

Coca-Cola Groundwater Compensation

Location

Country: Portugal

Scale: local

Region: Alentejo and Ribatejo regions - Tagus Aquifer

Compensated /improved ecosystem services

- Watershed protection
- Biodiversity conservation
- Improved slope stability and flood control

Management

Type: Payment for bundle ecosystem services

Land owners (APFC) committed to maintain good forest management practices within the 16.000 ha of FSC certified areas. FSC certification places a strong focus in criteria related to biodiversity conservation and watershed protection.

Approximately 600 hectares were considered to be of critical importance for biodiversity and water recharge of the aquifer T3 and therefore were considered High Conservation Value (HCV) Areas.

Approximately 25 hectares were considered to be of critical importance for seasonal concentrations of species.

Coca-Cola paid 10.000 € to the APFC landowners, at 16,80€ per hectare identified and classified as HCV, located in sensitive areas for water recharge of aquifer T3 and certified by FSC.

Stakeholders

Sellers or service providers:

- APFCertifica Group Scheme - Forests owners formed an association and adopted sustainable forest management practices in order to receive FSC certification

Buyers and beneficiaries of services:

- Coca-Cola consumers
- Coca-Cola Portugal – Refrige, beverage factory, located over the Tagus Aquifer (T3), consuming 500.000m³/year of groundwater

Knowledge providers:

- The Forest Producer Association APFCertifica is a member of the WWF Iberian Forest and Trade Network. WWF annually monitor APFCertifica HCVAs and helps the association to improve their management plans

Intermediaries:

- WWF mediated the partnership between Coca-Cola and the Forest Producer Association APFCertifica

Timeline

Establishment year: 2010

Time horizon: short term

Status of PES: active scheme

Availability of economic data

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References / Source of information

http://www.sylvamed.eu/?page_id=964

https://www.natureza-portugal.org/o_que_fazemos/green_heart_of_cork22/

Gorriz, E. – Prokofieva I. 2012. Payments for Environmental Services in Mediterranean forests and the role of property rights. In Agriculture and Forestry – Property rights, economics and Environment (Eds. Falque, M. and Lamotte, H.). 9th International Conference, Aix Marseille Université 21-23 June 2012. pp. 385-428.