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

monitoring?

regulations

other development activities

Defining PES

monetization

monitoring

regulations

other development activities

Defining PES

monetization

monitoring

regulations

other development activities

Defining PES

monetization

monitoring

regulations

other development activities
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

- 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

<table>
<thead>
<tr>
<th>Country</th>
<th>PES Project (author)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil*</td>
<td>Proambiente (Bartels)</td>
</tr>
<tr>
<td>Global</td>
<td>GEF portfolio review (Haskett/Gutman)</td>
</tr>
<tr>
<td>Indonesia*</td>
<td>Cidinau watershed PES scheme (Beria)</td>
</tr>
<tr>
<td>Mexico*</td>
<td>Carbon Forestry Payments Programme (Corbera)</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Nhambita Carbon Community Project (Jindal)</td>
</tr>
<tr>
<td>Nicaragua &amp;</td>
<td>Regional integrated Silvopastoral Ecosystem Management</td>
</tr>
<tr>
<td>Colombia</td>
<td>Project (Rios/Pagiola)</td>
</tr>
<tr>
<td>Philippines*</td>
<td>‘No fire bonus' scheme, Cordillera, Northern Luzon</td>
</tr>
<tr>
<td></td>
<td>(Sorrraga)</td>
</tr>
<tr>
<td>Uganda</td>
<td>Trees for Global Benefits Programme (German)</td>
</tr>
<tr>
<td>Zimbabwe*</td>
<td>CAMPFIRE (Chirozva)</td>
</tr>
</tbody>
</table>

* 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
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
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
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