



RUPES : A GLANCE OF ITS CONTRIBUTIONS TO GLOBAL PUBLIC GOODS

Beria Leimona and RUPES team

Seminar to welcome IFAD Supervision Mission
Bogor, 7 July 2010

Rewards for, Use of and Shared Investment in Pro-poor Environmental Services Schemes (Phase-II)



- **Goal:** Rewards for provision of environmental services flow to poor people in an Asian context.



- National policy framework:** participation by national policy makers in international fora; and development and improvement of policy frameworks for voluntary, realistic, conditional and pro-poor RES.
- International and national buyer and investor engagement:** 'business case' for investment in pro-poor environmental service schemes.
- Environmental service intermediaries enabled:** good practices and capacity building for intermediaries
- Innovations in effective, efficient and pro-poor RES mechanisms:** rural poor as ES local providers and conditions for success of established and new types of RES mechanisms.
- Mainstream RES into IFAD rural development initiatives:** awareness of the potential for RES in rural development.

RUPES

increase the ecosystem services and human well-being

- RUPES is working in a wide variation of landscapes in **Indonesia, the Philippines, India, Nepal, Vietnam and China** with solid collaboration with RUPES-II partners for testing of **new in-kind rewards** and their **mechanisms**, such as bundling local benefits on **watershed protection** and **global carbon payments**, **bio-rights** schemes, **micro-hydro reward projects** and market access for **organic products** derived from well-managed landscapes.



RUPES working with the rural poor to benefit from rewards for the provision of environmental services and through the adoption of more productive and sustainable land management systems.



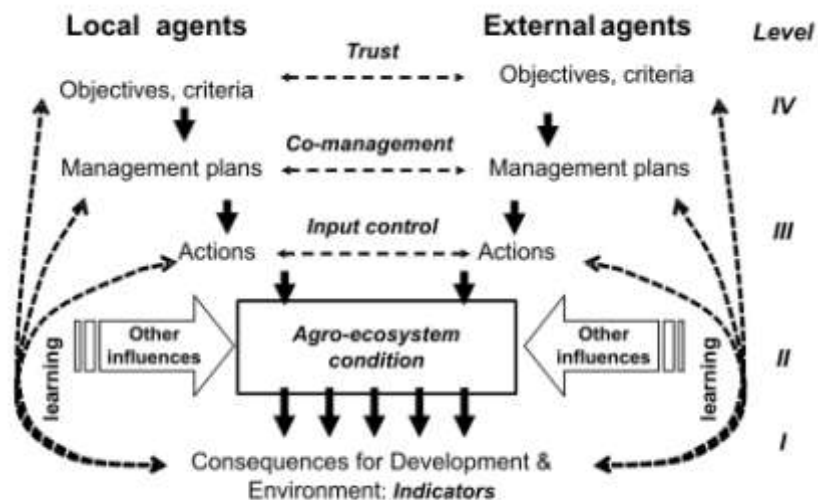
RUPES-I synthesis * * *

Paradigm A: <i>'Commoditized ES'</i> - CES or markets for commoditized environmental service procurement (or land use proxies with periodic full impact study)	Paradigm B: <i>'Cost of ES Opportunity Skipped'</i> - COS or compensating/ paying land users for accepting mandatory/ voluntary restrictions on their use of land	Paradigm C: 'Co-investment in ES stewardship' - CIS or co-management of landscapes for reducing poverty and enhancing ES, sharing risk and responsibility
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PRINCIPLES FOR FAIRNESS AND EFFICIENCY IN ENHANCING ENVIRONMENTAL SERVICES IN ASIA: PAYMENTS, COMPENSATION, OR CO-INVESTMENT?

Meine Van Noordwijk & Beria Leimona
 Journal of Ecology and Society, in press (July 2010)

Four levels at which agreements on ES reward schemes between **local agents as 'ES providers'** and **external actors as 'ES beneficiaries'** can be 'conditional':



Van Noordwijk & Leimona 2010



Site	Focus of ES	Conditionality applied	Type of scheme and current status
Bungo	Jungle rubber for conservation of the diversity of local plant species and wildlife habitat	Level IV Management plan of rubber agroforestry in general, including specified agricultural technique No slash-and-burn Conserving buffer zone and 'lubuk larangan' No intensive and commercial wild-hunt and NTFP	<ul style="list-style-type: none"> ○ 'Hutan desa' recognition by central government for local forest management role within watershed protection forest ○ Testing mini hydropower as intermediate reward for biodiversity conservation ○ A private buyer (automotive wheel industry) showing interests for rubber for "green" vehicles
Cidanau	Water quality and regular flow for private water companies	Level II Planting and maintaining timber and fruit trees with the total minimum of 500 trees per hectare for 5 years	<ul style="list-style-type: none"> ○ A private water company is paying 120/hectare for the contract

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Site	Focus of ES	Conditionality applied	Type of scheme and current status
Singkarak (Watershed)	Water quality for hydropower, native fish conservation and ecotourism	Level IV Planting a 40-hectare grass land with timber and fruit trees	<ul style="list-style-type: none"> ○ Conservation fund from local government to revitalize organic coffee in the upstream watershed.
Singkarak (CDM)	Carbon sequestration for voluntary markets under CDM setting	Level I Planting and maintaining specified number of trees to achieve agreed amount of carbon sequestered	<ul style="list-style-type: none"> ○ Carbon market negotiated with private buyer (consumer goods distributor)
Sumberjaya (Community Forestry)	Watershed rehabilitation for the District Forestry Service	Level II Planting and maintaining specified number of trees with certain composition of species	<ul style="list-style-type: none"> ○ Conditional tenure rewarded to farmer groups
Sumberjaya (River Care)	Water quality for hydropower	Level I Conducting collective action in riparian rehabilitation and sedimentation reduction to achieve a specified percentage (above 30%) of erosion reduction	<ul style="list-style-type: none"> ○ Hydroelectric Power company (HEP) royalty agreements signed for River Care groups along the river

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Local perspective of constraints at each RES development stage

Stages/Site	Bungo	Singkarak	Sumberjaya	Bakun	Kalahan	Kulekhani
Scoping	Not mentioned	Limited land size to provide ES	Not mentioned	Lack of information about types of land management practices	Not mentioned	Not mentioned
Stakeholder analysis	Difficult to identify (international) buyers	Not mentioned	Weak local institutions	Not mentioned	Individual rights/ local equity Ensuring transparency of decision	Not mentioned

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Local perspective of constraints at each RES development stage

Stages/Site	Bungo	Singkarak	Sumberjaya	Bakun	Kalahan	Kulekhani
Negotiation	Lengthy and cumbersome	Lengthy and cumbersome Unbalanced power of negotiation, low capability of sellers to negotiate	Conflict existing with potential buyers Time consuming Limited funding from buyers	Unsure that rewards will flow back to the community	Asymmetric information available between sellers and buyers Unclear negotiation rules	Potential risk that the poor's concerns neglected Lengthy and cumbersome
Monitoring and implementation	Difficult to monitor ES	Not mentioned	Not mentioned	Not mentioned	Payment not sustainable	Not mentioned

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CES/COS/CIS paradigms for compensation and rewards to enhance environmental services

Meine van Noordwijk and Beria Leimona

April 2010 CARE/UNEP seminar Nairobi

A review to Lake Naivasha, Kenya and Uluguru, Tanzania



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LAKE NAIVASHA, KENYA

Colonial days: Fanya Yuu terraces obligatory for farms on steep slopes: effective in soil conservation...

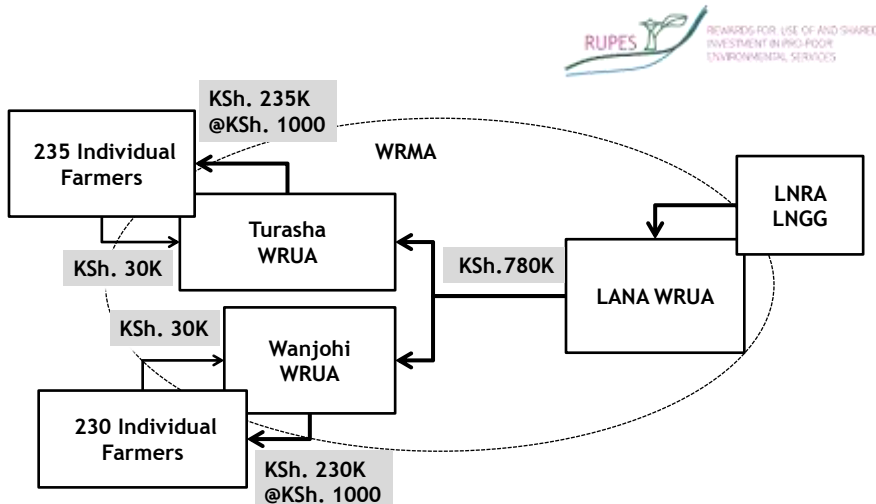


...but dreaded for the hard work; Uhuru meant freedom from such rules...

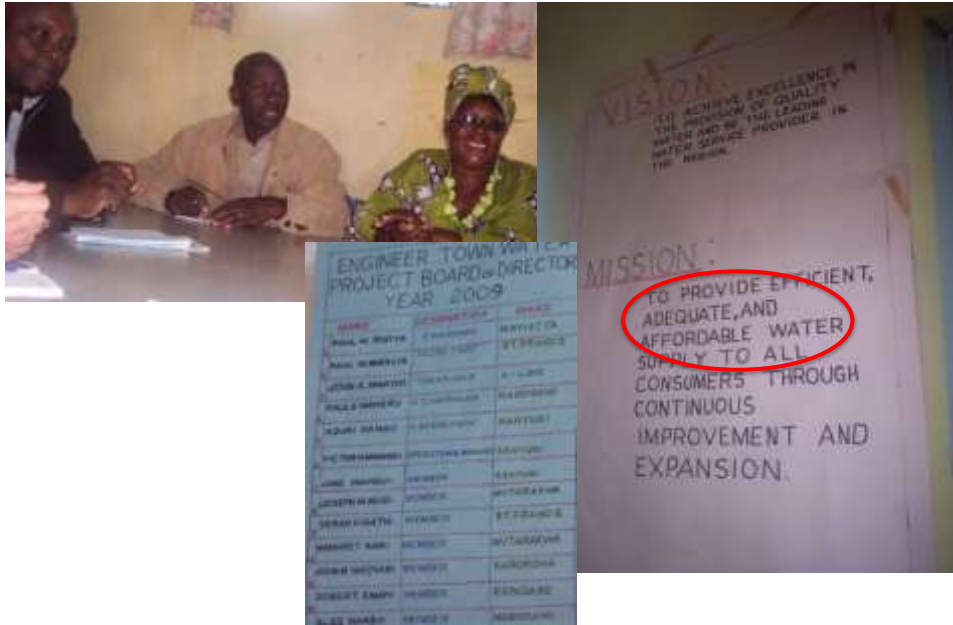
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Skema aliran dana imbal jasa lingkungan di Lake Naivasha - Kenya



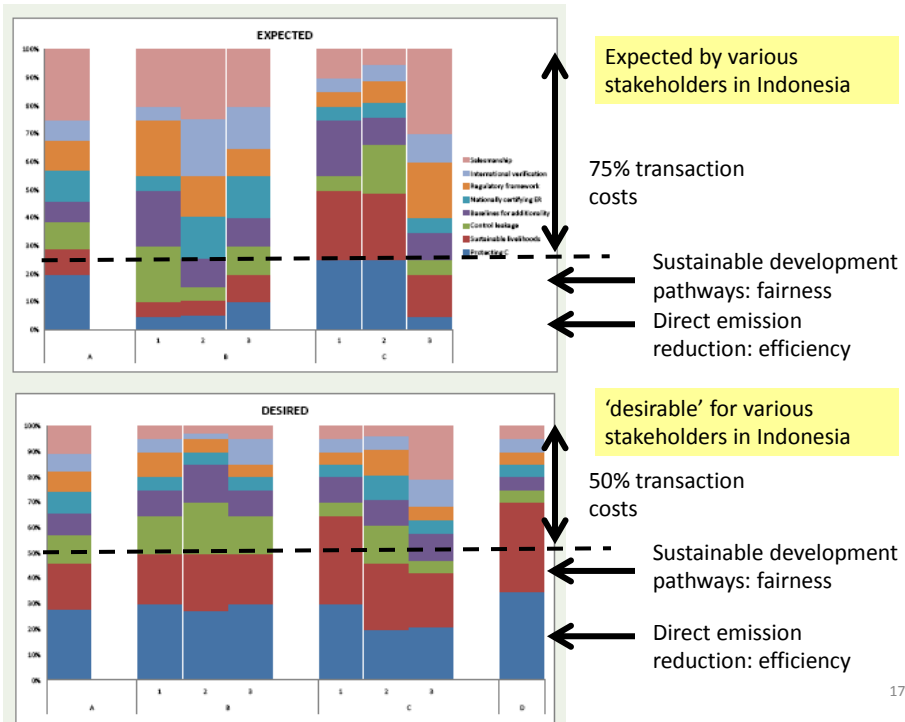
Peningkatan kapasitas lokal dalam pengelolaan SDA: water resource user associations (WRUA) 15

PERCEPTIONS ON FAIRNESS AND EFFICIENCY OF THE REDD VALUE CHAIN

REDD will require development of a value chain that links local emission reduction and carbon enhancement activities with global carbon markets.

A REDD deal must be fair for the providers of those services, effective at reducing emissions and be cost-efficient.





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Towards global climate change mitigation:

Key learning from Singkarak case:

- The expectation of financial incentives for carbon emission reduction has led to the concept of 'carbon rights'- new arena for contest and potential inducement to cooperation.
- Forest policies and regulations in Indonesia have not been designed to deal with the current issues of carbon emission in global climate debate, but it frames rights and responsibilities that apply.



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Towards global climate change mitigation:

Key learning from Singkarak case:

- Enforcing formal rights to carbon for local stakeholders requires changes in the balance of power. Neglect to this situation leads to conflict and sabotage as ultimate way for local agents to make their points.
- It is crucial to enhance the understanding of multiple interactions between existing rights and regulations.
- Fact from the site: international pressures can potentially increase both the urgency and challenges of forest tenure reform and cross-scale governance.



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Designing a Procurement Auction for Reducing Sedimentation: a field experiment in Indonesia

Beria Leimona
World Agroforestry Centre (ICRAF SEA)
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EEPSEA Impact Conference
Hanoi, 26-27 February 2010

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RESEARCH REPORT

No. 2009-0033

Designing A Procurement Auction For Reducing Sedimentation: A Field Experiment In Indonesia

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The setting of the EEPSEA study in a watershed area in Lampung, Indonesia allows and enables local applications for both sediment and environmental damage. This strategy to target farmers in watershed areas is achieved through the Department for Environmental Services (DES) scheme.

A key objective of DES is to encourage applying the results of the study to all activities in the watershed. The study will contribute to the development of a procurement auction for sediment reduction in the watershed. The study will also contribute to the development of a procurement auction for sediment reduction in the watershed.

The results show that a well-designed, multiple round procurement auction can be a viable option for the application of the auction procedure. The results show that a well-designed, multiple round procurement auction can be a viable option for the application of the auction procedure. The results show that a well-designed, multiple round procurement auction can be a viable option for the application of the auction procedure.



- Inspiring others: similar auction methods have been tested and applied in
 - ✓ Tanzania (Michigan State University)
 - ✓ Malawi (Harvard University).
 - ✓ A proposal submitted by University of Sydney.

- Organization for Economic Co-operation and Development (OECD) report in 2010: *Enhancing the Cost-Effectiveness of Payments for Ecosystem Services*



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Disseminating the results....

- Presentations at international and national events:
 - RUPES Global Events in 2007
 - Wageningen University and Research, The Netherlands in 2008 as a guest lecturer for MSc program
 - World Conservation Congress, Barcelona, 2008
 - Shangrila writeshop in 2009
 - Kasetsart University, Bangkok in 2009
 - ASEAN Biodiversity Conference, Singapore in 2009





THANK YOU



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