

FRIDAY 19 JUNE 2015 - PARIS

Governing Biodiversity and ecosystem services through market- based instruments?

Theory and practice for
decision-makers

PUBLIC CONFERENCE

8.30-17.30

La Resserre,
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Implementing market-based conservation instruments on the ground: achievements and challenges

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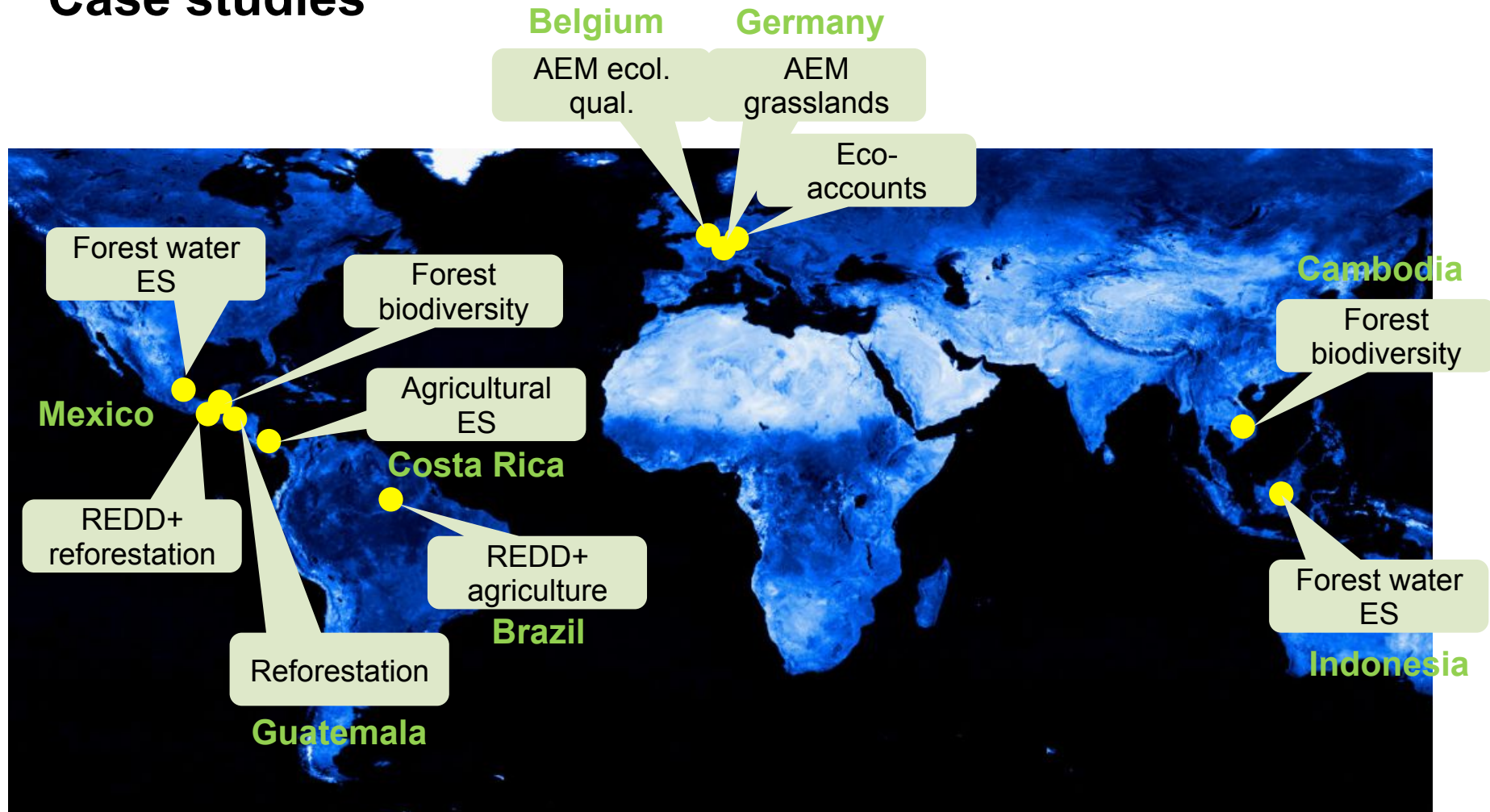
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5 statements

1. PES/BOs incentivise (additional) environmental conservation
2. Equity and legitimacy are central in PES design and implementation
3. Trade-offs exist between effectiveness and equity
4. Changing productive systems result in longer-term gains than paying to conserve
5. Payments can transform individual and collective motivations for conservation

Case studies

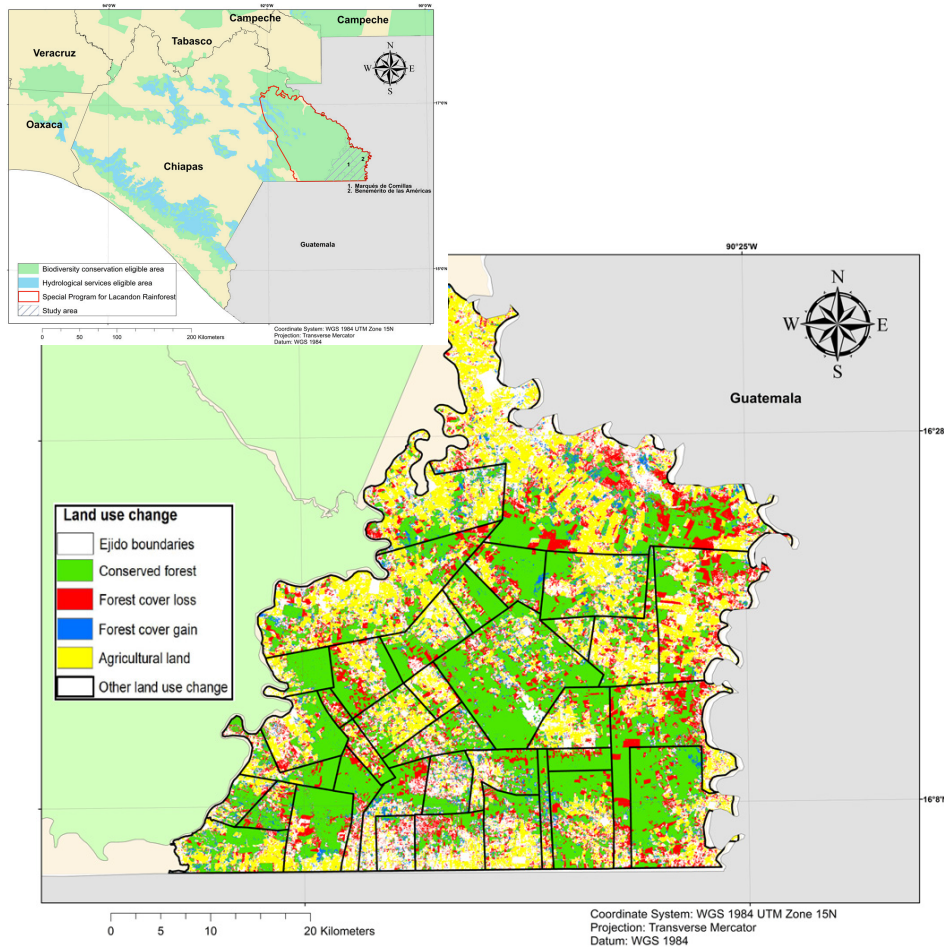


1. PES/BOs incentivise (additional) conservation

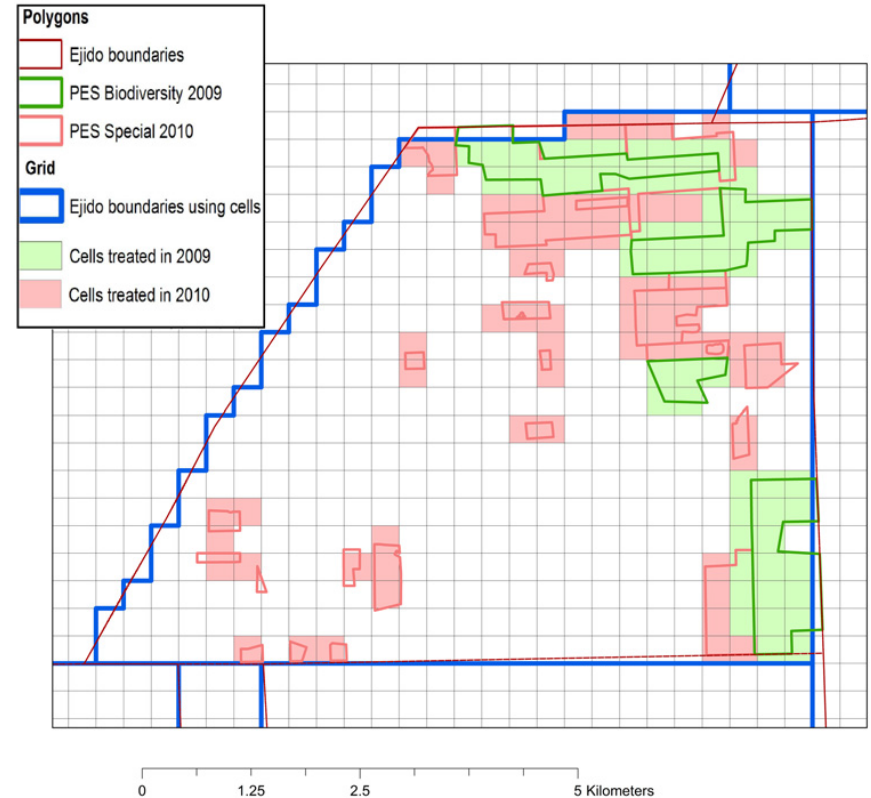
- Robust measuring of *conservation* requires before-after-control-Intervention analyses
- Deforestation has been reduced, but not halted (Cambodia, Mexico); areas with middle to lower opportunity costs more likely to be enrolled
- Land use activities and productive changes result from balancing out payment levels with expected costs
- Leakages? Rebound effects?



Mexico - Payments for biodiversity conservation



12-14% : High additionality



... but deforestation keeps ongoing in PES

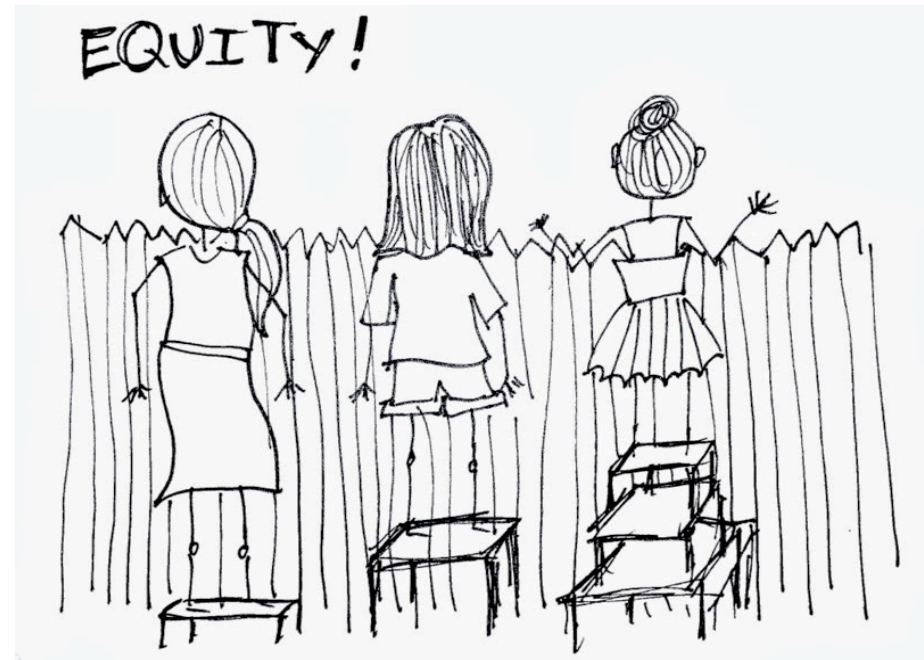
Biodiversity offsets (No net loss)

- More choices of compensation measures: German Eco-Accounts
- Increase transparency & visibility for developers
- Low cost of compensation: license to trash?
- Lack of administrative monitoring: long-term permanence?



2. Legitimacy and equity are central in PES design and implementation

- Equity – participation & empowerment in decision-making; fair use & sharing of benefits by participants
- If instruments « fit » with existing land management practices, adoption levels & perceived legitimacy higher
- Intermediaries aligned with rural development needs & policies enhance perception of legitimacy



3. Trade-offs exist between effectiveness and equity

- Perfect couple
- Paying rich landowners is socially and politically sensitive
- ... but paying poor landowners can be environmentally inefficient
- We need to find areas with high density ES, under threat and with poor populations



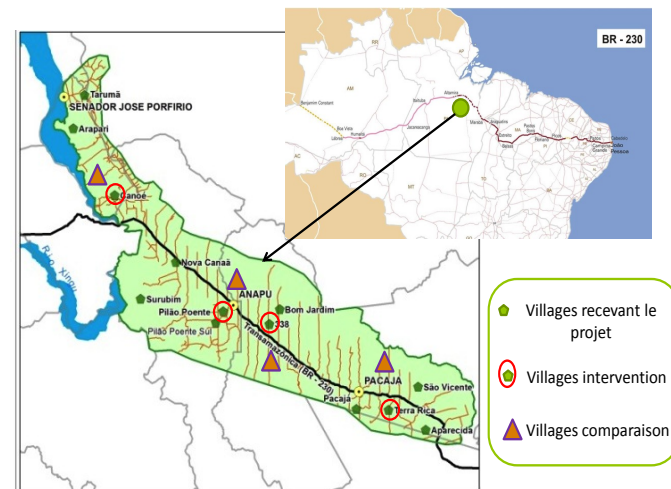
Carbon offsets - REDD+ pilot

- Scolel Té (REDD+) project: (1997) on-farm agro-forestry systems; now hundreds across >40 communities
- Voluntary carbon markets / Actions targeted at farmers' needs & local realities;
- Non-right holders able to participate – empowerment in local decision-making
- Funding of activities they were used to do
- Equitable but low effectiveness



Payments to support REDD+ sustainable transitions

- Local PES funded under REDD+ negotiations (Fundo Amazonas)
- Command-and-control measures have affected big landowners; Economic incentives (PES) directed towards poor small farmers
- PES design follows a historical trend in the region supporting fire-suppressed agriculture in small farmers
- Payments settled according to slash-and-burn returns + informative meetings + administrative support to legalise properties + individual agricultural investment plans (no fire, low inputs)
- Equitable and highly effective

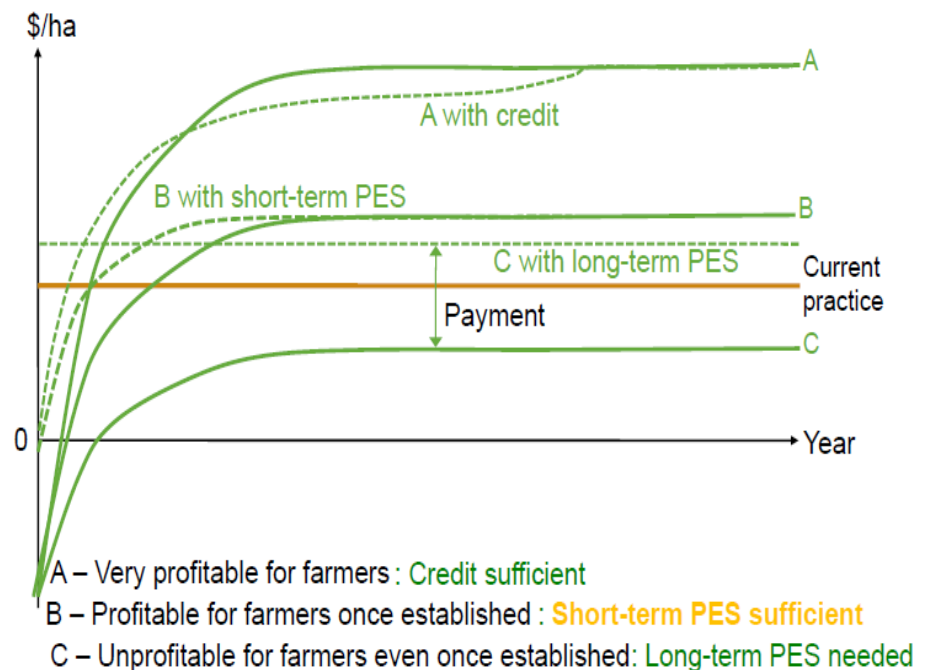


4. Changing productive systems result in longer term gains than paying to conserve

- Theory posits that protection stops after end of payment
- **Do we need to pay pary forever?**
- Option: Pay to change productive systems

(illuminating non-RCT elements)

Silvicultural Practices PES (Pagiola): learning?



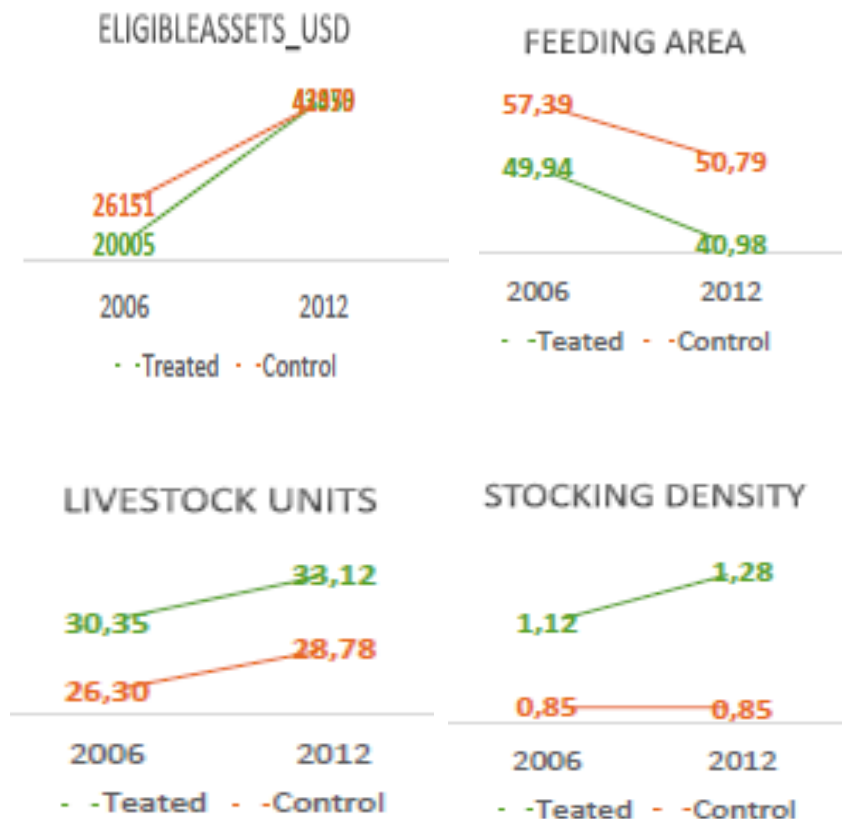
Guatemala - PINFOR

- Plantations
- Ex-ante payments in accordance with investments
- Good soils
- Abandonment of coffee and subsistence crops
- → Forest economy

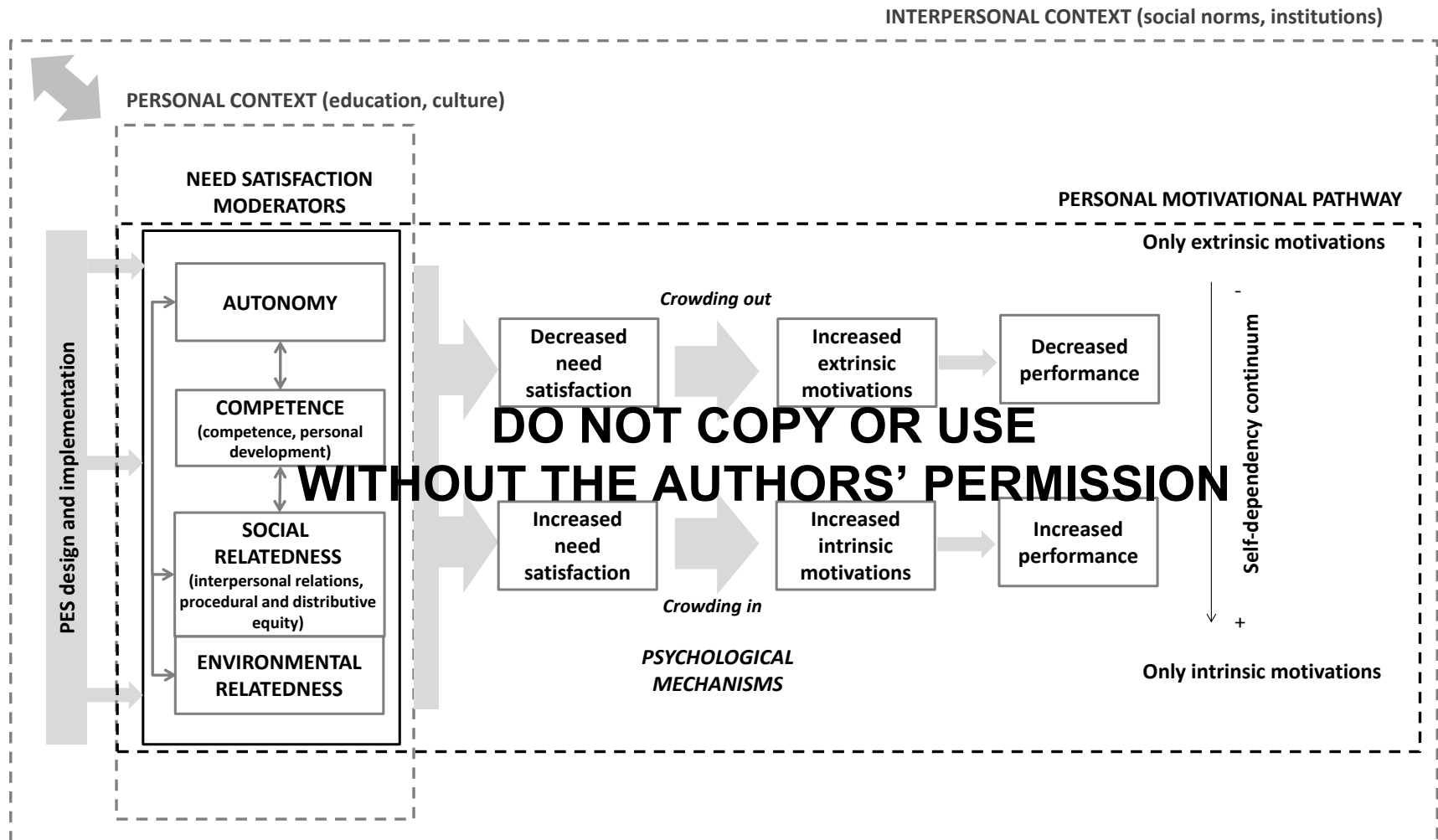


Costa Rica - Organic production systems

- Adopting cattle eco-friendly practices (recycle organic matter / agroforestry proteins)
- Ex-post payments → of total investment 20-30%
- Improvement in stock density
- → But marginal changes



5. Payments can transform individual and collective motivations for conservation



Looking into the future

- Future policy & practice should:
 - a) Collaborate more closely with research to incorporate impact evaluation protocols since early design
 - b) Design instruments that take into account the wider policy space, e.g. contradictory incentives, & seek alignment with rural development programs
 - c) Share information on program design & implementation costs
 - d) Public sharing of datasets
 - e) FUND MORE PHDs!

Thank you for your attention

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