

Integration of PES in policy design and the role of government in scaling up: the case of Southern Africa

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Preamble/Introduction

- Integration of PES in policy design and the role of government in scaling up: the case of Southern Africa
 - What PES projects or pilots exist?
 - What synergies can be exploited with national policy?
 - What old roles/new roles or institutions need to be defined?
 - What is being proposed?
- Southern Africa versus Sub-Saharan Africa; where is southern Africa (versus Southern African Development Community - SADC)
- The Case of Southern African Millennium Ecosystem Assessment (SAfMA)

Southern Africa versus Sub-Saharan Africa

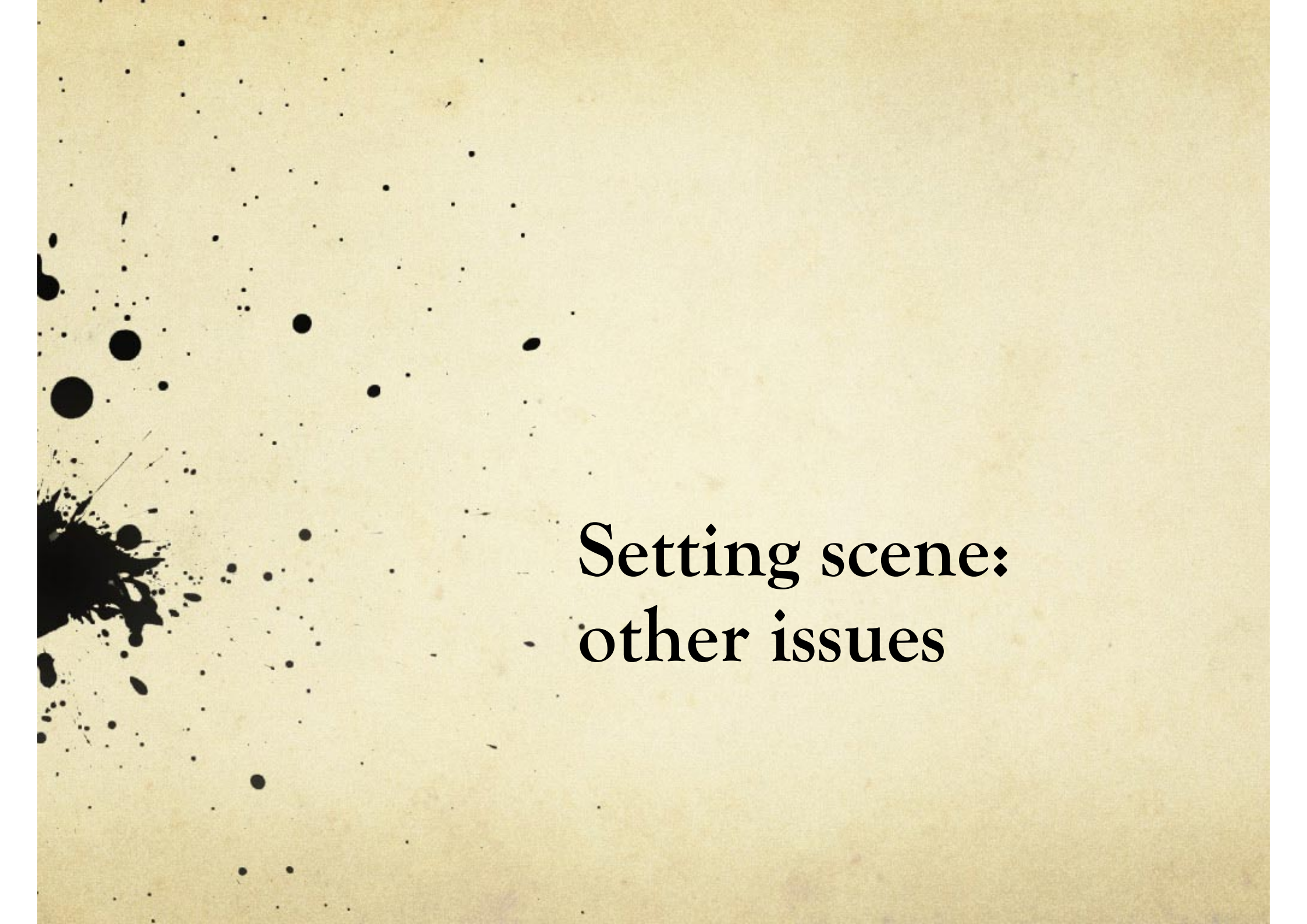


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|---|---|
| Regional Scale | Local Scale |
| <ul style="list-style-type: none"> Africa south of equator | <ul style="list-style-type: none"> Gauteng |
| Basin Scale | <ul style="list-style-type: none"> Great Fish River Lesotho Highlands Richtersveld Gorongosa-Marromneu |
| <ul style="list-style-type: none"> Zambezi Basin Caring Basin | |



What have we been doing with UNDP?

- Overall taking stock and generating evidence based on economic cases for increased investment in ecosystem services and development of PES.
 1. How are PES schemes defined?
 2. Evaluating PES schemes for their effectiveness?
 3. Whether or not PES schemes alleviate poverty?
 4. What barriers and opportunities exist to PES in Sub-Saharan Africa?
 5. Status of institutional, regulatory and legislative frameworks at national level?
 6. Suitability of PES in Sub-Saharan Africa in view of existing land use scenarios?
 7. What are the best models for PES in SSA that can be up scaled?
 8. What are the major conclusions for the PES assessment?
 9. What could be the plan for future investment in PES?
 10. What is the message for policy and decision makers?



Setting scene:
other issues

PES definitions

- Four Commonly used ways of defining PES provision
 - Payments
 - Markets
 - Rewards
 - Compensation
- Commonly used PES definition (Wunder, 2005): Voluntary transaction whereby a well-defined ecosystem service or land use likely to secure that service is being bought by at least one buyer from at least one provider, if, and only if, the provider secures the provision of the service.
- Compensation and Rewards for Ecosystem Services (introduced by Swallow *et al.* (2007) and van Noordwijk *et al.* (2007): Contractual arrangements and negotiated agreements between ecosystem stewards, environmental service beneficiaries and/or intermediaries, for the purpose of enhancing, maintaining, re-allocating and offsetting damage to environmental services.

Available PES networks

- Carbon Finance Networks in Sub-Saharan Africa
 - UN System (UNFCCC, UNEP, UNEP Risoe, UNDP, FAO, UNITAR)
 - World Bank Carbon Finance Unit
 - Consultative Group on Integrated Agriculture Research (CGIAR) (ICRAF, PRESA, SIDA etc.)
 - International NGOs(Katoomba Group, WWF, EP etc.)
 - Networks sustained by project developers usually affiliated to international foundations such as Plan Vivo, TIST
- Biodiversity Conservation, watershed and other PES
 - FAO PESAL (Payments for Environmental Services (PES) in Agricultural Landscapes
 - UNDP biodiversity
 - KATOOMBA Group Network

PES and poverty

- Access to markets:
 - In East and Southern Africa, best examples include: Mgahinga-Bwindi Impenetrable Forest Conservation Trust (MBIFCT), Ngamba Island Chimpanzee Sanctuary, Biodiversity Stewardship Programme, Land Conservation Trust.
- Extent of impact of PES on the livelihoods of the poor:
 - Kitengela Wildlife Lease Programme Kenya: Encourages pastoral landowners to retain ownership of their land; leave land open, graze livestock sustainably etc. The programme pays landowners US\$4 per acre per year.
- Effects of PES on poor people who do not sell ecosystem service (ES):
 - UWA/FACE Uganda: Incidents of conflicts between communities that were not benefiting from the payments and the UWA staff.
- Contribution of Renewable energy projects to poverty reduction:
 - Several projects in Africa earning payments on their carbon credits under the Community Development Carbon Fund (CDCF) under the World Bank's Carbon Finance Unit.

PES and environmental sustainability

- Contribution of PES to forest, biodiversity, energy conservation and reduction in carbon emissions:
 - Increased forest cover and/or protected area - Most of the significant carbon projects in terms of size land area for forested area and/or biodiversity conservation are included in the BioCF e.g. Humbo
 - Renewable energy projects - Provide a unique opportunity to reach Africa's rural populations as the project size is often flexible and independent of centralised infrastructure.
- Contribution of PES to sustainable access to water and sanitation - Working for Water (SA).
- Contribution of PES to proportion of households with access to secure tenure: Plan Vivos & Joint Forest Management Agreements (Tanzania)

PES and land use systems

- Potential for carbon investment in SSA
 - Conversion of degraded cultivated land into grassland or rangeland
 - Conversion of degraded croplands and pastures to forest
 - Conversion of degraded farm-land into agro-forestry systems
- Land-use systems approaches learned from PES activities in SSA
 - Intensification of investment into protected areas (e.g. Wildlife leases)
 - Using trust funds to channel payments for biodiversity conservation
 - Landscape interventions (e.g. General landscape carbon projects for smallholder farmers)
 - Renewable energy projects

PES effectiveness

- Threats to ecosystems and how they are reduced or avoided:
 - The major driver for the carbon projects (source of problem or threat) was the increased deforestation of forestlands and woodlands e.g. Acacia Community plantations in Mali, Cameroon and Niger, the Humbo Assisted Regeneration in Ethiopia
 - Biodiversity conservation projects have generally focused on revenue sharing from the gate collections received from tourist sites and allowing communities to organise a tourism experience, ecotourism. Successes include the Arabuko Sokoke bird viewing experiences and Budongo Forest conservation project in Kenya and Uganda thus contributing to increased livelihood

Focus of
discussion/presentation

Policy, legal and institutional issues for PES

- Regulation for PES originates from policy, legal and institutional frameworks
- Regulations and institutions for PES in West Africa
 - The constitutions of most countries in West Africa place more power in the central government and chiefs in management of communal lands in form of decrees
- Regulations and institutions for PES in East and Southern Africa
 - Regulations and institutions in East and Southern Africa are more developed than in West Africa

Barriers

- Legal and policy framework
- Financing for PES
- Risk assessment
- Governance
- PES revenues are low and most investors have been discouraged
- Social economic context: poverty barriers

Models for up-scaling

- Wildlife lease programmes
- Private protected areas
- Conservation trust fund
- Agricultural landscape carbon
- Agro-forestry and forestry carbon projects
- Renewable energy
- Regeneration approach
- Working for water

Conclusions: Policy, Legal & Institutional Analysis

- From the outset, PES has been defined as a conservation tool without seeking to explicitly link it to government priorities.
- In general, government priorities in southern Africa (and SSA) are directed towards enhancing the livelihoods.
- ¶On the other hand, PES was introduced as initiatives led by international agencies with voluntary arrangements deliberately separate of government policy arrangements.
- Project developers sought agreements with sub-national governments, communities
- Whereas Reduced Emissions from Deforestation and forest Degradation (REDD) process is engaging with governments. It seems to be as a result of the nature of ownership of forests.

Conclusions: Policy, Legal & Institutional Analysis

- Many PES biodiversity projects were introduced as additions to integrated conservation and development programmes (ICDPs).
- They include wildlife lease programmes, biodiversity conservation trust funds etc. Even though, there was a greater involvement of government given the nature of ownership of biodiversity habitats.
- The biodiversity conservation markets for organic agriculture and eco-labelling do not see themselves as mainstream PES.
- They often chosen to sell themselves as premium agriculture or ecotourism ventures, & use conservation for Corporate Social Responsibility, and not the strict criteria based definition.

UNDP – ESA's objectives

- Study part of UNDP-ESA's: "Management of Environmental Services and Financing for Sustainable Development".
- Aims to: take stock and generate evidence - economic cases – for increased investment in ecosystem services and development of PES
- Demonstrate for policy-makers development impacts of PES schemes - the providers, users, others.

PES conceptual framework

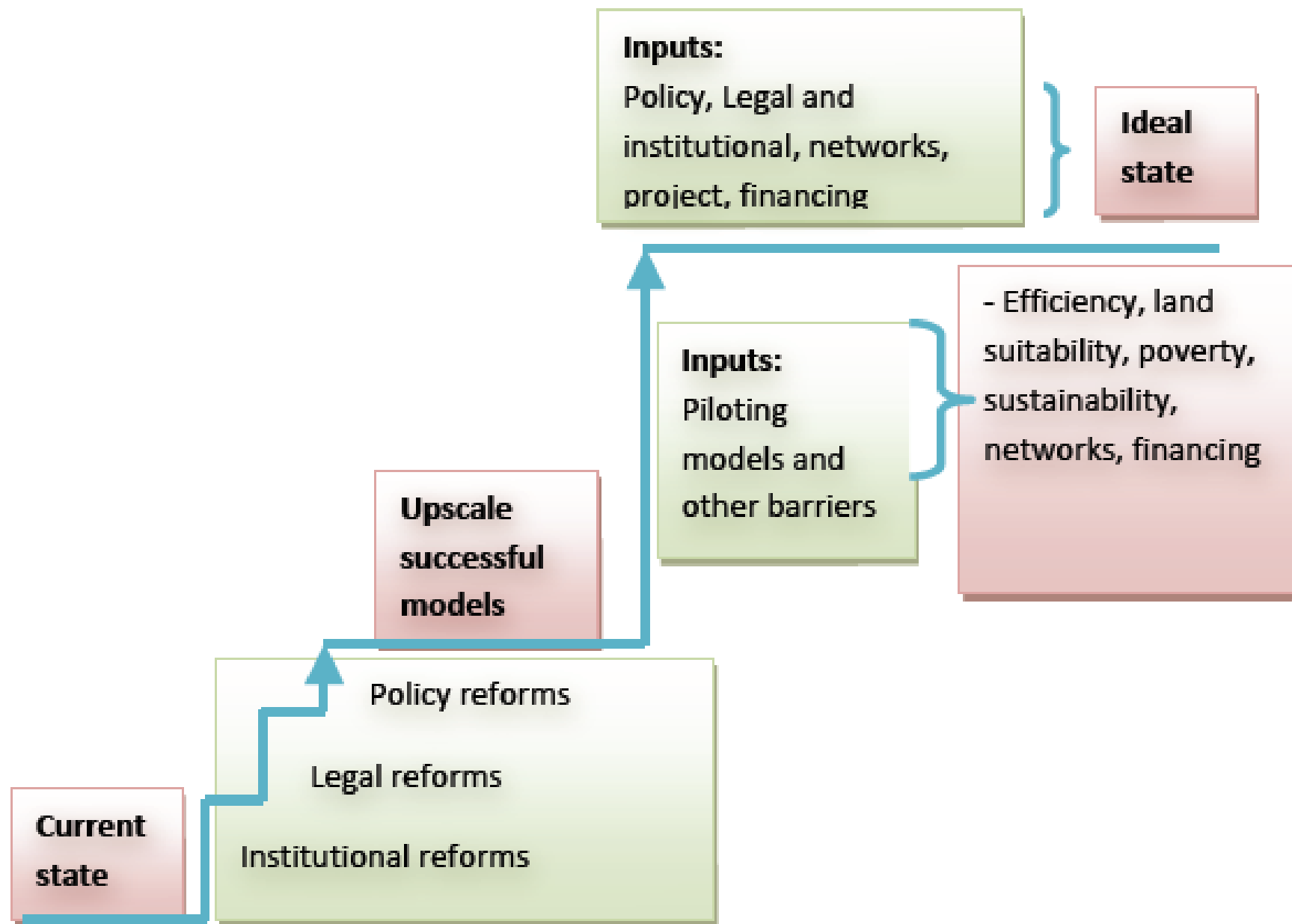
- Regulating human use of natural resources and thus ecosystem services flows consists of :
 - Regulations and restrictions
 - Information and awareness
 - Economic instruments including PES.
- PES is an instrument that compliment other instruments.

Recommendations: Increasing investments

- Definition and description of PES – Need to have a practical definition
- Institutional barriers – Need to have a clearly defined value chain for PES
- PES and poverty – Need for indicators of livelihoods, social equity to be explicitly indicated and evaluated
- Indicators for environmental sustainability
- Land use suitability - Need to map the different landscapes in Southern Africa (SSA), show the potential land use practices including PES projects.
- PES efficiency and effectiveness – Need to create learning forums for PES projects
- Policy and institutions – Need to invest in the policy and legal framework for the PES projects to take off
- Risk management and financing and profitability arrangements for PES

Recommendations: Facilitating transition

Figure 3: Transition of PES into National Programmes



Thanks & look forward to your
contributions