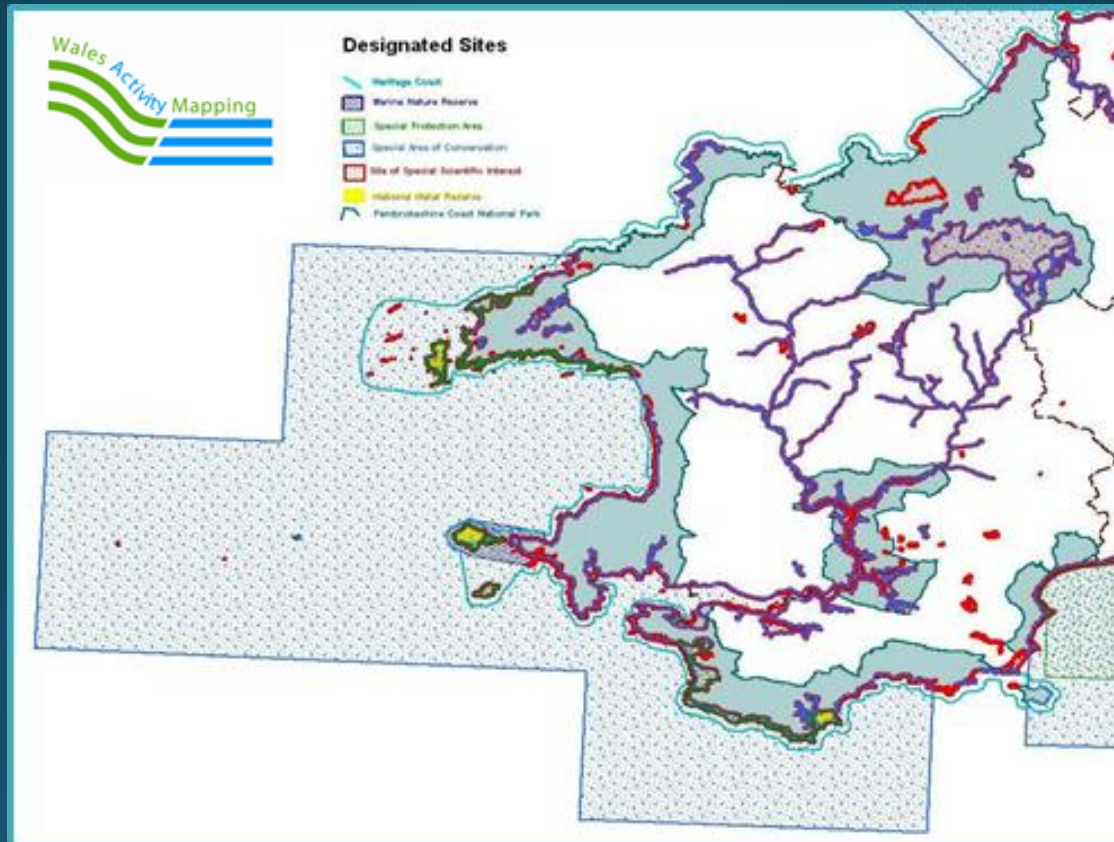
Pembrokeshire



Pembrokeshire



Pembrokeshire



Pembrokeshire is Highly Protected

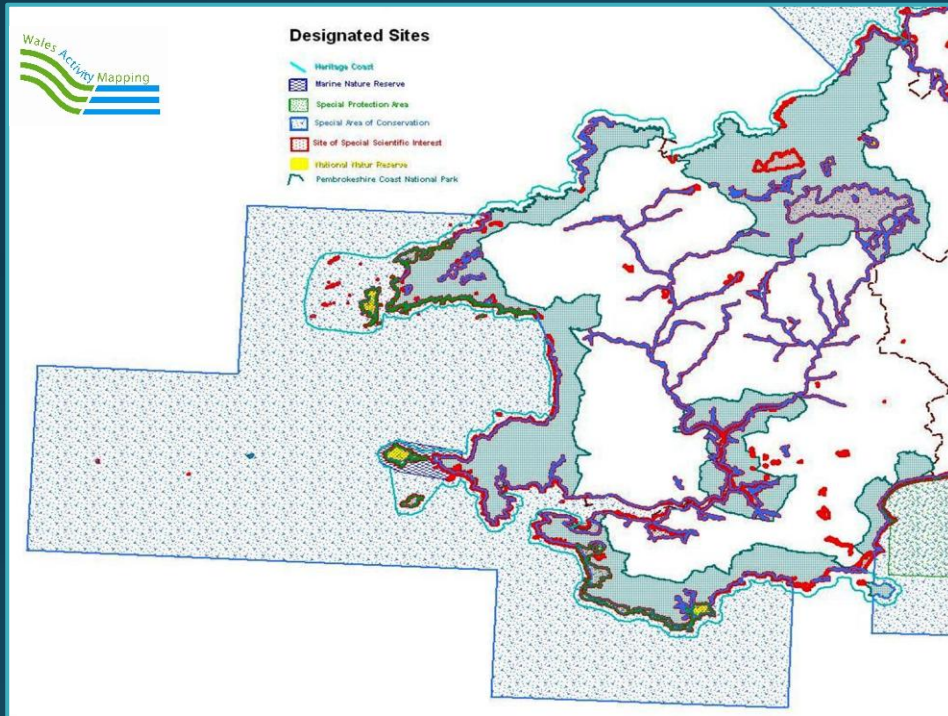
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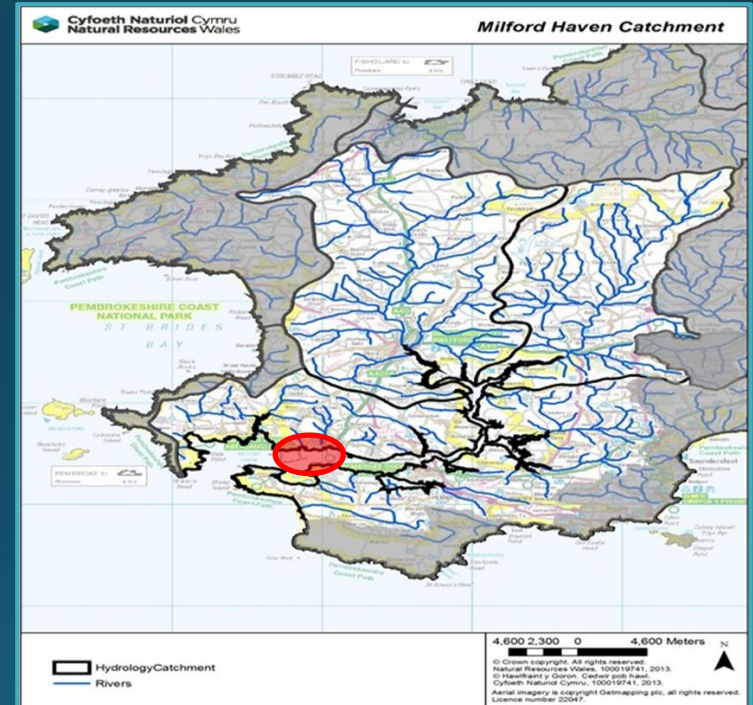
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How do they Relate?



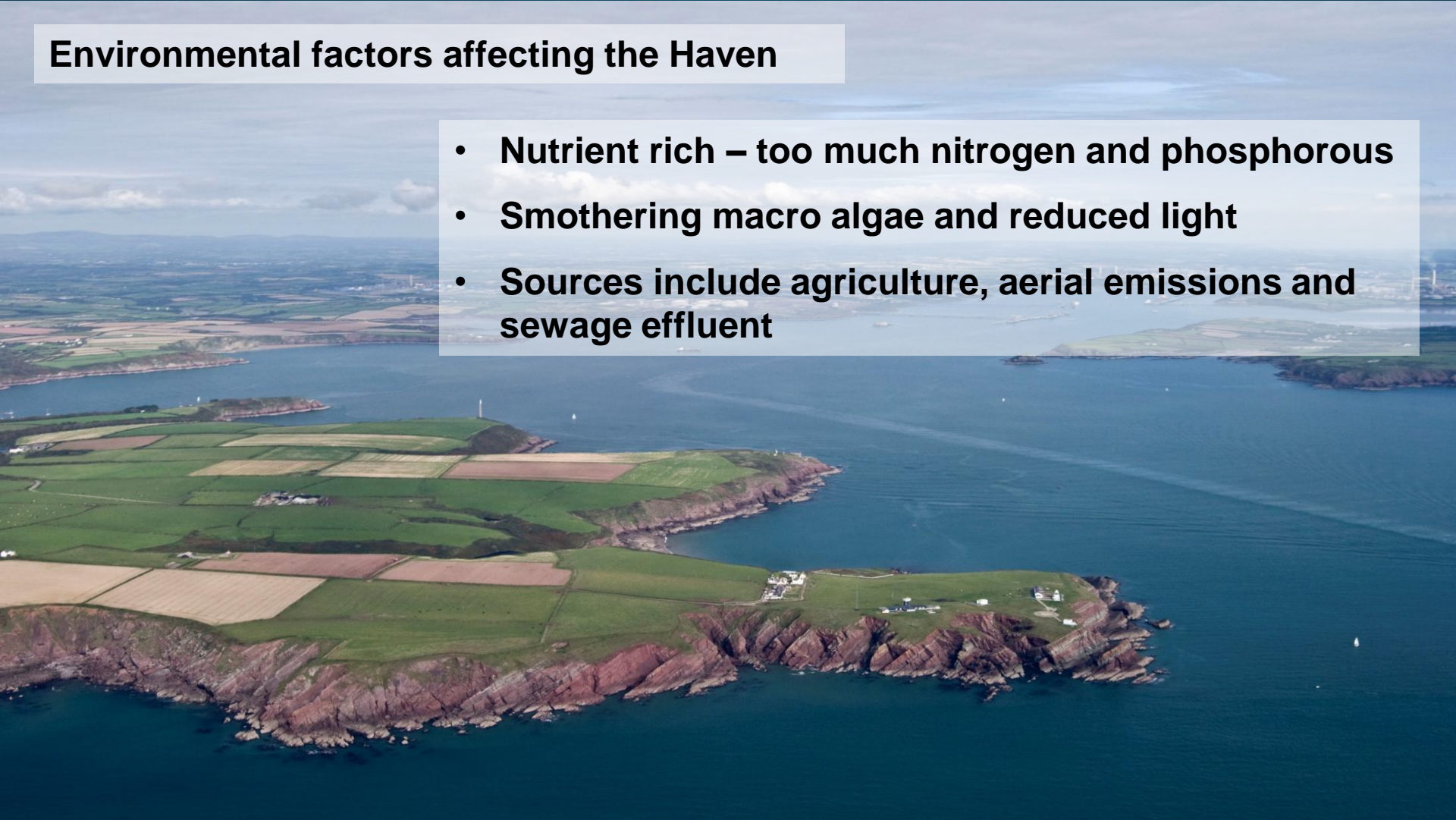
Pembrokeshire is Highly Protected



Milford Haven Catchment

Environmental factors affecting the Haven

- **Nutrient rich – too much nitrogen and phosphorous**
- **Smothering macro algae and reduced light**
- **Sources include agriculture, aerial emissions and sewage effluent**





Effects to Agriculture and industry

- Limiting growth to Industry in Milford Haven
 - Through limited/tougher consenting in future
- Possibility of more regulation for Agriculture
 - Through the possible designation of a Nitrite Vulnerable Zone

Ecosystem Enterprise Partnership

- Ecosystem Enterprise Partnership will create a partnership framework between land managers, industry, commerce, government and third sector working collaboratively to develop and pilot an Ecobank - for the Milford Haven catchment.

Pembrokeshire Coastal Forum



Key Players



Haven Waterway Enterprise Board and Pembrokeshire Biodiversity Partnership

Pembrokeshire Marine Special Area of Conservation (SAC) Relevant Authorities Group



Port of Milford Haven



Trinity House

Ecosystems approaches in action.....a whey forward



Background

- Creamery produces 28Kt cheese pa.
- Propose new discharge via pipeline.
- Current discharge via STW unviable beyond 2014.

The Issue

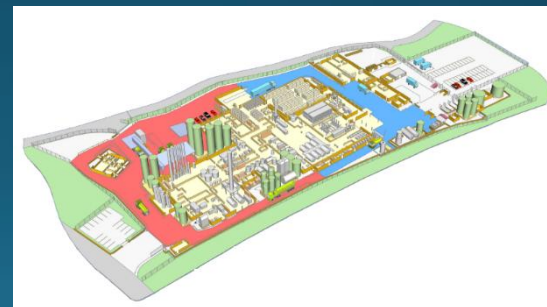
- New discharge would enter Pembrokeshire Marine SAC.
- Cleddau is already failing to achieve favourable condition status (N & P).
- Any new discharge to the SAC likely to be prevented under Habitats Regulations.

Way Forward

- Development of a scheme to 'offset' the increase in discharges.
- A First Milk-led scheme requires member farms to implement pollution reduction measures.
- Due to the scheme NRW agree to permit the new discharge.

Progress To Date

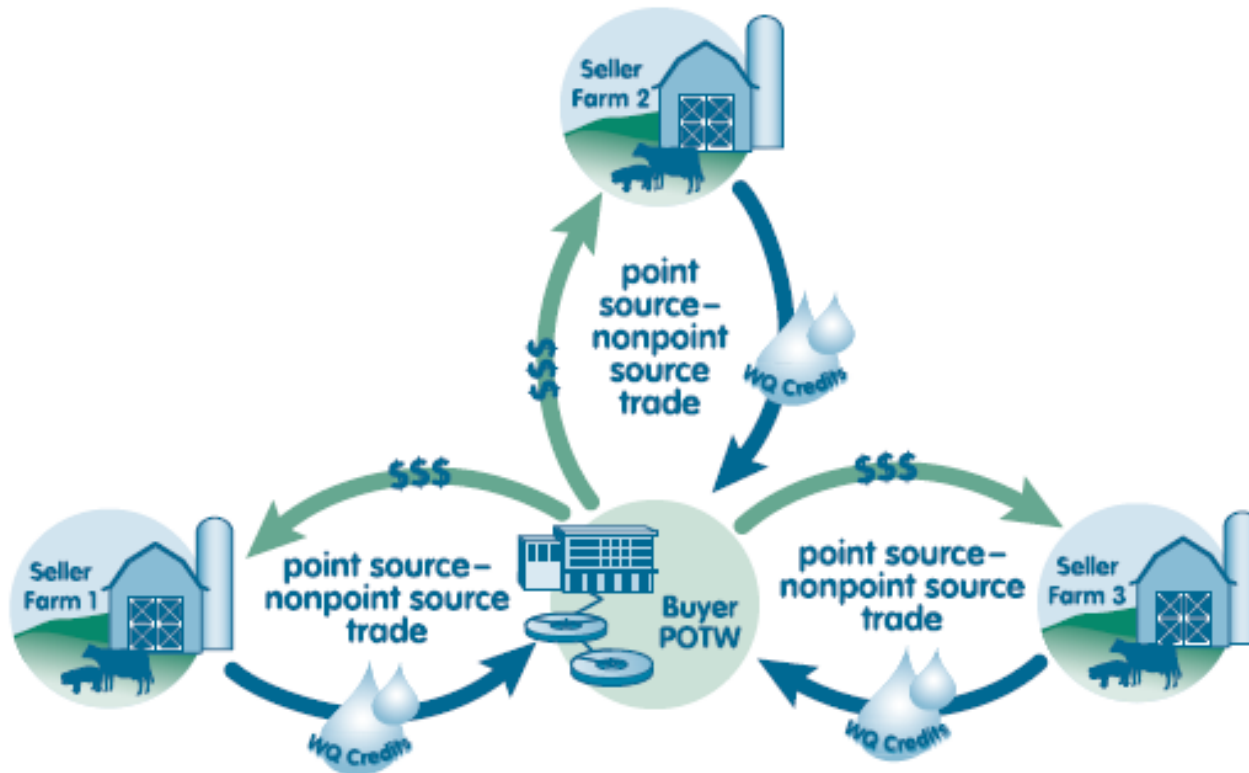
- Scheme in development based on ADAS guidance
- Over 20 farms already 'signed up' to scheme.
- Extensive programme of field soil analysis being undertaken.



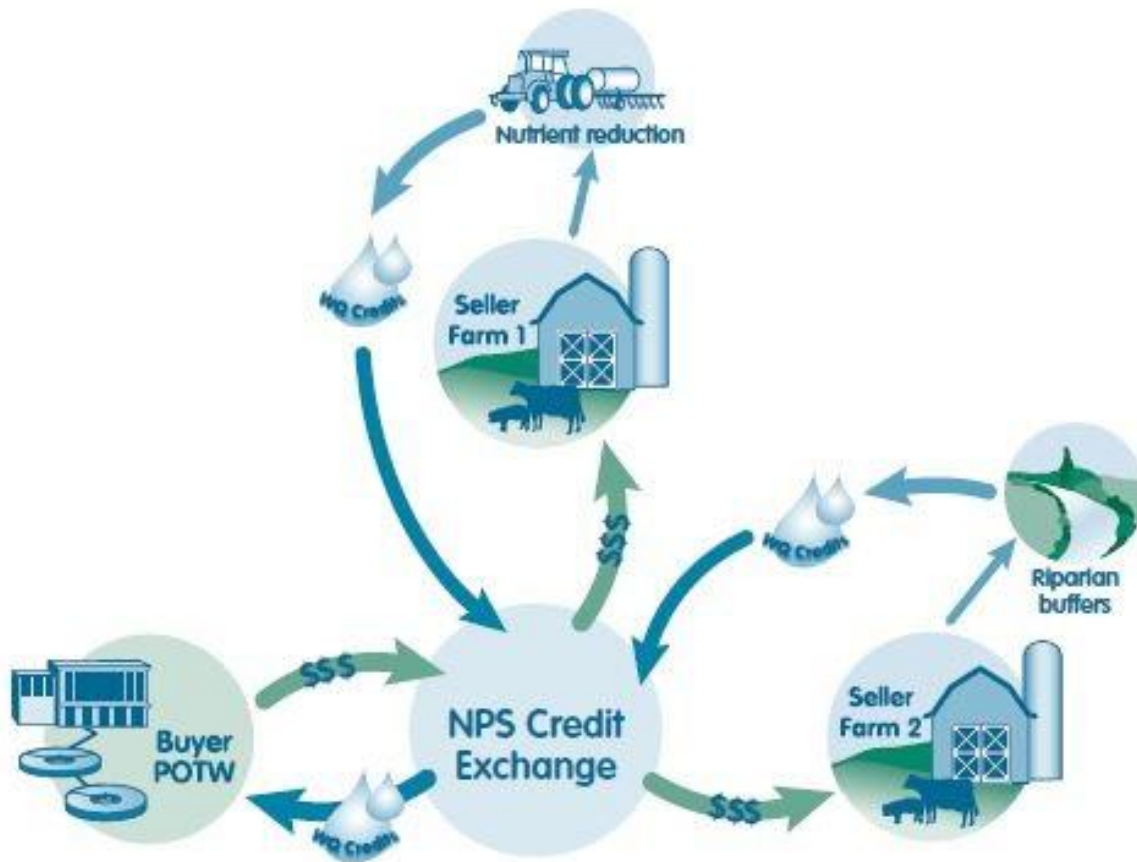
Ecobank

- Market-based Nutrient Offsetting Scheme
- 'Nutrient credits' to be generated by landowners who commit to improve and enhance management practices on their land
- These credits can then be sold, generating funds for the management of the site
- Credits can be used to counterbalance (or offset) the impacts of nutrient loading as result of future development.
- Using a trading ratio of 2:1 or 4:1 in time would lower nutrient levels
- The credits can also be sold to those seeking to invest in conservation outcomes, including Wildlife Trusts and government

Single Point Source–Nonpoint Source Trades



Nonpoint Source Credit Exchange



Water Quality Trading

KEYS TO SUCCESS

Every trading program should strive to be:

Transparent

Keep the public informed at every step of the process by:

- ★ Involving stakeholders in the design of the trading program
- ★ Communicating to the public information deemed necessary to maintain stakeholder confidence

Real

Show pollutant reductions and water quality improvement by:

- ★ Measuring reductions
- ★ Verifying BMP installation and maintenance, e.g., through a third party

Accountable

Manage the program effectively by:

- ★ Including trade tracking mechanisms in the program design
- ★ Periodically reviewing the program's process and results

Defensible

Base the program on sound science and protocol by:

- ★ Using dynamic water quality models
- ★ Requiring credit generators to certify credits
- ★ Developing scientifically based trading ratios

Enforceable

Establish responsibility for meeting or exceeding water quality standards by:

- ★ Incorporating clearly articulated trading provisions in NPDES permits

Four Groups Involved

Buyers

Beneficiaries of ecosystem services in this case nutrient reduction and who are willing to pay for them, generally Industry

- Waterston development
- Future development of Industry
- Future Housing Developments
- Dwr Cymru / Welsh Water
- Industrial Emissions Directive

Sellers

Land and resource managers whose actions can potentially reduce the nutrient load, generally Agriculture.

- Agriculture
- Other large landowners
- Dwr Cymru / Welsh Water

Intermediaries

Agents linking buyers and sellers and can help with scheme design and implementation

- Pembrokeshire Coastal Forum
- Natural Resources Wales
- PLANED

Knowledge providers

Resource management experts, valuation specialists, land use planners, regulators and business and legal advisors who can provide knowledge essential to scheme development.

- Pembrokeshire Biodiversity Partnership
- Natural Resources Wales
- Pembrokeshire County Council
- Pembrokeshire Coast National Park Authority
- Swansea University Biosciences
- SACRAG
- MHWESG

Develop a nutrient offsetting scheme

(Nature Fund, Delivered by the 30th of June 2015)

- Stage One
 - Background Research
 - Global Ecosystem Banking Initiatives
 - Review and analysis of Pembrokeshire case studies
 - Land Manager Assessments – Credits
 - Credit Purchasing Potential Assessment - Debit
 - Framework for Delivery
 - Ecosystem Enterprise Delivery Group
 - Ecosystem Enterprise Technical Advisory Group
 - Ecosystem Enterprise Stakeholder Forum
- Stage two
 - Ecobank Toolkit
 - Ecobank Business Development Plan – Recommendations for Project Implementation

Ecobank Project Benefits

- Income diversification
 - Increased awareness by landowners
 - Improved local environment
 - A means for securing provision of ecosystem services
 - Opportunity for companies to meet environmental obligations
 - New revenue streams
 - Private investment to help achieve national and international policy goals
 - Streamlined biodiversity assessment
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- Thank you, Any Questions?

