



PES Bundling in Forest Communities: Watershed Management & Carbon Offsetting (Pico Bonito, Honduras)



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Park Highlights

- 3rd largest national park in Honduras
- 19 major watersheds
- 200 communities

Project Goals

- Stimulate local economies
- Establishment of water committees
- Community-level conservation
- Sustainable livelihoods
- Community-level management and empowerment

Creating a Sustainable Management Scheme

Pico Bonito is the third largest national park in Honduras. The 19 major watersheds it contains play a central role not only in sustaining the natural ecosystems within the park, but also the 200 indigenous communities that are located in the same area and draw on its natural resources for survival.

EcoLogic, or Ecologic Development Fund, has been the main driver in pushing forward the development of an effective payments for ecosystem services (PES) scheme within Pico Bonito. EcoLogic is a U.S. based non-profit funded by foundation grants, contributions and donations.



In collaboration with the privately funded non-profit, Fundación Parque Nacional, Pico Bonito community initiatives have strived to

accomplish 1) the stimulation of local economies; 2) community-level conservation; 3) promotion of sustainable livelihoods; and 4) community-level management and empowerment..

Specifically, the Pico Bonito project has focused on payment systems that address two major ecosystem services: planting native trees to offset carbon dioxide emissions (Bosques Pico Bonito) and creating a sustainable watershed management scheme.

The watershed management aspect of the project has already helped communities enhance livelihoods through construction of latrines, enclosed compost digesters and drain systems.

Bosques Pico Bonito is still in the pilot stage; payment systems to communities for providing ecosystem services have not yet been implemented.

Project Status:

One Park, Two Approaches

Bosques Pico Bonito

This phase of the project will focus on the restoration of forested areas through the establishment of a sustainable plantation of native trees. Set up as a profitable scheme, it aims to provide employment and involvement in forestry management for local community members. The project banks on substantial income generated through increased carbon sequestration, and plans include a monitoring scheme where local community members track long term progress.

Watershed Management

This separate, parallel phase of the project focuses on the preservation and sustainable use of the watershed services by local communities. As of 2008, it has resulted in the creation of seven new water councils, which are based in the communities within the park. The councils manage the use of resources, the construction of better infrastructure and the execution of water enterprises that generate revenues for the communities themselves.

“Climate change, persistent rural poverty, and the loss of our globe’s forests and the valuable plant and animal species they contain... If left unchecked, these global issues will have a direct impact on everyone’s daily life and leave even greater repercussions on the lives of futures generations. Though the problem is worldwide in scope, a difference can be made... one forest and one community at a time.”

- Bosques Pico Bonito

Challenges

The most prevalent issue that the Pico Bonito projects have dealt with is the social component of the payment for ecosystem services (PES) scheme. The project takes into account the necessity for long-term community involvement, not only in the financial processes, but also in the development of management schemes and future approaches.



Pico Bonito National Park

The project illustrates the utility of adapting projects to the characteristics of a certain region. In this case, the project incorporates

both carbon and watershed services into the design of separate management schemes that benefit the local communities.

However, the issue of ecological preservation has not necessarily been addressed. There have been plans for the establishment of a monitoring system that will prevent leakage, and for a system that will monitor

the effects of the project’s different components on the state of the Park’s ecosystems and biodiversity.

Looking Forward

The Bosques Pico Bonito initiative has generated extensive positive response internationally and has been chosen as a pilot project for the World Bank’s BioCarbon Fund (BC Fund). Currently the project is still in pilot-phase, but proposed management schemes are already serving as models for other similar projects in developing countries.

It is projected that this project will eventually become privatized as Pico Bonito Inc., with local communities being partial shareholders along with a number of other investors, including the BC Fund. The carbon credits obtained from reforestation will

then become part of the global carbon market, and create revenues for all shareholders, particularly community members.

The community watershed management initiative has been very successful up to now. Future efforts explore the possibility of setting up a payment system between downstream water users and upstream communities.

Additionally, the Pico Bonito project plans to begin micro-watershed work in the Northern Sector of the Park, which is not included in current initiatives.