



THE WOODS HOLE RESEARCH CENTER

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Woods Hole Research Center Partnering with The Goldman Sachs Center for Environmental Markets to Develop Project on the Valuation of Avoided Deforestation

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A new partnership between the Woods Hole Research Center and The Goldman Sachs Center for Environmental Markets (CEM) announced yesterday at the Clinton Global Initiative will develop new market-based approaches to value the sustainable uses of forests for marketable products and ecosystem services. These will include approaches to value sequestration by forests of carbon that otherwise would be elevating the carbon dioxide concentration of the atmosphere and thereby accelerating climate change -- and to apply these values to reduce the pace of tropical deforestation. The CEM has committed a \$1 million grant to the Woods Hole Research Center for this effort.



Former President Bill Clinton holds the letter of commitment struck between The Goldman Sachs Center for Environmental Management (representative, left) and Woods Hole Research Center Director John P. Holdren (right). Select image for larger version.

According to John P. Holdren, director of the Woods Hole Research Center, "This is not only a grant but also a partnership, in which insights from the Woods Hole Research Center about how forests work and what is needed to keep them working will be linked with expertise at Goldman Sachs about the economic forces and incentives that affect how forests are used and managed."

A key issue in managing the competing human demands on land, soils, water, and vegetation for food, fiber, chemical feedstocks, biofuels, and ecosystem function is that services in the last category – ecosystem function – are largely unpriced in the marketplace. Thus they are undervalued in societal decision-making and, accordingly, vulnerable to being squeezed out, in the competition for land, soils, water, and vegetation, by the marketized uses for these resources. The competing demands on forest land and the lack of market value for the forest's ecosystem services is causing an alarming pace of deforestation in the moist tropics, especially in the Amazon, sub-Saharan Africa, Indonesia, and Malaysia, where forests are rapidly being replaced by soybean fields, cattle pastures, and clear-cut zones from intensive timber production. This deforestation is contributing significantly to the continuing buildup of carbon dioxide in Earth's atmosphere, accelerating climate change.

A central focus of the Center's work has been the development and implementation of strategies for reducing the pace of tropical deforestation through improved ways to value and reward the sustainable uses of these forests both for marketable products and for ecosystem services, with a growing emphasis on valuation of the sequestration of carbon that otherwise would be elevating the carbon dioxide concentration of the atmosphere and thereby accelerating climate change. The "on the ground" component of this effort has been centered in field projects in the Amazon and in Africa,



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closely linked to conceptual and analytical work at Center and to collaboration on capacity building and creative policy design with private and public actors at every scale from village cooperatives, to regional and national governmental agencies, to the Conferences of the Parties to the United Framework Convention on Climate Change.

Holdren says, "This grant will enable the Woods Hole Research Center to broaden and deepen its efforts to understand the ways that tropical forests contribute to human well-being and to be sure that these benefits are taken into account in economic and political decisions that are shaping the future of these forests."

He adds, "It's particularly gratifying that we developed this project with Goldman Sachs as part of the Clinton Global Initiative – a farsighted effort of the former President to stimulate new partnerships among businesses, researchers, and public-interest organizations to address the great challenges in global health, environment, and economic development."

The Woods Hole Research Center is an independent, non-profit institute engaged in fundamental environmental science, applied policy analysis, local and regional capacity building, and public and policy-maker education aimed at clarifying the interacting functions of the Earth's vegetation, soils, water, and climate in support of human well-being and promoting practical approaches to their sustainable management in the human interest. Current Center staff include leading tropical-forest ecologists, soil scientists, carbon- and nitrogen-cycle specialists, a rural sociologist specializing in sustainable community forestry and fisheries projects, a resource and environmental economist focused on village-scale to regional resource-use issues, a political scientist/policy analyst, and a specialist in international environmental agreements.

The Center for Environmental Markets was established to undertake independent research with partners in the academic and NGO community to explore/develop public policy options for establishing effective markets around climate change, biodiversity and ecosystem services. In this co-sponsorship with the Center, CEM seeks to better understand the value of ecosystem services and how market-based solutions can be used to avoid further rapid deforestation. CEM, the Center and its other partners and funders intend to expand the knowledge regarding these issues and to communicate this knowledge to a wider audience as well as to inform sensible government policies and business decisions.