

# Conservation Incentive Agreements and other PES-type initiatives

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**Patricia Zurita**

*PES – Methods and design in  
developing and developed  
countries*

**Titisee, June 18, 2004**



# Overview

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- CIA's
  - Concept
  - Case study
- Other initiatives
  - Conservation Stewards Program
    - PES

# Conservation Incentive Agreements (CIA's)

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- A broad class of conservation mechanisms based on an equitable exchange of natural resource conservation for economic and social benefits (Hardner and Rice, 2002)
- Is a means to compensate local resource owners and users for conservation (preservation of ecosystem composition, diversity and functionality)



# Motivations for CIA implementation

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- Conservation area creation traditionally takes too long to create, requires strong political will and high transaction costs
- Gov't PAs insufficient to meet conservation needs, incentives required for private PAs
- There is a "demand" for conservation.
  - GEF invested \$961M 91-01 for biodiversity conservation through protected areas (894 areas – 160M has) (Castro & Locker, 2000)
  - CAN reports \$1.3B invested in biodiversity conservation (management) in the five Andean countries (CAN, in revision)
  - 90-97 \$2.5B from multilaterals and bilaterals LAC



# Advantages of a CIA

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- Provide financial incentive to resource owners for conservation (targeted)
- Can be implemented in places where conventional protected areas are not possible
- Provide continuous funding for management
- Funding is tied to performance – an ongoing incentive.
- Conservation area creation becomes a market transaction, rather than a political process.



# Elements of a CIA

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- Negotiated Agreement
  - Performance metrics
  - Compensation for foregone resource use
- Periodic Payments
  - Paid upon satisfaction of performance metrics
- Monitoring and Verification
  - Periodic measurement of performance metrics



# Enabling conditions

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- Site defined for conservation or restoration, considered priority by donors and CI;
  - fall within CI hotspots and other prioritization schema
- Entity with clear legal title or right to determine use of area slated for conservation
- Enforceability of conservation agreement
- Means to deliver compensation in a manner that satisfies relevant stakeholders
- Funds to provide competitive compensation for conservation
- Capable on-the-ground partner

# Guyana, the first case

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- 200,000 acres in Southern Guyana
- Interest in timber concession by Malaysian companies
- No protected area system in place at the time
- **Compensation:** US\$ 0.15/acre/yr tax + voluntary community investment of US\$ 10k/year
- **Management:** Rangers from local communities employed by CI
- **Enforcement:** Government of Guyana





# Is the Guyana CIA a PES?

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- Services                      Deforestation avoided  
                                    Biodiversity conserved
- Actors                        CI  
                                    Government of Guyana  
                                    Communities
- Sellers                        Government of Guyana
- Buyers                        CI
- Implementation 200,000 acres  
                                    25 years

# Is the Guyana CIA a PES? Cont'd

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- OC timber royalties and fees according to Guyana's TSA regulation
- Additionality Would timber concession had been granted?
- Permanence 25 years
- Leakage Malaysian companies in other regions?
- Differentiation No
- Participation of disadvantaged groups Communities involved in management



# Next steps

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- Testing and implementing the model in other key biodiversity areas, different incentive packages, and different type of resource users
  - Antamina (Peru) includes investment from the private sector in the long run (25 years)
  - Galapagos (Ecuador)
  - Chachi (Ecuador)
  - La Cojolita (Mexico)
  - Solomons



# Key challenges

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- Funding issues
  - Money not generally available to cover recurrent costs
  - Trust funds not popular with donors
  - Difficult to acquire funding rapidly
  - Not enough successful cases yet to create interest from the donor community
- Staffing issues
  - NGOs are currently organized to study problems and raise awareness
  - Not to identify investment opportunities and implement agreements

# Conservation Stewards Program

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- People will conserve biodiversity if they have the option to do so, and the benefits of conserving outweigh the costs.
  - Option includes property rights, effective governance, and capacities for collective action and technical practice
  - Benefits are defined as comprehensive economic benefits, including: financial, environmental, social, and cultural.



# Conservation Stewards Program

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Incentives

Direct  
Payments

PES

Development

Other (i.e.  
spiritual)

Enabling  
conditions

Property  
rights

Capacity

Governance

Biodiversity  
outcomes

Species  
Outcomes

Areas  
Outcomes

Corridor  
Outcomes

Learning network

# Conservation Stewards Program

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- Two implementation phases in 5 years
  - I phase, developing and learning from key cases in certain regions where CI works
    - Focus development at scale in three regions
    - Experimental design
    - Global training program
  - II implement with the lessons learned those incentives that prove to most effective at regional scale (scale up)



# CSP PES component

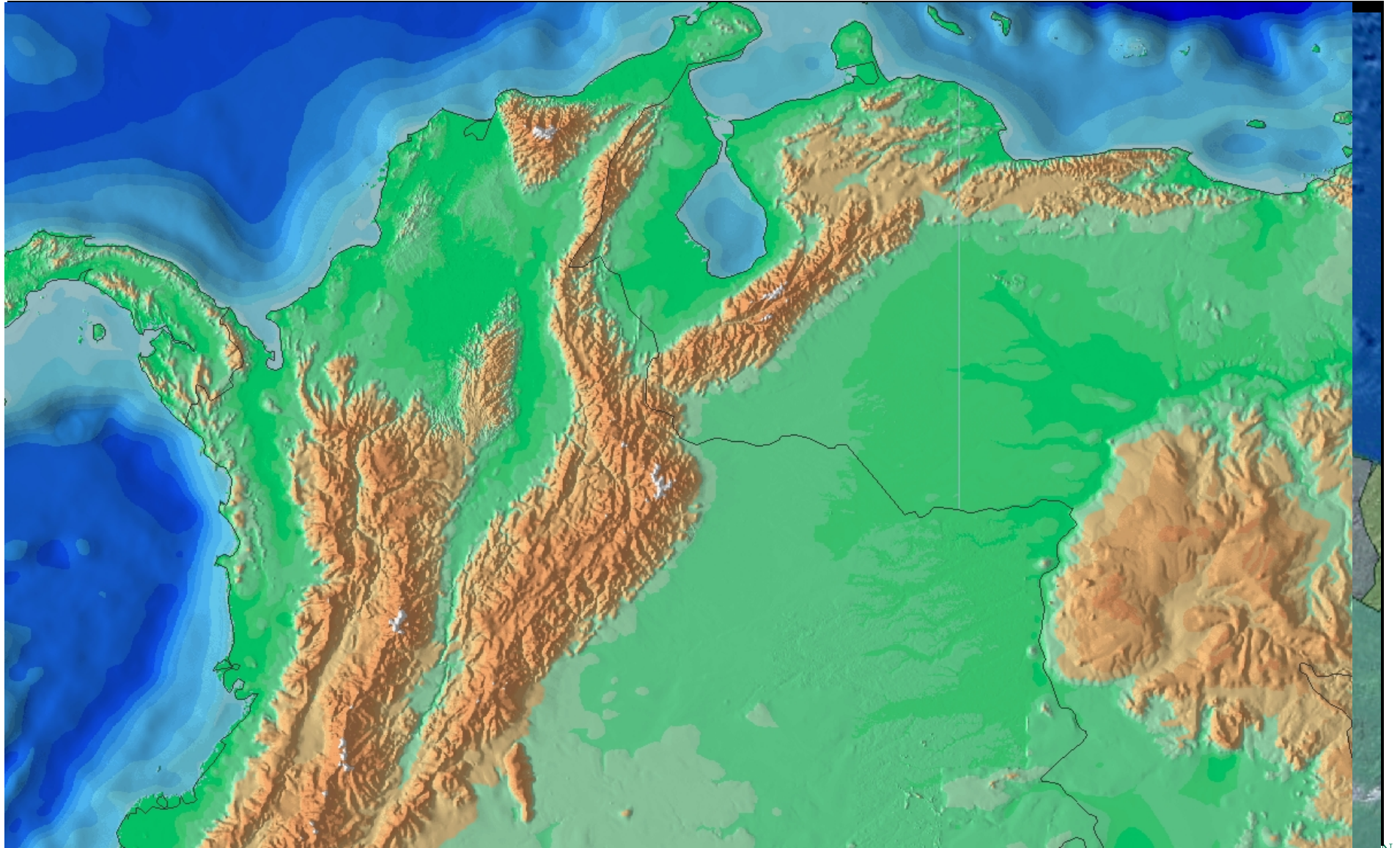
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- Direct link to biodiversity conservation
- I phase where current experiences are already in place or being implemented
- II phase in areas where we prove PES can contribute directly to biodiversity conservation
- Not exclusively thinking of biodiversity as the service, but as an outcome of the PES scheme (i.e. water in catchments with high biodiversity value)



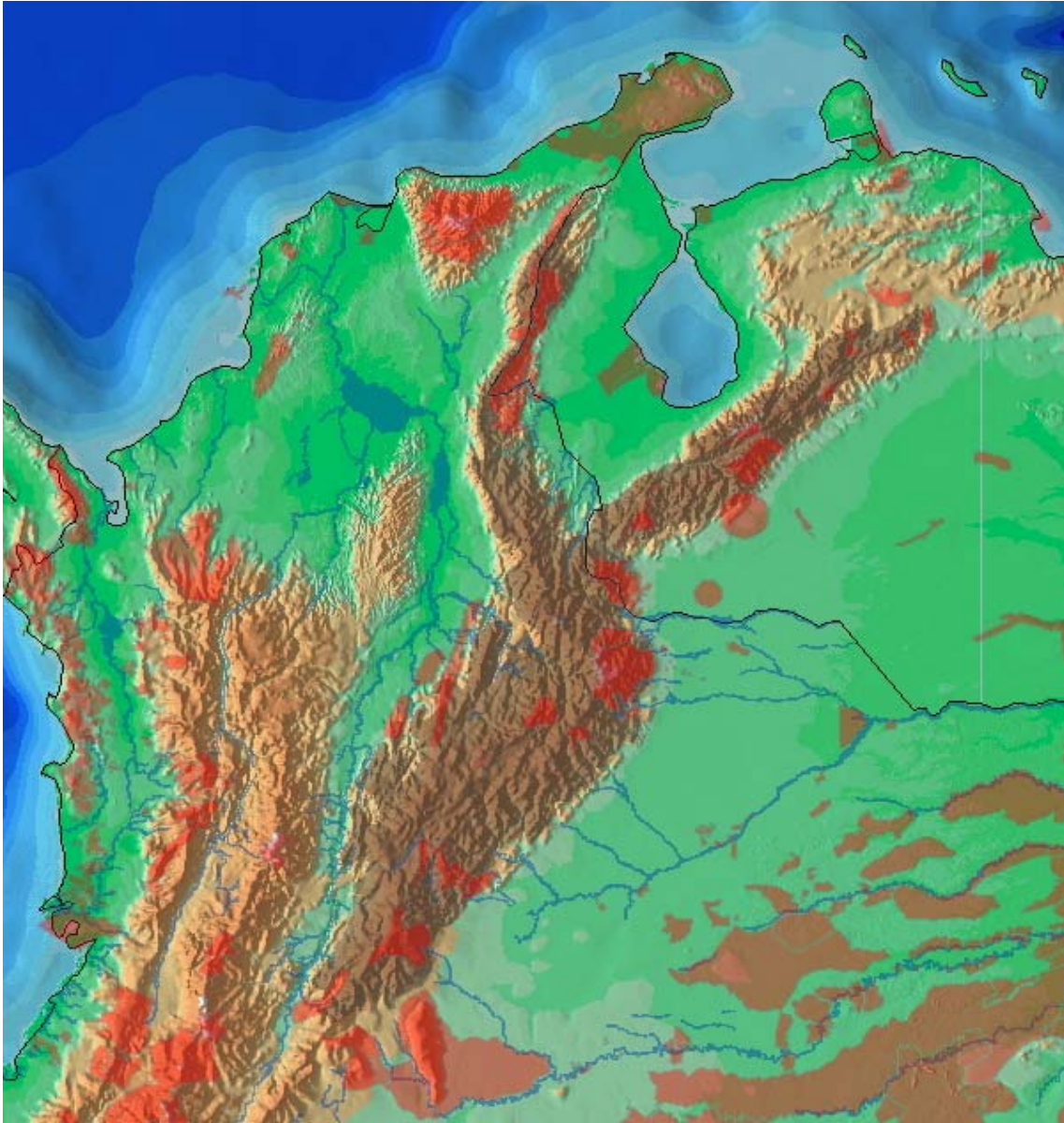


# North Andean water PES scoping with CIFOR





# North Andean Corridor



Eastern cordillera of the Andes between Colombia and Venezuela

Includes the Perijá ramal

About 12 Million hectares

Key populations being served by services from the corridor



# Corridor

## general information

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### COLOMBIA

93.574 Km<sup>2</sup>  
8.2 % of the territory  
300 municipalities  
10 Departamentos  
11.537.877 inhabitants  
30.2 % of the national pop.  
123.3 people/Km<sup>2</sup>  
82 protected areas  
(including private reserves)

### VENEZUELA

32.500 Km<sup>2</sup>  
3.5 % of the territory  
95 municipalities  
7 States  
~2.500.000 inhabitants  
~9.5% of the national pop.  
76.9 people/Km<sup>2</sup>  
11 protected areas



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INTERNATIONAL

# An key environmental service: water supply

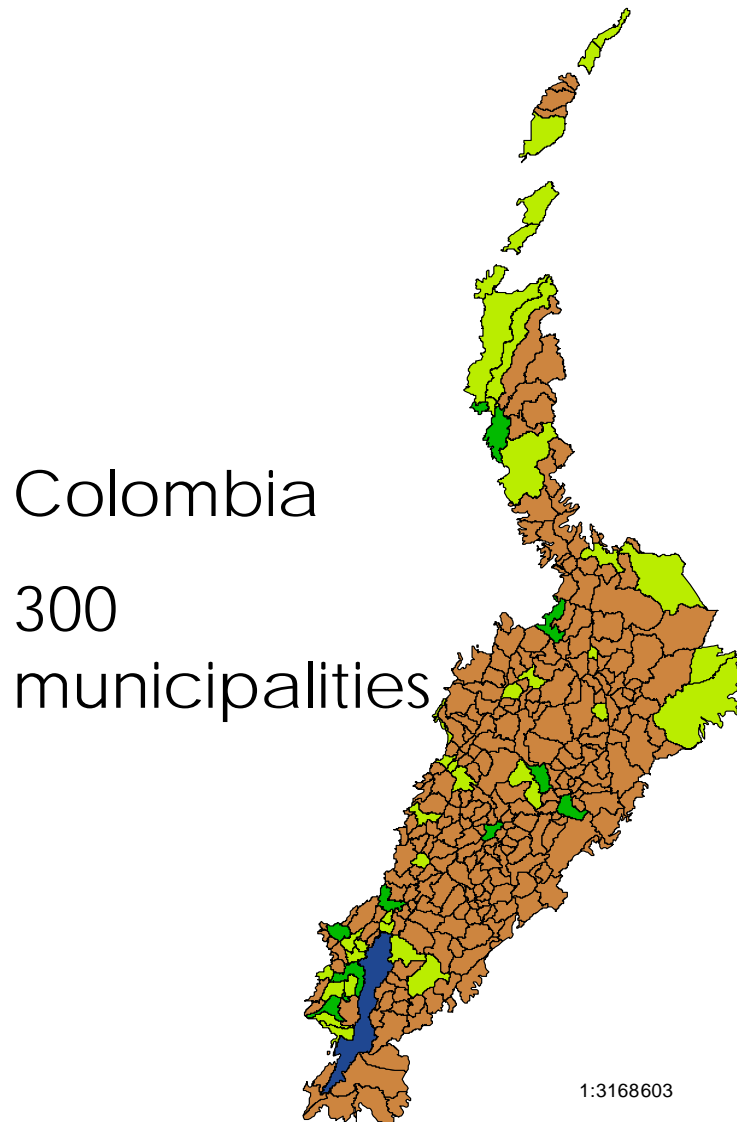
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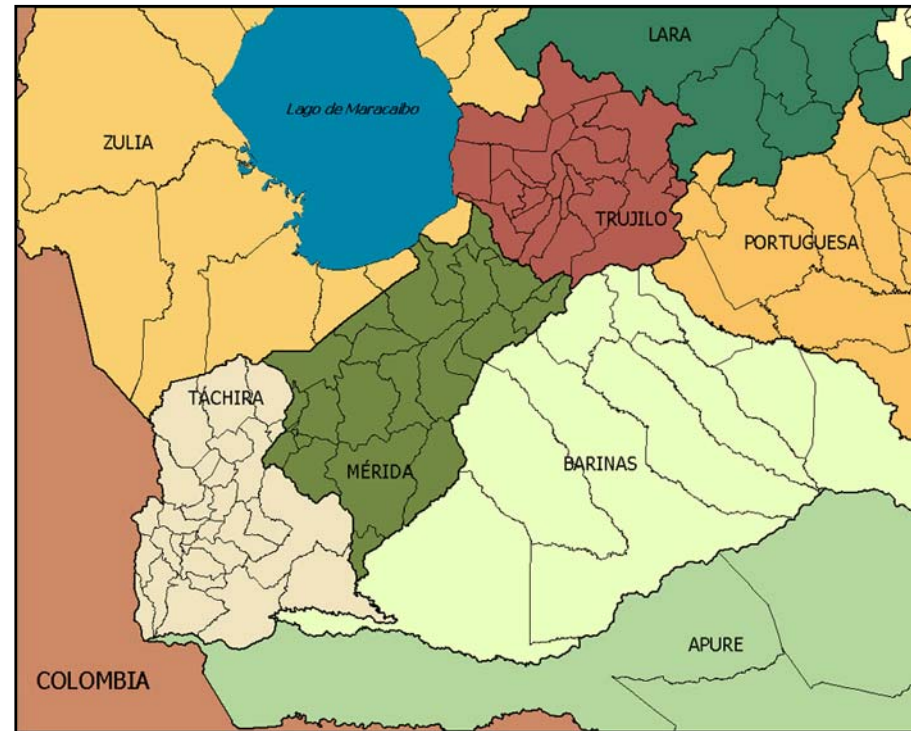
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# Opportunities for linking PWS to biodiversity

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Venezuela

95  
municipalities

# Questions/comments?

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