



THE AUSTRALIAN NATIONAL UNIVERSITY

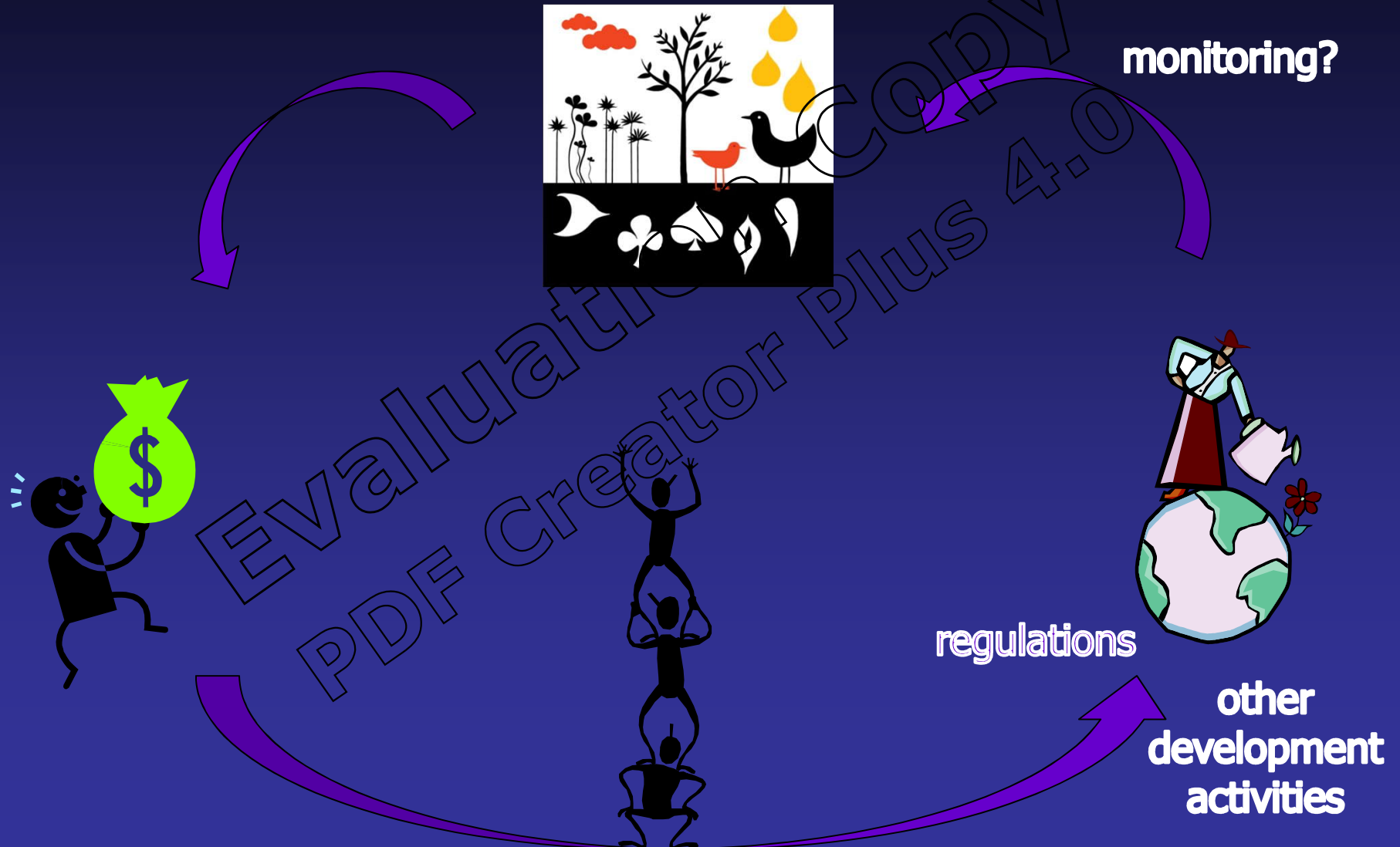
Payments for Environmental Services

What have we learned so far?

Luca Tacconi

¹based on the project "Assessing the livelihood impacts of incentive payments for avoided deforestation" (Tacconi, Mahanty & Suich with AusAID support)

Defining PES



REDD and payments for environmental services

- REDD involves payments to developing countries for certified reductions in carbon emissions arising from their actions to reduce deforestation and forest degradation
- PES is a possible mechanism to link national and sub-national activities and redistribute national level income from REDD



Why consider local impacts?

key concerns amongst
community/indigenous
rights advocates:

- Recentralisation of forest rights
- Benefit capture by elites
- Inequitable/negative social impacts



Photo: UNDP Philippines (SGP-PTF)

Key questions



Photo: Rowena Sriyaga

- What have been the livelihood impacts of existing PES schemes?

Financial, social, human, physical, natural capital

- What are the implications for the design of REDD activities?

Case studies

Country	PES Project (<i>author</i>)
Brazil*	Proambiente (<i>Bartels</i>)
Global	GEF portfolio review (<i>Haskett/Gutman</i>)
Indonesia*	Cidinau watershed PES scheme (<i>Boria</i>)
Mexico*	Carbon Forestry Payments Programme (<i>Corbera</i>)
Mozambique	Nhambita Carbon Community Project (<i>Jindal</i>)
Nicaragua & Colombia	Regional Integrated Silvopastoral Ecosystem Management Project (<i>Rios/Pagiola</i>)
Philippines*	'No fire bonus' scheme, Cordillera, Northern Luzon (<i>Soriaga</i>)
Uganda	Trees for Global Benefits Programme (<i>German</i>)
Zimbabwe*	CAMPFIRE (<i>Chirozva</i>)

* Country ranked amongst the top 20 deforesting countries by FAO (2006).

Access to PES schemes

Findings:

- Participation by poor households possible
- But often hampered by tenure, labour, capital needs, transaction costs

Scope to broaden access to REDD through:

- Collective contracts
- Schemes that don't require title to forest lands
- Strengthening/recognising local rights

Financial and physical capital

Findings:

- Individual payments = small % of household income
- Collective payments invested in infrastructure, services
- Payments don't reflect opportunity cost
- Payment timing

Implications for REDD:

- Look beyond household to community level agreements/ benefits for non-private forests
- Better understanding of/link to opportunity costs
- Coherence between commitment period and payment schedule

Social capital

Findings:

- Working with existing community institutions strengthens: resource management & coordination capacity, external linkages
- Scope for intra-household and community conflict – access, distribution

Implications for REDD:

- Build on existing community institutions
 - Attention to equity (access, distribution) & conflict management



Natural capital

Findings:

- Weak evidence of change in access to resources because case study projects on private or collectively owned land
 - Still a risk for public forests given evidence of change where resources used informally
- Weak monitoring of environmental outcomes

Implications for REDD:

- Understand informal use of commons especially in non-private forests
- Address appropriate scale, indicators in environmental monitoring

Human capital

Findings:

- Intermediaries facilitate capacity building environmental awareness, land management, governance, business development, PES
- Long term impacts not known

Implications for REDD:

- Capacity building is key role for intermediaries



Concluding thoughts

- Tenure and existing assets have been critical to access
- Most PES experience on private lands and some in community lands
- For non-private forests, important to look beyond individual households to collective agreements and benefits, role of existing community institutions
- Sustainability will ultimately depend on whether benefits outweigh opportunity costs, timeframes