



CASE STUDY

DCP

2011

WORKING TOGETHER
TO INSPIRE SUSTAINABLE
SOLUTIONS



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET



Payments for Ecosystem Services

KlimaFa

This case study presents a scheme for ecosystem services payment from Bükk National Park, Hungary. The Hungary-based eco-restoration company KlimaFa is involved in a two-year project during which it plants native mixed-growth forests on a 1,000 hectares area of Bükk National Park to generate climate benefits.


Bükk National Park

is located in the north of Hungary. KlimaFa – initially subsidiary of US-based Planktos Ltd; now registered Hungarian company dealing with eco-restoration. Climate forest project – engaged by KlimaFa to restore over 10,000 ha of forests during the next ten years, most of them in protected areas, with the purpose of using CO₂ reduction for emissions trading.



Total area:
43,200 ha

Strictly
protected area:
5,730 ha

800,000 
tones of
atmospheric CO₂
in forest carbon biomass
will be sequestered by
this project

Background

Trees and plants capture CO₂ during photosynthesis, the regular vital function through which they convert CO₂ into organic compounds for their growth. The sequestration of carbon helps reduce global warming, a major challenge that has grown into a real threat for humanity.

Stakeholders

Climate change affects each and every one of us. Conversely, afforestation of a large unproductive arable land positively affects several players from the inhabitants of the area or species native to the forest to global companies or individuals that have their emission cap extended by credit bought on financing the afforestation. Bükk National Park has a large area restored through afforestation, which brings back the natural habitat for many of its species, whereas KlimaFa, the company doing the afforestation recovers its costs with afforestation by selling credits against certified emission reduction to large emitters.

Solution

As global warming is becoming a real risk, governments recognize the necessity for concrete measures to reduce emissions and are increasing their involvement in setting regulations. The Kyoto Protocol and the European Union's cap and trade programme set emissions targets for countries and companies. This opened up a new market niche of both those countries and companies that emit too much carbon and those that do not need their entire carbon allotment. Carbon credit markets are now growing around the world.

Scheme

Starting in 2007, KlimaFa's Climate Forest Demonstration Project aims to afforest native mixed growth forests in a 1000-hectare area of Bükk National Park. So far, approximately 40 ha have been afforested. Currently, there are ongoing carbon offsetting projects for companies, DELL being one of them. After completing the afforestation, KlimaFa conducts verification analyses to measure the resulting forest biomass and quantify the sequestered carbon.

KlimaFa has set up a monitoring system with the purpose to ensure the quality and maintenance of the newly forested land. Furthermore, the company will implement long-term monitoring programmes to sustain certification and carbon credit value.

The protocols for measuring long-term carbon storage are based on field-tested, peer-reviewed methodologies and the results will be reported to the government. Then, each year there is a revision of clients' energy consumption and, based on this data, an EU Joint Implementation approval procedure is followed.

Costs

The costs of the project are initially covered by KlimaFa which invests in afforestation on the territory of Bükk National Park. The costs incurred by afforestation are recovered by selling carbon credits to companies or individuals in need of larger emission caps. Profits obtained this way are reinvested into sustaining the national park.

On the European Union market, carbon credits are trading at about \$28, with one credit countering one ton of emitted carbon dioxide.

Benefits

This project is a typical example of a win-win situation. It will take over large swaths of environmentally degraded, abandoned land and restore them as native forest. As such, it will create jobs in an economically depressed area and last but not least, it will generate climate benefits by sequestering 800,000 tones of atmospheric CO₂ in forest carbon biomass.

This case study was prepared as part of THE DANUBE PES PROJECT: PROMOTING PAYMENTS FOR ECOSYSTEM SERVICES AND RELATED SUSTAINABLE FINANCING SCHEMES IN THE DANUBE BASIN.

This project promotes and supports land managers who help us sustain the benefits that we all get from nature. The project is implemented by the WWF Danube-Carpathian Programme with the financial support of the GEF through UNEP and the European Commission.



Why we are here.

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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