

Partnership News Report



Special points of interest:

- **What a Summer**
- **Twenty-five Stakeholders Reach Consensus on an Ecosystem Credit Accounting System**
- **An Electronic Platform for Credit Creation**



Increasing the pace, scope, and effectiveness of conservation in the Willamette Basin

Governor Kulongoski signs [Senate Bill 513](#)

This bill is designed to establish policy for Ecosystem Markets, encourages agencies to take action related to ecosystem services and ecosystem service markets and forms an ecosystem markets working group

What a Summer!

By David Primozych—Executive Director

In June, the Willamette Partnership co-sponsored a nationally-significant conference on ecosystem services markets in Portland. Hosted by the Northwest Environmental business Council and the American Forest Foundation, the conference attracted key practitioners and policy makers from around the country and generated enormous amounts of enthusiasm for what is happening in the Pacific Northwest – especially related to our effort to develop a multi-credit accounting system. The conference represented a substantial shift from other such meetings. The level of awareness and activity surrounding emerging markets for ecosystem services has changed the discussion. At this meeting, participants spent very little time discussing what ecosystem services markets are and a lot more time talking about specific programs, policies, and technologies being implemented and those still needed around the country to support effective and credible operation. (continued on page 2)

Twenty-Five Stakeholders Reach Consensus on an Ecosystem Credit Accounting System

By Bobby Cochran—Ecosystem Market Analyst

The Willamette Partnership's Counting on the Environment process reached a big milestone on August 4, 2009 as all of the technical, scientific, and process design work conducted over the last nine months came together, and was approved, to form a multi-credit ecosystem credit accounting system for the Willamette Basin. Basically, land managers now have a single process they can follow to generate multiple ecosystem credits from their properties.

What we're calling the Ecosystem Credit Accounting system includes a General Crediting Protocol that walks potential buyers and sellers through the process of creating credits; (continued on page 2)

An Electronic Platform for Credit Creation

By Mac Martin—Water Resource Analyst

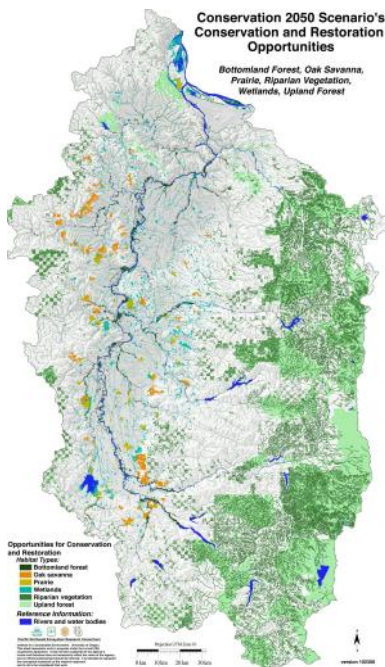
New technology will serve a pivotal role in the operation of emerging ecosystem service markets. These markets are, by their very nature, a complex marriage of science, policy and people. The Willamette Partnership envisions the Ecosystem Credit Accounting System, developed through Counting on the Environment, to be accessible through an internet-enabled electronic platform. This ecosystem credit accounting platform will allow expert users to interact with: a mapping tool that validates scientifically-proven restoration actions; a credit calculator that attributes ecosystem service credits to these actions based upon collaboratively-developed public policy; and (continued on page 3)



FSC certified forest in the Tualatin Basin



Cat's Paw by Mac Martin



What a Summer ! (continued)

In July, the State of Oregon enacted legislation proposed by Defenders of Wildlife and supported by a diverse group of organizations – including the Willamette Partnership - that makes it the policy of the state to maintain, enhance and restore ecosystem services throughout Oregon. The bill directs the formation of a working group that will help the state define its

role and the policies needed to use ecosystem services markets as a tool to make protection and restoration of ecosystem services possible.

In August the diverse stakeholders who make this partnership work - our working group of federal and state resource agencies, conservation groups, and local government representatives - hit a major milestone. After

months of hard effort the group signed a statement of agreement that documents support for the credit accounting system and standard credit issuance process we've been working toward. This milestone sets the stage for real piloting of a new accounting system and represents a giant step forward in the Willamette Partnership's effort to ensure ecosystem services markets (continued on page 4)

Twenty-Five Stakeholders Reach Consensus on an Ecosystem Credit Accounting System (continued)

credit calculators for wetlands, salmon habitat, upland prairie habitat, and water temperature credits; and the standardized forms and data collection tools needed to run the system. All of these are up on the Partnership's website at www.willamettepartnership.org.

On August 4th, a group of 25 federal, state, and local agencies, conservation organizations, and other stakeholders signed an agreement in concept to pilot the Ecosystem Credit

Accounting system over the next two years on a number of projects—with the intent to conduct a number of real trades. Over the next month, the Willamette Partnership will be working with these groups to get signatures from their organizational leadership.

This agreement and the accounting system itself represents the cutting edge of using market approaches to expand the pace, scope, and effectiveness of restoration. With this momentum, the

Partnership and a smaller team of stakeholders will begin running and testing the accounting system.

The work program over the next two years includes:

- Training people in the Willamette to calculate credits, become accredited verifiers, and to use the accounting system;
- Software development to automate credit calculation and make it easy to use;

(Continued on page 3)

An Electronic Platform for Credit Creation (continued)

third-party verifiers that, with public-agency reviewers, ensure credible results from the system. The end products of this platform will be tradable ecosystem service credits that may be listed on a registry.

The Willamette Partnership and the Bay Bank issued a joint request for proposals to find private firms capable of developing the platform. The Bay Bank is a non-profit working in the Chesapeake Bay to promote environmental restoration through the

valuation and trade of ecosystem services. After reviewing the statements of qualification received in response, the Willamette Partnership and Bay Bank selected a Portland Oregon company, called The Other Firm, to create this technology for them.

The platform will need to be built using an architecture that can grow in scope and scale as new credit currencies and new geographic locations are added. In addition, it must be designed to operate smoothly with other software being developed

to support environmental conservation and restoration activities. In this vein, the platform will operate seamlessly with the credit registry currently under construction by Markit Environmental Registry (formerly TZ1) for credits issued through the Ecosystem Credit Accounting system. Willamette Partnership and the Bay Bank are eager to move forward on this project which is already in its initial stage of development.



Willamette River by Joni Shaffer

[Ecosystem Credit Accounting](#)

Read more about the package of protocols, tools and resources that allow buyers and sellers to trade in multiple types of ecosystem credits including salmonid, wetlands, prairie and water quality

www.willamettepartnership.org

Twenty-Five Stakeholders Reach Consensus on an Ecosystem Credit Accounting System (continued)

- Developing new protocols to calculate credits from increasing in-stream flow and reducing nutrients and sediments entering streams;
- Investigating watersheds to which the system might be expanded; and
- Evaluating which portions of the accounting system

need to be replaced, adjusted, or adopted as policy.

The August 4 milestone would not have been possible without enormous efforts from a lot of people. Kearns and West and the Oregon Consensus Program delivered outstanding process facilitation. Paramatrix and Paul Adamus brought sound

science and expertise to develop the credit calculation methods. Clean Water Services and the Oregon Department of Transportation have been key supporters, and Willamette University hosted our gatherings. Finally, the support of this effort's primary funder, the Natural Resources Conservation Service, has been key.



Ecosystem Markets post conference field trip

What a Summer ! (continued)

develop in ways that are ecologically credible and transparent.

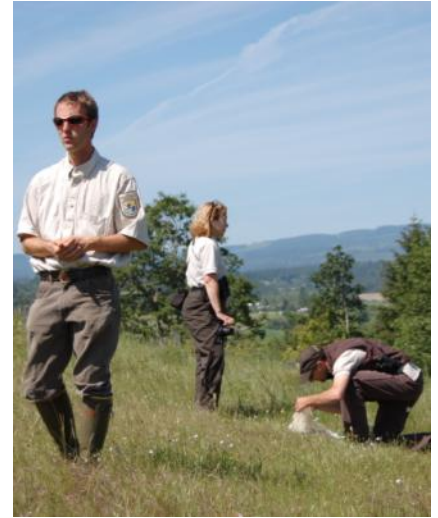
No accounting system is complete without technology to support its efficient use. This summer has also seen major strides technology development from the selection of a Credit Registry provider Markit Environmental (formerly TZ1 described in our last newsletter) to more recently a partnership formed with the Bay Bank program of the Pinchot institute. Partnering with another program in a completely different part of the country helps ensure the

infrastructure we develop to support efficient and credible market operation works across geographies and jurisdictions.

Finally, to top off a really remarkable summer of activity, just this past Wednesday we learned the State Natural Resources Conservation Service will fund two projects that help keep the momentum going. One will provide training in the new accounting system for partners who are implementing projects and the other will build the methodologies

needed to calculate nutrient and sediment reductions resulting from restoration and land management practices on farms and forests in Oregon.

In this edition of the Willamette Partnership News you'll get some of the specifics on the newly agreed upon accounting approach and progress being made to develop technology to support its use. This has been a remarkably productive summer. Now let's get out and implement these new tools.



USFWS biologists survey Fender's Blue Butterfly at Baskett Slough Refuge



To receive regular updates on the Partnerships progress, subscribe to our newsletter by going to www.willamettepartnership.org and signing up for np-news

History

The Willamette Partnership formed in 2004 to capture the momentum created upon completion of the Willamette Restoration Strategy. The Strategy articulated a vision for ecological health and economic vitality in the Willamette Basin and outlined critical actions needed to achieve success. Working with stakeholder leaders who developed the Strategy, the Partnership formed to accelerate needed innovation. One of these innovations is the establishment of an integrated ecosystem marketplace