



14-15 September 2016
Cambridge, UK

Event Report

Policy workshop: Conditional transfers for poverty reduction and ecosystem management

Author information

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About the event

For more information about this report, or the Conditional transfers for poverty reduction and ecosystem project, visit www.iied.org/conditional-transfers-for-poverty-reduction-ecosystem-management or contact: Ina Porras, ina.porras@iied.org

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See our work on conditional transfers at <http://www.iied.org/conditional-transfers-for-poverty-reduction-ecosystem-management>

Porras *et al* (2016) [Upscaling solutions. The role of conditional transfers for poverty reduction and ecosystem management](#)

[Solutions for less poverty and better ecosystems](#)

[Action to protect nature and tackle poverty gathers momentum](#)

A reflection on the event

Is it possible to protect the environment and reduce poverty at the same time? It's time to say yes.

Governments, researchers and donors struggle with this issue. And with so many problems on the table, it becomes more important to prioritise which ecosystems, which people, and how to do it. A group of high level policy makers and researchers met at the prestigious Kings College, Cambridge University, UK on the 14th-15th of September to share experiences on how to do this at scales that matter.

Why now?

Healthy ecosystems provide valuable assets for vulnerable people, increase resilience to climate change and support other processes across the economy. At the same time, these economic activities affect the quality and quantity of the natural resource base in a continuous loop.

Managing and protecting these resources is a matter of national priority that requires combining agendas, especially social and environmental. This will increase political visibility, access to budgets and public awareness. It will provide governments with practical approaches towards global agendas, like the Sustainable Development Goals.

Here we look at the experiences from countries that tackle these combined agendas, and have achieved significant geographic scales and political permanence.

Ecosystems are valuable capital

There are about [four thousand million hectares of forest](#) in the world, which help store 296 Gt of carbon, provide habitats to support biodiversity and ecological processes, and are important sources of timber and other forest products like fuelwood. Coastal mangroves, coral reefs and estuaries provide strong [defences to flooding and erosion](#) as well as breeding grounds for fisheries that benefit thousands of artisanal and commercial fishermen.

As population expands these resources – once abundant and free – come under threat.

New advances in the way we account for our ecosystems are helping us understand their interactions with the economy: their role as natural capital within [businesses](#) (as raw materials and final products), their contribution to [national wealth](#) (such as contribution to GDP). In low-income countries natural capital is almost half the total wealth of the country. This makes sense: resources are abundant, cheap and often free. But so far there is little investment in ensuring the sustainable use of these resources, or agreeing who bears the costs when they are gone.

The realities of the economic and social cost of losing this natural capital are now clearer – and troubling. As ecosystems get degraded, vulnerable people suffer disproportionately. For example, [3.5 million people and GDP worth roughly \\$400 million are at risk](#) under current climate and mangrove coverage.

Taking coordinated action

Restoring ecosystems and helping people requires coordinated action through time and geographic scales. An important step towards this is moving from project to programme.

According to Alope Barnwal from DFID-India, the merging of various schemes on livelihoods, development and climate change has been very important in India to leverage institutional, political and budget support. For Zenebe Bashaw Uraguchi, the creation of a multi-donor trust fund was key to provide predictable, multi-year planning and financing to the Ethiopian Productive Safety Net Programme. For Virgilio Viana, bringing the private and public sectors actively on board is one of the strengths of the Bolsa Floresta programme, providing the resources and capacity to reach hundreds of people scattered across the Amazonas region in Brazil.

Conditional instruments

This coordinated action also means looking at the mix of regulation and incentives needed to manage resources. For example, rules and rights for resource access, elimination of harmful subsidies, such as those that make chemical fertilisers cheap, and conditional incentives to promote good behaviour to manage ecosystems, such as payments for ecosystem services (PES), and public works protection schemes.

Transfers attached to conditions are an attractive combination for policy makers, and have been widely used to address welfare protection for many years – and more recently in environment. The transfer (cash, job, or grain) helps alleviate an immediate need (e.g. food security), while the conditions (e.g. helping to restore degraded wetlands) will contribute to longer-term resource security. Clear numbers make it easier to reach the headlines: for example, 32 million households in 25 provinces in China benefiting from the Eco-compensation programme, or 1.1 billion trees planted in six years by the National Greening Program in the Philippines.

An attractive political deal

Development priorities are the same now as they were 20 years ago: for example water, energy and food security, health, safety, education. But new windows of opportunity emerge to gather political momentum, supported by global agendas like the [Sustainable Development Goals](#), the [Addis Ababa Action Agenda](#) and the [Paris climate change agreement](#).

This political attention and support is crucial to ensure continuity and financial viability. For Christo Marais, mainstreaming environmental objectives into the socio-political priorities of South Africa was the only way to go. Legal backing will help, too, as well as involving the wider population. For example, the temporary ban on fishing hilsa fish in Bangladesh relies on national support for local enforcement, says Md Israil Golder from the Department of Fisheries and Livestock. It was civil pressure on the Supreme Court that made the incoming government re-instate the committed funding for the public works scheme in India. It took a political champion to win the fight for water tax allocations that began rolling the PES programme in Mexico, said Sofía Cortina, ex-manager of the environmental services programme.

Room to learn, space to improve

Celebrating success also opens the space for improving. The workshop brought discussions on practical strategies used for improving effectiveness and reducing transaction costs, for example using public–private–NGO partnerships for local implementation. We discussed modelling programmes, and tools for monitoring small farmers at large scales – one of the Achilles heels of these types of initiative. We also touched upon the social sensitivities attached to targeting, the risks of exclusion, enforcing conditions, and the importance of exit

strategies. There is a lot of interest in practical tools for capitalising from these investments in nature to achieve sustainable finance. For example moving from voluntary, renewable agreements to steady and meaningful income streams.

Partnerships for learning

Learning partnerships, with peer-to-peer support for programme managers and policy makers can be very important. Country exchanges, lesson learning and targeted knowledge events where research responds to demand can help thaw the environment–poverty freeze. This will unlock the potential for better ecosystems and less poverty within and beyond boundaries.

The [IIED-led workshop in Cambridge](#), with support from ESPA, DFID and various other donors, shows that relatively small investments to bring policy makers together can generate a strong feeling of unity of purpose. Bridging the gap with the academic community – as we did with the [18th Bioecon meeting](#), is also vital to ensure that these policies are grounded in real evidence and solid science.

A next step towards knowledge sharing will take place on the [24-25th of November 2016 in Kunming, China](#). Here, the world's largest eco-compensation programme will join similar heavyweights from India, South Africa and Brazil to discuss what it takes to meet social and environmental targets.

Enabling conditions for success

Over the past 15 years we have seen a rise in the number of PES projects around the world. In this section we discuss several design elements that have enabled some of these projects to succeed ([Porras et al. 2016](#)): 1) the programme manages to operate at large scales – preferably at national level; 2) the programme results in better livelihoods for vulnerable/poorer members of the society; and 3) the programme has positive environmental outcomes. We then reflect on the experience of the Philippines and the lessons for other countries.

Literature review and discussions with key informants recommend the following elements that help programmes:

Figure 1: Enabling conditions for successful transfer programmes

Government buy in and financial sustainability	<ul style="list-style-type: none"> • Net political gain is key • Insulate financial sustainability from economic and political shocks
Institutional setup, + monitoring and evaluation	<ul style="list-style-type: none"> • Smart and efficient institutions needed • A need for a more cost-effective monitoring and evaluation
Targeting + payment types	<ul style="list-style-type: none"> • Exclusion and exclusion errors • Compensation types and distributional implications
Conditionality and compliance	<ul style="list-style-type: none"> • Trust is key for compliance especially for small-scale projects • Effective monitoring and enforcement; well defined property rights

Possible areas of convergence

While the eight interventions discussed during the workshop have distinct characteristics with respect to their scope and design features, they also shared some important characteristics. The similarities were teased out by assessing both the opportunities they offer and the challenges they face. These are summarised in the table below:

Opportunities	Challenges
Encouraging evidence on positive social and ecological impacts in all cases	Most of the schemes suffer from targeting errors which can broadly be defined as inclusion and exclusion errors; and subsequently elite capture
Use of information, communication and technologies (ICTs) to reduce cost of monitoring and evaluation	Divergence between preferred and actual compensation packages undermines effectiveness
Private sector engagement to ensure financial sustainability	Rampant free-riding and limited capacity for effective policing and compliance
Observed behavioural change and enhanced resilience	Lack of clear exist strategy or ability to graduate from the programmes

Direct intervention versus behavioural changes

We discussed two specific conditional transfers: 1) programmes that seek to change behaviour using incentives, like PES in Mexico and eco-compensations in China, and 2) programmes that implement direct interventions to improve or restore ecosystems by employing poor and vulnerable people, as in South Africa, Ethiopia and India. There are good lessons and also potential to improve. Direct interventions are effective in reaching poor people and on providing discrete environmental 'fixes', but are less effective in long-term environmental management. Incentives, on the other hand, seek to change the long-term behaviour but can be less effective in the short term, and often struggle to include the very poor and/or landless.

Combining ecological and social objectives

It is widely recognised that PES and CSTs programmes often (if not always) focus on ecological or social outcomes respectively. Extensive discussion was held about whether there is merit in aiming to achieve both ecological and social outcomes by combining the two interventions and developing a hybrid model. Some of the pros and cons of such an approach can be summarised as follows:

Pros	Cons
Poverty and environment are strongly interlinked. Poor communities are disproportionately reliant on ecosystem services	Poor communities are not necessarily located where there are critical environmental issues (or vice versa)

Social protection programmes have more political buy in (relative to PES)	Adding an ecological component could potentially lead to rent-seeking behaviours or “green-grabs” in the name of conservation to the exclusion of local communities
Adding an ecological component to existing social programmes could mean more cost-effectiveness and efficiency in achieving both ecological and social outcomes	Adding an ecological component to CSTs will certainly involve some trade off – which could be resented by the target population and undermine the legitimacy of the scheme

Food or cash? Does it matter?

Workshop participants also discussed pros and cons of food and cash handouts. Which there has been extensive work done to assess the impacts of food and cash compensations, their context specific nature means they remain unresolved. Therefore, it is critical to continue doing more research to assess the impacts of the type of compensation in different contexts. The pros and cons discussed can be summarised as follows:

- *Pro-food, con-cash*
 - If carefully selected, certain food types may have a distributional impact by increasing nutritional intake by women and children
 - Cash is more susceptible to unproductive consumption, usually by male household heads
 - Cash is subject to inflationary pressure whereas food transfers do not
- *Pro-cash, con-food*
 - Food transfers do not generally increase the nutritional intake of participating households
 - Food transfers incur high administrative and distribution costs compared with cash transfers
 - In-kind transfers in general and food in particular could encroach upon consumers’ ability to purchase anything they wish.

Agenda for the main event – 14th September

Time	Activity
08:30 – 09:00	Coffee and registration
09:00 – 09:30	Setting the scene on conditional transfers for social and economic objectives. Presented by Ina Porras, Senior Economist, IIED.

-
- 09:30 – 10:30 **Facilitated discussion: Lessons from India, Brazil, China and Ethiopia.**
Moderated by Paul Steele, Chief Economist, IIED.
- This is a 15-minute session per case study, which includes a 10 minutes presentation of the key elements of the programme, along with the top three success factors. It is followed by a 5-minute Q&A for each case presented.*
-
- India:** The Mahatma Gandhi Rural Employment Guarantee Act (MGREGA). Presented by Aparajita Sarangi, Joint Secretary, MGNREGA, Ministry of Rural Development.
-
- Brazil:** The Bolsa Floresta Programme. Presented by Virgilio Viana, Executive Director Fundação Amazonas Sustentável.
-
- China:** Sloping Lands Protection Programme, China. Presented by Jin Leshan; Executive Director, China Eco-compensation Policy Research Center (CEPRC).
-
- Ethiopia:** The Productive Safety Net Programme (PSNP). Presented by Zenebe Bashaw Uraguchi, HELVETAS Swiss Intercooperation.
-
- 10:30-11:00 Coffee break
-
- 11:00-12:00 **Facilitated discussion: Lessons from Bangladesh, South Africa, The Philippines, and Mexico.**
- Moderated by Essam Yassin Mohammed, Senior Economist, IIED.*
- This is a 15-minute session per case study, which includes a 10-minute presentation of the key elements of the programme, along with the top three success factors. It is followed by a 5-minute Q&A.*
-
- Bangladesh:** Jatka Conservation Programme, presented by M I Golder, Director, Department of Fisheries, Ministry of Fisheries and Livestock
-
- South Africa:** ‘Working for’ environmental public works schemes, presented by Christo Marais, Chief Directorate, Natural Resource Management, Environmental Programmes (EP) of the Department of Environmental Affairs (DEA).
-
- The Philippines:** The National Greening Program, presented by Ricardo Calderon, Director, Forest Management Bureau.
-
- Mexico:** Payments for Hydrological Ecosystem Services, presented by Sofia Cortina, Environmental services programme, Mexico's National Forestry Commission (CONAFOR).
-
- 12:00-12:30 Wrap up key messages from the morning session, Q&A. Open space for five-minute interventions from participants from emerging initiatives in Madagascar, Kenya and Bhutan.
-
- 12:30-13:30 Lunch break
-
- 13:30 -14:30 **Breakout Session: Identifying the main enabling conditions for success.**
- This one-hour discussion will ask participants to mix in smaller working groups under four topics that literature and experience suggests as important enablers for success. Based on their personal experiences, each group will brainstorm on these enabling conditions. Each group will appoint one facilitator, one note taker, and one speaker to present.*
-

- Group 1: Government buy in, and financial sustainability. Proposed facilitator: Alope Barnwal, Climate and Environment Advisor, DFID India, Energy, Climate and Growth Unit.
- Group 2: Institutional set up, and monitoring and evaluation. Proposed facilitator: Julia Jones, Bangor University, UK.
- Group 3: Targeting beneficiaries, and payment mechanisms. Proposed facilitator: Zenebe Bashaw Uruguchi, HELVETAS Swiss Intercooperation
- Group 4: Conditionality and compliance. Proposed facilitator: Mark Huxham, professor at Napier University, UK.

14:30-15:30 **Reporting back from groups** on key policy steering lessons on enabling conditions for success. *There will be a 10-minute presentation to the rest of the group, which includes 5-minute Q&A from the floor.*

Moderated by Sven Wunder, Principal Scientist CIFOR

- Group 1: Government buy in, and financial sustainability
- Group 2: institutional set up, and monitoring and evaluation
- Group 3: Targeting beneficiaries, and payment mechanisms
- Group 4: Conditionality and compliance

15:30 – 16:00 Coffee break

16:00 – 16:40 **Discussion panel by development partners:** DFID, UNEP, World Bank.

Reflections from development partners on how they can support programmes within countries and collaborations between countries on strategies to combine poverty reduction and ecosystem improvement.

Participants *Pushpam Kumar (UNEP), Rachel Freeth (DFID), Dora Nsuwa Cudjoe (World Bank)*. Moderated by *Mick Blowfield*, Group Director, Shaping Sustainable Markets, IIED.

16:40 – 17:15 **From here to where?** Wrap up, opportunities and defining future research agenda and scope for collaboration. Group discussion moderated by Paul Steele, IIED.

17:15 End of the workshop

17:15-18:00 Breakout group preparing for Bioecon policy panel (pre-selected participants only)

18:00 Cocktails and dinner A chance to socialise and mix with other international participants of the 18th Bioecon conference

Bioecon Policy Panel Agenda – 15th September

15th September, 5pm to 6 pm. Keynes Hall

What is it about?

Over the past 20 years market-based instruments, such as Payments for Ecosystem Services (PES) and conditional social transfers (CSTs) have been used to improve ecosystems and alleviate poverty. The experience of combining objectives and instruments is growing, as is our understanding of synergies (what do we gain by combining?) and trade-offs (what do we lose?), and what is necessary to upscale from local project to national programme.

[IIED and partners](#) from many countries have been exploring these issues, concentrating on national programmes that are tackling dual social and environmental objectives at large scales. As part of the strategy and parallel to Bioecon we will host a High Level Policy Workshop on the 14th September. The workshop brings policy makers and researchers from China, India, the Philippines, Bangladesh, Ethiopia, South Africa, Madagascar, Kenya, Bhutan and Mexico as well as key partners such as UNEP, DFID, ESPA and The World Bank. Today's policy panel brings together some of the people to share the main messages from the workshop and opens the space to engage with the wider Bioecon community.

Why now?

We believe that the advent of international agreements, such as the Sustainable Development Goals provides an entry point and increased momentum which could transform how we use economic instruments to address poverty and environmental challenges.

Format of session

Moderator:

Ina PORRAS, Senior Economist IIED.

Panellists:

Sven WUNDER, Principal Scientist, CIFOR. *Setting the scene: the use of conditional transfers, including Payments for Ecosystem Services, to achieve social and environmental objectives.*

JIN Leshan, Executive Director, China Eco-compensation Policy Research Center (CEPRC). *The Sloping Lands Conversion Programme in the People's Republic of China.*

Virgilio VIANA, Executive Director Fundação Amazonas Sustentável. *The experience of Bolsa Floresta in Brazil.*

Luvuyo MLILO, Chief Director, Environmental Protection and Infrastructure Programmes. *'Working for' environmental public works schemes, South Africa*

Essam Y MOHAMMED, Senior Economist IIED. Key messages from the IIED workshop on upscaling conditional transfers.

List of participants

Name	Position	Organisation
Aloke Barnwal	Climate and Environment Advisor	DFID India, Energy, Climate and Growth Unit. a-barnwal@DFID.gov.uk <i>Public Works Programme: The Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA)</i>
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Christo Marais	Chief Directorate	Natural Resource Management, Environmental Programmes (EP) of the Department of Environmental Affairs (DEA). CMarais@environment.gov.za <i>Public Works Programme, 'Working for' environmental public works schemes, South Africa</i>
Danilo C. Israel	Research Fellow	Philippine Institute for Development Studies. disrael@mail.pids.gov.ph <i>Public Works Programme: The National Greening Program, The Philippines</i>
Dora Nsuwa Cudjoe	Regional advisor	World Bank. dcudjoe@worldbank.org
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Essam Yassim Mohammed	Senior Economist	Shaping Sustainable Markets, IIED. eymohammed@iied.org
Georges Serpantié	Researcher	Institut de recherche pour le développement (IRD), Montpellier. georges.serpantie@ird.fr <i>Emerging PES programme: Ecological payments in Madagascar.</i>
Geraldine Galvaing	Senior Coordinator	IIED. geraldine.galvaing@iied.org
Ina Porras	Senior Economist	Shaping Sustainable Markets, IIED. ina.porras@iied.org
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Jin Leshan	Executive Director,	China Eco-compensation Policy Research Center (CEPRC). jinls@cau.edu.cn <i>PES programme: Sloping Lands Conversion Programme, PR China</i>
Julia Jones	Professor of Conservation Science	Bangor University (link to Madagascar PES). julia.jones@bangor.ac.uk
Leimona Beira	Scientist, Ecosystem Services	World Agroforestry Centre, L.Beria@cgiar.org

Luvuyo Mlilo	Chief Director	Environmental Protection and Infrastructure Programmes. LMlilo@environment.gov.za <i>Public Works Programme, 'Working for' environmental public works schemes, South Africa</i>
Mark Huxman	Researcher	Napier University (link to Kenya/ coastal PES). M.Huxham@napier.ac.uk
Md Israil Golder	Director (Reserve)	Department of Fisheries and Livestock golder4@gmail.com . <i>PES programme: Jakta conservation programme, Bangladesh</i>
Md Monirul Islam	Associate Professor	Dhaka University. monirulislam153@yahoo.com <i>PES programme: Jakta conservation programme, Bangladesh</i>
Mick Blowfield	Group Director	Shaping Sustainable Markets Group IIED. mick.blowfield@iied.org
Nanki Kaur	Principal Researcher	Climate Change Group IIED (link to India and Ethiopia programmes). Nanki.kaur@iied.org
Paul Steele	Chief Economist	Shaping Sustainable Markets, IIED. Paul.Steele@iied.org
Prasenjit Banerjee	Lecturer in Environmental Economics	University of Manchester, UK. prasenjit.banerjee@manchester.ac.uk <i>Public Works Programme: The Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA)</i>
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Zenebe Bashaw Uraguchi,	Programme coordinator for Eastern Europe and senior advisor in market systems development	HELVETAS Swiss Intercooperation. zbashaw@gmail.com <i>Public Works Programme: The Productive Safety Net Programme (PSNP) , Ethiopia</i>

Where now? A proposal for a learning partnerships

Partnerships for Effective Implementation – Concept Note

Prepared by Ina Porras and Paul Steele, IIED. 10/10/2016

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Background

Healthy ecosystems provide many benefits to people. Investing in sustainably managed natural capital, for example can provide food, timber and fuelwood while also supporting more stable and clean water flows. These actions also help build valuable assets for vulnerable people, increase resilience to climate change and support other processes across the economy – for example hydroelectricity and agriculture. This is a timely issue. With the new Sustainable Development Goals and national commitments, governments will need to tackle and report on multiple objectives simultaneously.

The combination of social and environmental objectives can also lead to higher political visibility, helping secure financial sustainability and raise public awareness. While the norm seems to be to pursue these objectives in isolation, there are forerunner programmes which combine them, achieving significant geographic scale and political permanence.

We concentrate on these programmes, in particular those that use conditional transfer instruments to reduce poverty and improve ecosystems. We look at national programmes that use payments for ecosystem services, eco-compensation mechanisms and public work programmes.

The proposal

We propose to form a ***three-year Partnership for effective implementation of conditional transfers for poverty and ecosystems***.

The partnership will **target programme managers**, facilitating capacity building through a) global exchange visits from programme to programme, b) the analysis of lessons learned – bringing home the messages, c) targeted knowledge events and d) advocacy and engagement.

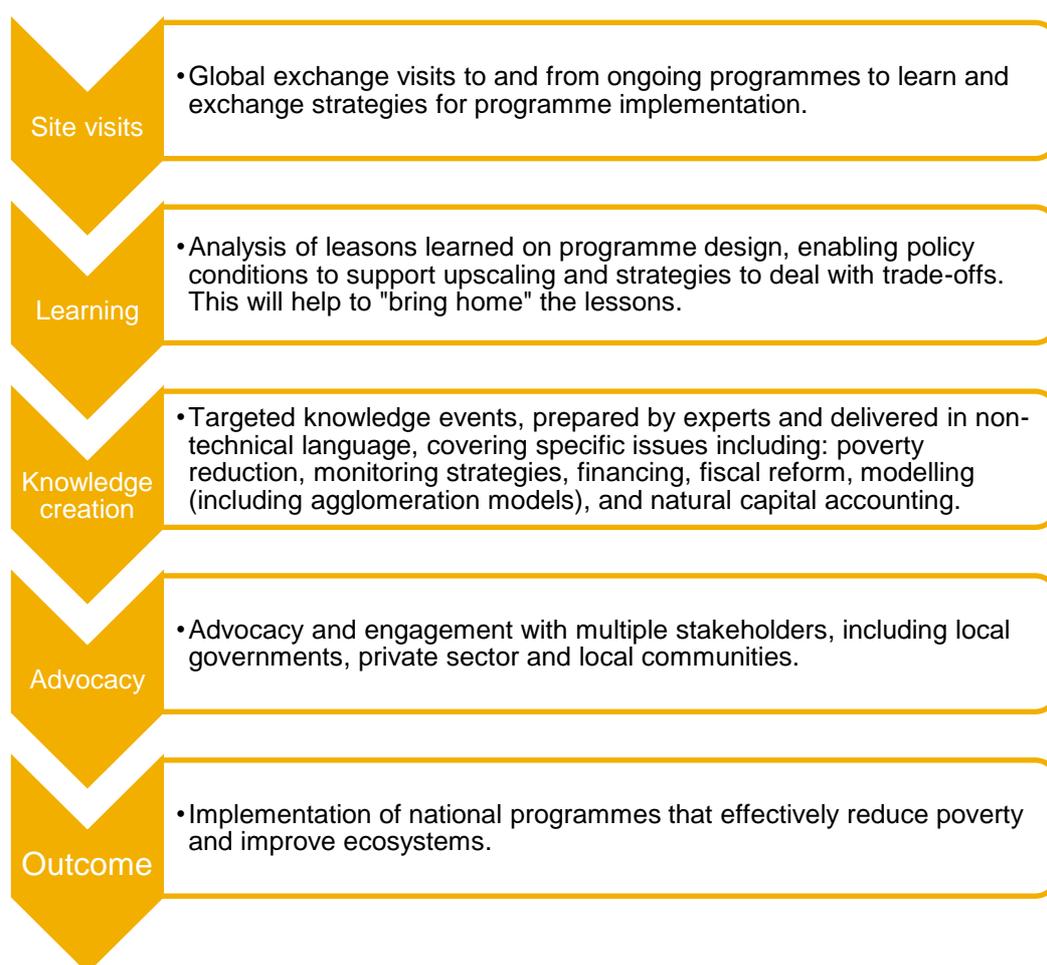
We propose that PRC should lead the partnership, promoting engagement with Asia and beyond, including Africa, the Americas, and Europe. The rise of the South's leadership in social and environmental green instruments makes China the ideal candidate to lead the partnership.

The ultimate outcome of this partnership is the implementation of national programmes that effectively reduce poverty and improve ecosystems.

A demand-led programme

The need to promote learning and exchange across programme managers has been repeated often. Ongoing [work by IIED](#), including an international workshop targeted at 10 national programmes, point to the benefits of such a platform in terms of the promotion of practical learning. These national programmes included programme managers from China, India, Philippines, Bangladesh, Ethiopia, South Africa, Mexico, Brazil, Kenya and Madagascar) and researchers from these countries, along with international experts and international organisations.

Activities



Organisations, people and inputs

- **Lead coordination:** China Eco-compensation Policy Research Center (Jin Leshan and team)
- **Backstopping support:** A partnership coordinator will be recruited jointly by CEPRC, ADB and IIED. This person will be located in PRC. The person would be an energetic professional with experience abroad. S/he will have primary reporting lines to CEPRC, with secondary reporting lines to ADB and IIED.
- **Partnership annual meetings** will rotate among the member countries.

- **Steering group:** There will be a steering group of member countries to manage the partnership. IIED will be part of this steering group, and will also provide other supporting roles, e.g. in terms of knowledge events and “translation” of lessons across the wider set of members.
- **The Kunming workshop** will be used as a sounding board for interested countries and organisations to join the partnership. We will send strategic invitations to potential members of the partnership. A site meeting will be facilitated at the workshop to discuss the scope of the partnership, identify potential sources of finance, and agree next steps.

Annex: National programme highlights

Incentive-based programmes

People's Republic of China GOVERNANCE, TRANSFORMING POVERTY AND ECONOMIC IIED

The largest PES initiative in the world, running from 1999 until 2020. It aims at reducing soil and water erosion by the targeting and conversion of marginal farmland to forest or grassland, while alleviating poverty through livelihood diversification and higher rural incomes.

Sloping Lands Protection Programme, China

Photo: www.ecozone.org.cn

US\$69 billion
Allocated through the central budget. The programme is run by the central government through the State Forestry Administration. The budget is managed by the Ministry of Finance. Implementation is decentralised to provincial level, counties, townships and participating households.

250% increase in incomes
For participating households, who are compensated directly through subsidies and seedlings, and indirectly through its promotion of off-farm employment, leading to reduction in income inequality.

15.31 million hectares
Afforested from cropland to forest and grassland by 2015; 22-24% reduction in soil run-off; 222-465 million tons of carbon sequestration; and reduction in soil erosion and water runoff leading to lower sediment concentrations and discharges into the Yangtze and Yellow rivers.



Costa Rica GOVERNANCE, TRANSFORMING POVERTY AND ECONOMIC IIED

Created by Law in 1996, the programme makes direct cash payments to private landholders for forest conservation (US\$64/ha/year), reforestation (US\$190/ha/year) and agroforestry (US\$2 per tree). It has managed political attention worldwide and secured important financing for long-term sustainability.

Payments for Ecosystem Services in Costa Rica

US\$30 million
Annually from central budget, mostly through earmarked revenues from fuel and water taxes. It relies on strong partnerships with local organisations that provide technical support and other national and international stakeholders.

15,000 contracts
Approximately, signed by 2014. It is not a poverty alleviation programme, as it targets those who own land and are able to sell it aside (mostly) for conservation. It however provides important cash benefits to indigenous groups—who receive priority, and their agroforestry component benefits small and medium farmers.

1 million hectares of forest
Have been targeted by the programme by 2014, of which 60% were contracts for strict protection, and almost 5 million trees planted in agroforestry. New targeting rules focus on biological corridors and critical wildlife and water protection areas.



Mexico GOVERNMENT TRANSFERS, POVERTY AND ECOEFFICIENCY **iied**

Created in 2003, this programme has evolved significantly. First only in over-exploited aquifers and later extended nation-wide. It makes direct payments to landholders to protect forests for water conservation purposes.

Mexican Payments for Hydrological Services programme

US\$651 million Distributed by 2013. Funded through the central budget (from water taxes primarily), with the use of a Fund that provides flexibility and long-term sustainability. Annual rules of operation specify criteria and focus.

7,350 beneficiaries Of which about 5,000 are communal lands (ejidos) and the rest private. Payments in cash (US\$20/ha for cloud forest and US\$27/ha for other types of forests –adjusted annually for inflation). Distribution of payments within ejidos is decided by municipalities.

4.27 million hectares Enrolled in the programme by 2013. The programme has succeeded in reducing deforestation rate. A recent study shows that effectiveness increased after using risk-profile tools.

Photo credit: Rio Vivo Foundation



Bangladesh GOVERNMENT TRANSFERS, POVERTY AND ECOEFFICIENCY **iied**

"Jatka" means juvenile hilsa fish. The programme helps fish reach maturity through the creation of fish sanctuaries and a seasonal fishing ban. To compensate poor fishing families during the ban, the programme makes food (rice) transfers and promotes alternative income-generating activities.

Jatka Conservation Programme, Bangladesh

US\$ 23 million In 2014/15, funded by the government through the Vulnerable Group Feeding (VGF) programme. It is managed by the Department of Fisheries (DoF), with local implementation support from various other government agencies.

223,000 families have received 35,000 thousand metric tonnes of rice across 55 sub-districts, leading in livestock rearing and running small businesses worth US\$97 per household. Led to increased supplies of food as a temporary buffer during lean seasons, and income-earning during slack seasons.

Increased mature hilsa Higher number of mature hilsa fish, and greater production of hatchlings and juveniles attributed to the 11-day fishing ban in the spawning grounds of hilsa during peak spawning period.

Photo: www.greendot.com



Integrated programmes

The Philippines GOVERNMENT TRANSFERS, POVERTY AND ECOEFFICIENCY **iied**

This large scale programme is planting 1.6 billion trees in 1.6 million hectares of open and denuded forestland between 2011-2016, and plans to reforest another 7.1 million ha by 2028. It has achieved political backup because of impacts on reducing poverty, promoting food security, environmental stability, and biodiversity conservation.

The National Greening Program, The Philippines

US\$652 million From central budget between 2011-2016. MOU signed with local government units (LGU), released in five payments throughout project cycle. 85% survival rate needs to be guaranteed.

3.3 million jobs Through seedlings nurseries and care of trees, when possible hiring indigenous people and members of organized upland communities, with equal opportunities to men and women.

1.6 billion trees Mixed species for multiple purposes – e.g. timber, fuel, furniture, crops, and protection (indigenous and mangroves), using agroforestry and plantations with focus on watershed management.

Photo: iied/46. yoh. iied



Brazil GOVERNMENT TRANSFERS, POVERTY AND ECOEFFICIENCY **iied**

This programme combines cash and in-kind transfers, both at household and community level as incentives to conserve forests in Brazil. It works in selected sustainable development reserves of the state of Amazonas, and successfully combines multiple streams of funding from the public and private sector.

The Bolsa Floresta programme in Brazil

Over US\$1-million Every year, with US\$70,000 for each of the 15 reserves. Mixed funding sources include Brazilian Bank, the Brazilian National Development Bank and the Government of Norway. About 80% is from private sources, including Coca-Cola, Samsung, Abril Media Group and Merit International.

Over 30,000 beneficiaries By 2012, located in remote communities throughout the Amazonas. Incentives are a mix of cash payments to homes, support to alternative income generating activities, group associations and investment in social infrastructures like schools.

12% less deforestation Compared to the rest of the state of Amazonas since the beginning of the programme. This represents about 1,000 ha of additional forests preserved from deforestation, and reductions in the area of land under crop and early fallow.

Photo: iied/46. yoh. iied



Direct interventions through job creation

South Africa GOVERNANCE TRANSFORMS POVERTY AND ECONOMIC iied

The programmes target various threats to South Africa's ecosystems, promoting job creation, skills development and community empowerment through infrastructure, rehabilitation and conservation projects. Focus is given on women, youth, and people with disabilities.

Environmental public works programmes, South Africa

US\$285 million
In 2016/17 from central budget for Environmental Programmes including Environmental Protection and Infrastructure Programmes; Working for Water, Working for Wetlands, and Working on Fire. Managed by the government under the Expanded Public Works Programme (EPWP) umbrella.

95,000 jobs
In 2015/16, 85% women, 85% youth; 142,885 training person days provided; 2,354 small, medium and micro enterprises used. Community awareness on health issues through partnerships such as with the Planned Parenthood Association of South Africa (PPASA) in the Eastern Cape.

1.5 million hectares
Cleared of invasive alien species that destroy local ecosystems. In 2015, 120 wetlands and about 25,000 ha of land were under rehabilitation, while 2,112 km of accessible coastline were cleaned.



Photo: www.environment.gov.za

Ethiopia GOVERNANCE TRANSFORMS POVERTY AND ECONOMIC iied

Launched in 2006, this programme provides secure employment for 6 days per month during the agricultural lean seasons to food insecure individuals. This job force is used to support public works, including watershed management.

The Productive Safety Net Programme (PSNP), Ethiopia

£2.216 billion
For PSNP 4 (2015-20), funded and implemented by the government (14%) with support from nine donors (World Bank, USAID, DFID, CIDA, and other European donors). Outside of South Africa, the largest social protection programme in sub-Saharan Africa.

6-8 million people
Chronically food insecure receiving wages from public works (85%) or unconditional transfers (15%) for six months each year. Between 2013-14 it provided about 32,545 metric tonnes of food transfers; and households received an average of \$127 per year spread over six months to help throughout the hungry season. Over 106 km of rural roads constructed or rehabilitated, helping people reach markets.

66,500 hectares
Of forestry development, 21 thousand hectares of gully control, and rehabilitation in 12 micro-watersheds. Benefits include nutrient control and carbon sequestration. In some places crop yields have improved up to 85% for cereals, and 22% for pulses.



Photo: <http://www.ipsnews.org>

India GOVERNANCE TRANSFORMS POVERTY AND ECONOMIC iied

Work-based social protection scheme ongoing since 2006. Tackles livelihood insecurity during lean agriculture season. It grabs major political attention, with funding guaranteed by parliamentary Act.

The Mahatma Gandhi Rural Employment Guarantee Act programme, India

US\$5.78 billion
Government budgetary provisions for 2016-17. It covers all rural districts in India.

50 million households employed
In rural areas annually. Provides at least 100 days of wage employment for unskilled labour during lean agriculture season, through self-selection (rather than targeting) application. Cash payments made directly to beneficiary through personal bank accounts.

53% S&W conservation
Over half of investments are linked to soil and water conservation. Other activities include water supply schemes, small-scale irrigation and rural infrastructure development. Positive impact on food security through increased crop and livestock production.



Photo: <http://www.pib.gov.in>

Emerging national programmes

Kenya GOVERNANCE, TRANSPARENCY, POVERTY AND RESILIENCE **iied**

This programme seeks to upscale the experience from a community carbon project at Gazi Bay. Conservation and rehabilitation of mangroves by local communities generate carbon offsets which are sold in international markets earning income for the community. It is linked to the national REDD+ strategy.

Payments for mangrove protection in Kenya

US\$38,000
Gained from carbon sales since 2013, in partnership with the local community, government agencies, and international carbon buyers. Accredited by Plan Vivo Standard, it can sell about 2,000 tCO₂-equivalent into the voluntary market each year, thus generating an income of US\$12,000/yr to the local community.

1/3 of revenues
invested in community projects in water and sanitation, education, and environmental conservation: 10,000L of water supplied to the local village per day; lower incidence of waterborne diseases; supplied local school classes with needed textbooks.

>2,500 tCO₂ offsets
Every year, above and below ground, with a projection of 50,000 tCO₂-equivalent emissions reductions over 20 years. Importantly the restored mangroves protect fish nurseries and other wildlife, and provide sediment stabilization and shoreline protection.



Madagascar GOVERNANCE, TRANSPARENCY, POVERTY AND RESILIENCE **iied**

Emerging from a series of pilot experiences since the early 2000s, PES is considered an opportunity for sustainable funding. Efforts are taking place in creating capacity within the government, collecting lessons and enabling partnerships to scale up.

Payments for ecosystem services in Madagascar

Lack of public funding	Hybrid governance	Targeting people
Despite claimed intentions, which is a limit to further development. A newly created Department is seeking alternative resources – e.g. the National Fund on water resources.	Lack of regulation means that existing willingness to pay is low and commitments often overlooked. Current disconnection between national-local.	Most benefits for participants are in-kind, e.g. community projects, training or tools. Lack of data makes targeting people difficult. Uprill struggle against the common perception of 'clearing is good', and the advancing of the agricultural frontier.

Photo: www.sppa.ac.uk



Healthy ecosystems provide valuable assets for vulnerable people, increase resilience to climate change and support other processes across the economy. At the same time, these economic activities affect the quality and quantity of the natural base in a continuous loop. Managing and protecting these resources is a matter of national priority that requires combining agendas, especially social and environmental. Here we look at the experiences from countries that tackle these combined agenda, and have achieved significant geographic scales and political permanence.



Event Materials

Economics

Keywords:
Policy, poverty reduction, payments for ecosystems / environmental services (PES)



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