

## Payments for Environmental Services as a driver of CCD: what works and why?

CDKN Project Code RSGL 0024e

Project webpage: [www.climatecompatiblePES.org](http://www.climatecompatiblePES.org)

Project duration: April 2012 – March 2014

Project value: £ 490,248

Ecosystems are often not valued for the full range of benefits that they bring to local and global populations, which can lead to behaviour which destroys natural environments. Payments for Ecosystem Services (PES) is an approach developed to help value environments and ecosystems better through attributing financial values and therefore creating a potential for payments to be allocated to preserve these environments in a more natural state. This project sits within the vibrant PES literature, and aims to help PES approaches embrace climate compatible development perspectives. The proposed research will identify the components of national and local level PES schemes that have contributed to their successful outcome in concrete cases, in order to design more robust future PES systems. These would take advantage of the economies of scale of top-down national schemes, while drawing from elements that characterise effective local bottom-up schemes.

More specifically, the project will:

1. Assess how bottom-up watershed PES or Andean Reciprocal watershed Agreements (ARA) schemes might cost-effectively pioneer climate compatible development;
2. Compare effectiveness of locally-led, bottom-up ARA with national government-led PES programmes;
3. Evaluate the effectiveness of social marketing campaigns in changing social norms to increase use of PES and ARA;
4. Develop a guide on how to scale-up and institutionalise locally led ARA.

Project partners	<ul style="list-style-type: none"> <li>• RARE Conservation Latin America (Keith Alger, Amielle DeWan)</li> <li>• Fundación Natura, Bolivia (Nigel Asquith)</li> <li>• Fundación Natura Regional, Ecuador (Rosalia Arteaga)</li> <li>• Public Utilities Company of Heredia, Costa Rica (Luis Gamez)</li> <li>• Department of Environmental Affairs: Natural Resource Management Programmes, South Africa (Christo Marais)</li> </ul>
Key project impacts	<ul style="list-style-type: none"> <li>• High value (£498,793)</li> <li>• Expected legislative change: the project will result in the issuing of (at least) one new piece of legislation, written by government officials, and aimed at promoting more efficient CCD.</li> <li>• Strong and inclusive policy focus: the major beneficiaries of the project will be policy-makers at the national level, NGOs and communities, which will learn how ARA-type PES programs can pioneer climate compatible development, and can eventually translate this knowledge into national laws.</li> </ul>
Fit within CDKN's portfolio	<ul style="list-style-type: none"> <li>• The project fits into the general CDKN research theme of designing and delivering climate compatible development. In addition, given its focus on PES and ARA schemes, it can positively contribute to the cluster on climate finance.</li> </ul>

<b>Research impact</b>	<ul style="list-style-type: none"> <li>• New evaluation of initiatives that have been implemented within existing political and economic realities, from perspective of climate compatible development. It will provide a practical framework to understand how CCD can be integrated within diverse political, economic and sociological contexts, evidence which is much needed in order to test the effectiveness of climate compatible development as a workable concept</li> <li>• Unique approach to combining adaptation, mitigation, and development objectives into 1 index that can then be used to evaluate and compare future CCD projects as well as monitor their progress towards index improvement over time.</li> <li>• Potential impacts at the international level by highlighting the benefits of applying ARA-type climate compatible development in other contexts (for instance, the 50 + countries where project partners already work).</li> </ul>
<b>Thought leadership</b>	<ul style="list-style-type: none"> <li>• Unique in its aims to extract and combine the best aspects of top-down and bottom-up approaches to climate compatible development.</li> </ul>
<b>Policy interactions</b>	<ul style="list-style-type: none"> <li>• Policy makers will be engaged in the project through workshops and capacity building activities, together with NGOs and municipalities that are in the process of implementing ARA-type PES programs;</li> <li>• Collaboration with government officials in order to draft new legislation is envisaged (for example, project partners are advising the Mexican Forestry Department on how to integrate top-down and bottom-up PES);</li> <li>• A methodological guide on how to scale-up and institutionalise locally-led ARA will be produced, to be presented to at least 30 local and national government officials in four countries, and to be tested in five new field sites (translated in English, Spanish, Chinese and Indonesian).</li> <li>• Integration of social marketing with existing regulatory and participatory mechanisms offers a CCD solution that simultaneously incorporates mitigation, development and adaptation strategies.</li> </ul>
<b>Capacity building</b>	<ul style="list-style-type: none"> <li>• Capacity building processes within the project will specifically target local and national policy-makers. Activities will be undertaken with all consortium members, as a mutual capacity building exercise, and will be accompanied by meetings and four national workshops, combined with the production of a methodological guide on how to scale-up and institutionalise locally-led ARAs.</li> </ul>
<b>Deliverables to date</b>	<ul style="list-style-type: none"> <li>• Project runs April 2012 – April 2014.</li> <li>• One poster has been presented at the Ecosystem Services Partnership Conference in Portland, Oregon (July 31 – August 3).</li> <li>• Completed literature review.</li> </ul>
<b>Deliverables expected</b>	<ul style="list-style-type: none"> <li>• Three articles published in international peer reviewed journals</li> <li>• Three policy briefs</li> <li>• A methodological guide</li> <li>• Four national workshops</li> <li>• New legislation</li> <li>• Lessons learned guide and policy report and synthesis</li> </ul>
<b>CDKN contact</b>	<ul style="list-style-type: none"> <li>• Beatrice Mosello, <a href="mailto:beatrice.mosello@cdkn.org">beatrice.mosello@cdkn.org</a></li> </ul>