



EMBARGOED PRESS RELEASE

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Pioneering investment deal prices 'utility value' of rainforest

A deal announced today opens the way for financial markets to price the 'utility value' of rainforests. For the first time investors will pay for the ecosystem services produced by a rainforest, including rainfall generation, climate regulation, biodiversity maintenance and water storage – utilities with global significance which are vanishing as forests fall.

Today's transaction between Iwokrama and Canopy Capital pioneers the use of risk capital to safeguard such services within the Iwokrama Reserve in Guyana. Given to the Commonwealth for research into sustainable forest management, the pristine million-acre reserve lies at the heart of the Guiana Shield, one of the four intact rainforest systems left in the world.

“Forests do much more for us than just store carbon. We should move beyond emissions-based trading to measure and place a value on all the services they provide. This initiative fits perfectly with Iwokrama's original mandate to demonstrate that conservation, environmental balance and sustainable economic activity can be mutually reinforcing.

Moreover, this first significant step is in keeping with President Jagdeo's visionary approach to safeguarding all the forests of Guyana. It also ensures, with the Commonwealth's support for Iwokrama, that the world hears a knowledgeable and persuasive voice on a matter of growing international concern” said Iwokrama's Chairman Edward Glover.

The forests of the Guiana Shield generate rainfall that services the production of agricultural commodities throughout northern Latin America and the southern Caribbean. Speaking for investment house Canopy Capital, Director Hylton Philipson said “How can it be that Google's services are worth billions, but those from all the world's rainforests amount to nothing? As atmospheric levels of carbon dioxide rise, emissions will carry an ever mounting cost and conservation will acquire real value. The investment community is beginning to wake up to this.”

The deal, drawn up by international law firm Stephenson Harwood, comes in the wake of a pivotal year for the fate of forests. The contribution of deforestation to runaway climate change has been recognised internationally and new measures to conserve forests are set to be included in a post-Kyoto framework after 2012. Announcing the Iwokrama initiative today at the world's first Biodiversity and Finance Conference in New York, Canopy Capital Director Andrew Mitchell said “The decision on forests at December's UN conference in Bali is a major step in tackling climate change, but it fails to reward countries such as Guyana that aren't cutting down their forests.”

The Iwokrama deal creates an investment template for first-movers in an emerging market for ecosystem services. Such a market could generate billions of dollars for developing nations, making it more valuable to keep their forests standing than to cut them down.

Funds already secured from Canopy Capital will be used to continue the management of the Iwokrama forest in accordance with its philosophy of conservation through sustainable best practice, providing livelihoods and business partnerships for the 7,000 people living in the forest and the surrounding area. Expressing community sentiments, Iwokrama Head Ranger Ron Allicock said “I love this place. This is my home. I want it to be around for my children, my children's children, for ever.” -- ENDS

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RESOURCES

For high resolution photos, videos and other material visit www.canopycapital.co.uk/press/embargo

NOTES TO EDITORS

Biodiversity & Ecosystem Finance Conference: 27-28 March 2008, Park Central Hotel, New York. This conference, the first of its kind in the United States, will comprehensively explore the rapid-growth area of Biodiversity Finance. It will bring together expert speakers from financial institutions, conservation groups and the investment community. Andrew Mitchell of Canopy Capital will present the Iwokrama deal on Thursday March 27 at 12:25. Iwokrama Trustee and Shell Biodiversity Advisor Sachin Kapila will present on the overall business landscape at 14:40 that afternoon. Contact: +44 20 78016333 or visit www.greenpowerconferences.com.

Ecosystem Services: The ecosystem services provided by large areas of intact tropical forest are significant and include climate regulation, rainfall production, water storage, and weather moderation. Forests such as Iwokrama act as a pump drawing water from the Atlantic ocean inland to the Amazon and Guiana Shield, where chemicals released by trees help to create clouds which then deliver moisture over vast distances. The forests of Amazonia release 20 billion tonnes of water into the atmosphere every day through this process, fuelling hydro power plants in the region and watering some of the largest agribusinesses in the world.

Iwokrama International Centre for Rainforest Conservation and Development: established in 1996 on 371,000 hectares of tropical forest by the Government of Guyana as a programme site "to develop, demonstrate and make available to Guyana and the international community systems, methods and techniques for the sustainable management and utilisation of the multiple resources from the tropical forest and the conservation of biological diversity" - www.iwokrama.org

Canopy Capital Ltd: Canopy Capital is a company specially established in 2007 to drive capital to the canopy. It will acquire the rights to rainforest ecosystem services for the benefit both of financial investors and local communities. It signed its first agreement with Iwokrama in Guyana in March 2007 – www.canopycapital.co.uk

Global Canopy Programme: One of the driving forces behind Canopy Capital, an [alliance](#) of 38 scientific institutions in 19 countries, which leads the world in forest canopy research, education and conservation. With a Secretariat in Oxford, its work aims to define and explore the range and economic value of [forest ecosystem services](#) and share its findings with decision-makers in government and finance - www.globalcanopy.org

Stephenson Harwood is an international law firm which drew up the Iwokrama deal. With offices across Europe and Asia, it offers a comprehensive range of services including corporate, finance and environmental as well as expert local knowledge in Africa, Asia, Europe, the Middle East and Latin America. - www.shlegal.com