



# **Uncertainty in IDB Ecosystem Services Projects**

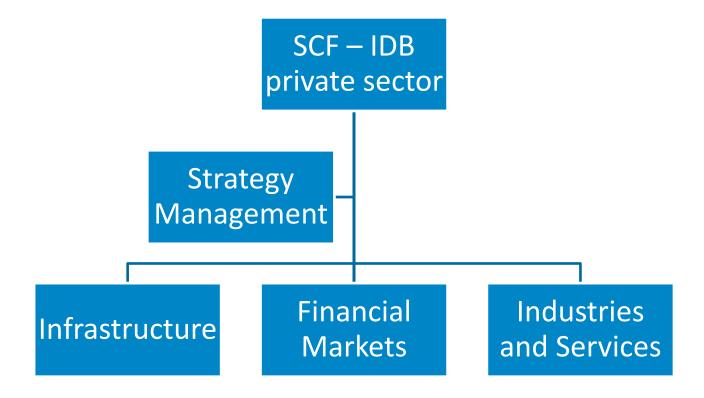
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## **Structured and Corporate Finance Department of IDB**





## **Eucalyptus in Uruguay: Montes del Plata**

## Partial integration of ecosystem services in integrated production systems - Allianzas

- Two scenarios: business as usual, increase Allianzas by 24,000 hectares over four years
- Ecosystem services considered: plantation productivity, cattle productivity, diversification of income, increase in income, carbon sequestration, increase in rural employment, fire regulation, expanding sustainability practices

#### **Audience**

 Montes del Plata stakeholders, cattle ranchers, Uruguayan ministries, IDB





## Palm oil in Ecuador: La Fabril & Banco de Guayaquil

#### Costs and benefits of RSPO certification

- Benefits: improved productivity, price premium, access to markets, access to credit
- Costs: legal compliance, technical assistance, improved management practices

## **Environmental and social impacts of RSPO** certification

- Three scenarios: business as usual, IDB loan, IDB loan + certification
- Indicators include: water, soil, natural habitat protection, labor conditions, access to credit, income

#### **Audience**

 La Fabril, other palm processors and producers, IDB







## **Uncertainty in projects**

#### Montes del Plata, Ecuador

- Incomplete analysis of ecosystem services
- Number of ranchers participating in the project
- Market prices
- Incomplete data
- Unpredictability of ecosystem services provision

#### La Fabril, Ecuador

- Producers' participation in credit line, use of credit
- Producers' compliance with RSPO principles & criteria
- Market benefits of RSPO
- Relationship between change in producers' practices and ecosystem service provision
- Incomplete data

