

Payments for watershed services in Colombia (SABMiller)

In Colombia, SABMiller is engaging in the Bogotá Water Project with the City, the Aqueduct and Sewage Company of Bogotá (EAAB) and The Nature Conservancy in a scheme investing in watershed management in the Bogotá area of Colombia. For SABMiller, Colombia is a promising market for beer, but the company faces risks associated with the costs of water (which are 12% higher in Bogotá than elsewhere in the country) and increasing water shortages (70% of the population is facing water shortages).

With a primary aim of assuring the company's continued access to water and to control the costs of water use, the company has engaged in a scheme which aims to reduce the negative impacts of downstream sedimentation from cattle ranching activities further upstream, by supporting improved land management and reduced deforestation. The scheme (which is administrated by a multi-stakeholder governing body) is expected to save water companies in the region of US\$ 4million per year and the costs of implementation are estimated at US\$ 60million over ten years. These costs of implementation are not bourn entirely by the private sector, but by governments and philanthropic foundations. This combination of commercial and public money is currently essential to create a case for private sector engagement, given the long payback period involved and the failure of the economic measures currently used to value ecosystem services.

Source: <http://www.nature.org/wherewework/southamerica/colombia/work/art24802.html> and SABMiller sustainable development report 2008<

Securing continued access to water and timber (BAT)

The British American Tobacco Biodiversity Partnership has developed a biodiversity risk and opportunity assessment tool. Intended for use by all British American Tobacco leaf growing operations, this was trialled in Indonesia, Uganda, Kenya and Brazil over a two year period and is now being rolled out throughout British American Tobacco's leaf growing operations.

In Brazil Souza Cruz, the Brazilian subsidiary of British American Tobacco commissioned a survey of 119 leaf-growing farms in the municipality of Paula Freitas in the southern state of Parana as part of the risk assessment process. Together with the Brazilian NGO Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental (SPVS), and Fauna & Flora International (FFI), Souza Cruz is developing and implementing mechanisms to support sustainable management of tobacco farms as part of British American Tobacco Biodiversity Partnership. This includes conservation and rehabilitation of native areas and ensuring that farmers comply with national environmental legislation that, amongst other things, requires farmers to set aside 20% of their property for conservation of native areas in addition to protecting riparian forests and headwaters. The business case for Souza Cruz to use its farmer outreach mechanisms to support farmers is based on compliance with legislation and ensuring that good practices guarantee the conservation of soil and water that are essential for crop productivity.

In Indonesia the risk analysis identified protected areas adjacent to agricultural zones where the company sources tobacco - the Gunung Rinjani National Park on the slopes of Mt Rinjani in Lombok, the Kawah Ijen National Park near Bondowoso in East Java and the Way Kambas National Park near Lampung in Sumatra. Although no direct impacts of company activities were identified on this area, tobacco growing was found to be adversely impacted by ongoing forest

degradation in some areas. Furthermore, a move from kerosene to coal fuel for tobacco, stimulated by a change in fiscal policies, was identified as a potential risk to the protected areas. The analysis showed that deforestation in critical watersheds on Lombok reduces water supply to agricultural areas including the tobacco growing area. British American Tobacco and local partners (including local and national government) are developing a plan for the protection of the watershed through measures including reforestation. Export Leaf Indonesia (the British American Tobacco subsidiary) is drawing up action plans based on the risk assessment findings.

Source:

http://www.bat.com/group/sites/uk_3mnen.nsf/vwPagesWebLive/DO726HDM?opendocument&SKN=1

Ahold and WWF: partnering to grow strawberries sustainably

In Spain, **Ahold** and WWF are working in a project that links strawberry production with protecting wetlands. Since February 2007, strawberries are sold with a small booklet explaining that their purchase is helping to protect an important water source, the Coto Doñana wetland nature reserve, in the south of Spain. The partnership is also currently reviewing other potential supply chains for similar projects.

Source: <http://www.ahold.com>