



Access and benefits in payments for environmental services and implications for REDD+: Lessons from seven PES schemes

Sango Mahanty*, Helen Suich, Luca Tacconi

Crawford School of Economics and Government, College of Asia and the Pacific, Australian National University, Canberra, ACT 0200, Australia

ARTICLE INFO

Article history:

Received 27 February 2011

Received in revised form 28 October 2011

Accepted 29 October 2011

Keywords:

Forests
Environmental services
REDD+
Livelihoods
Rights
Benefit sharing
Tenure

ABSTRACT

This paper presents findings from a study of seven Payment for Environmental Service (PES) schemes that assessed impacts on livelihoods and implications for the design of incentive mechanisms for Reducing Emissions from Deforestation and forest Degradation (REDD+). It focuses on two areas of importance to the local impacts of PES and REDD+ schemes: (i) whether tenure and wealth filter access to schemes by local resource users and managers and (ii) how the design of contracts and the configuration of payments and other benefits impact local livelihoods and the sustainability of schemes. The PES schemes reviewed occurred on land falling under diverse tenure arrangements. Full ownership rights were not a prerequisite for PES agreements, but the criteria for selecting the location and participants for schemes were important access determinants. The schemes did provide some benefits to participants, generating a small amount of additional income to participating households and investments in community infrastructure and services where payments were made to community bodies. However, payments were often well below the opportunity costs faced by participants over the life of the scheme, which could diminish positive impacts on local livelihoods and ultimately undermine the sustainability of such schemes. Passing on transaction and monitoring costs from intermediaries to participants also reduced the flow of benefits to local actors. In addition, payment schedules often did not cover the full duration of the PES contract, which diminished the likely sustainability and conditionality of the schemes. Such factors will have to be clearly addressed in the design of REDD+ schemes.

© 2011 Elsevier Ltd. All rights reserved.

Introduction

In a Payment for Environmental Services (PES) scheme, the providers of an environmental service receive payments for the adoption of land uses and practices that maintain those services. There is strong interest amongst governments, donors and conservation organisations in PES schemes because of their potential to mobilise new financial resources for forest conservation. Furthermore, international climate change discussions have identified PES as an important mechanism with the potential to provide local incentives for reducing emissions from deforestation and forest degradation and to conserve and enhance carbon stocks (REDD+¹). However, enthusiasm for PES is not unalloyed. At issue is the question of whether, on balance, PES creates more opportunities than livelihood risks for rural resource users and managers. Interest is thus growing in the lessons learnt from past and present PES

schemes and in how they might inform future REDD+ initiatives. Comparative analysis of the impacts, benefits and shortcomings of PES schemes in participating communities can help to ensure that REDD+ develops with an awareness of the rights and livelihoods of local resource users and managers.

The analysis in this paper focuses on two critical areas of international debate about the viability and equity of PES and REDD+: (i) the role of tenure and wealth in filtering access to PES schemes (Pagiola et al., 2008) and (ii) how contractual arrangements, particularly the configuration of payments, impact on rural livelihoods and the long-term viability of schemes (Corbera and Brown, 2010). Based on a review of seven PES schemes, the paper highlights that access to PES schemes and benefit distribution arrangements mediate the livelihood impacts of PES and, potentially, of future REDD+ projects. Tenure and contract design are central to outcomes in both of these areas, and will be important for the equity and sustainability of PES and REDD+. Additional findings on how PES impacts key livelihood assets, and implications for REDD+, can be found in a complete volume of papers from this study (Tacconi et al., 2010).

The paper begins with a brief discussion of key concepts related to PES, REDD+ and livelihoods, followed by an overview of the study methodology and findings. We then examine what the findings mean for the design and implementation of REDD+ schemes, if they

* Corresponding author. Tel.: +61 2 6125 8058.

E-mail address: sango.mahanty@anu.edu.au (S. Mahanty).

¹ The term used for REDD in the UNFCCC is REDD-plus, which includes deforestation, forest degradation and enhancement of carbon stocks. REDD+ is used here for simplicity to refer to REDD-plus.

are to minimise adverse impacts on rural livelihoods. The research contributes to the empirical understanding of livelihood impacts of PES schemes, and the extent to which poor households may benefit from such schemes.

PES, REDD+ and livelihoods: research context

At the time when our research was initiated in 2008, PES schemes were commonly defined as a voluntary transaction where a well-defined environmental service (ES) (or a land-use likely to secure that service) is 'bought' by a (minimum of one) ES buyer from a (minimum of one) ES provider, if and only if the ES provider secures ES provision (conditionality) (Wunder, 2005: p. 3).² We worked with this definition (primarily because it was widely accepted) in order to have an agreed framework for the case studies and to maintain consistency across cases.

In reality, PES schemes seldom resemble this ideal model and have been implemented in situations where there are no functioning environmental service markets, where buyers and sellers are not clearly delineated (Corbera et al., 2007a,b; Wunder, 2008), where the number of potential buyers and sellers are unbalanced (Peskest et al., 2011; Wunder, 2008), and where environmental services are as yet unvalued (Angelsen, 2009). For these reasons, governments and non government organisations (NGOs) have often played a pivotal role in developing markets and facilitating agreements between buyers and sellers (Vatn, 2010). Many PES schemes have also been financed by governments or NGOs, and multilateral donor organisations.

PES and REDD+

REDD+ is an international financial transfer mechanism to reduce net greenhouse gas emissions from the forestry sector in developing countries. The mechanism directs payments to forest owners and users – whether through national governments or directly – in order to reduce deforestation and improve forest management (Angelsen, 2009).

There are a number of important connections between REDD+ and PES. REDD+ in one sense represents PES writ large, where developed countries are able to fund the conservation of carbon in the forests of developing countries. Debate continues on the most appropriate international and national architecture for REDD+ schemes, and how global mechanisms will mesh with national and local initiatives with private sector and NGO support (Angelsen et al., 2009; Angelsen, 2009; Seymour and Forward, 2010). In response to questions about distributional equity in REDD+, PES has emerged as a likely mechanism to link national level REDD+ payments to sub-national resource management activities. PES is seen as an efficient means to deliver localised incentives and benefits to forest users and managers in developing countries (Angelsen et al., 2009). Governments could use a PES mechanism to provide financial incentives for reducing emissions on private, community or even state lands, according to the amount of carbon conserved by these stakeholders.

These linkages between PES and REDD+ create the potential for a rapid increase in the number and geographical coverage of environmental service agreements under REDD+, alongside other forestry sector reforms (Peskest and Brockhaus, 2009). Because of this, community and indigenous advocacy organisations are concerned that REDD+ schemes will target state owned forests, potentially disenfranchising resource users with unrecognised customary rights to those forests (Phelps et al., 2010; Sikor et al., 2010). They argue

that the implementation of REDD+ schemes without due regard to rights and livelihood issues could renew and increase state and 'expert' control over lucrative forest carbon reservoirs. This could prevent indigenous peoples and local communities from benefiting from payments from improved environmental services (Takacs, 2010), compounding the costs of forest protection on these groups (Griffiths, 2007; Sikor et al., 2010).

Distributive mechanisms for REDD+ income at the local level, such as PES, are therefore integral to the potential equity and effectiveness of REDD+. Although welfare improvement was never a core objective of PES (Wunder, 2005), the possible future connection between REDD+ and PES schemes makes the experiences of established PES schemes important to REDD+ design. Our research, which synthesises findings from seven PES schemes, aims to contribute a clearer understanding of the livelihood impacts of existing PES schemes so that critical lessons can inform the development of equitable distributive mechanisms for REDD+.

PES and livelihoods

Recent research has found conflicting evidence on the livelihood impacts of PES. Some scholars see the monetisation of environmental services as structurally skewed against the interests and welfare of local actors, while tending to benefit elites (Kosoy and Corbera, 2010; Corbera and Brown, 2010; Pascual et al., 2010; McAfee and Shapiro, 2010; Lansing, 2011). Others have found that households can gain net financial and other benefits – subject to contract design and favourable institutional conditions – provided they have enough assets to effectively participate in schemes (Pagiola, 2008; Clements et al., 2010; Jindal et al., 2008; Somerville et al., 2010; Wunder, 2008; Zilberman et al., 2007).

Our analysis engages primarily with the second body of scholarship, applying a sustainable livelihoods framework to extend the understanding of the role that various household capabilities and assets might play in mediating the livelihood impacts of PES (see 'Research questions' section). This paper particularly addresses questions of access and how the design of PES contracts affects livelihood outcomes.

Access to PES schemes is a fundamental determinant of livelihood impacts, affecting who has the potential to benefit or not (Pagiola et al., 2005). Furthermore, non-participants may suffer negative impacts such as land price inflation or loss of informal access to resources (Landell-Mills and Porras, 2002). Pagiola et al. (2008) have grouped the key determinants of access into three main areas:

- (i) *Eligibility constraints.* The size of land holdings and tenure can constrain access. Land ownership has been a common eligibility criterion for PES schemes, which automatically excludes the rural landless. While PES contracts could strengthen land rights for some (Grieg-Gran et al., 2005; Larson, 2011), they can also diminish customary rights and access (Vatn, 2010; Gomez-Baggethun et al., 2010). The criteria used to determine the location of schemes – for example targeting a particular conservation area or watershed (Pagiola et al., 2008; Wunder, 2008) – also constrain access.
- (ii) *The desire to participate.* Once eligibility is satisfied, whether households are willing to participate will depend on the expected benefits of participation (Pagiola et al., 2008; Wunder, 2008). Transaction costs, often influenced by project and institutional design, can influence this choice (Paavola and Adger, 2005).
- (iii) *The ability to participate.* Whether households have the capital and resources to negotiate and implement an agreement, particularly financial and human capital, also determines access (Pagiola et al., 2008; Wunder, 2008).

² Tacconi (in press) discusses different definitions of PES and provides a revised one.

Download English Version:

<https://daneshyari.com/en/article/93062>

Download Persian Version:

<https://daneshyari.com/article/93062>

[Daneshyari.com](https://daneshyari.com)