

# PES in Asia: Trends, Lessons Learned, Best Practices, and Knowledge Gaps

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# Context in Asia

- Demographic, Environmental, and Socio-political changes
- Past and current projects
  - addressing poverty alleviation and/or environmental protection, not the provision of *off-site* environmental services
- Vibrant civil society/non-governmental sector



# Trends in PES

- Different stages of development
- Particular attention paid to addressing conservation and poverty alleviation
- Pilot action sites and research underway identifying “enabling conditions”



# Lessons Learned - Opportunities

- Added value of PES programs
- Enabling conditions, including:
  - Prior community involvement in participatory land use change/development
  - strong social capital – bonding and bridging –among community members
  - strong institutions
  - upstream land use practices yield noticeable impacts for downstream beneficiaries
  - monitoring and enforcement (formal or thru peer pressure) system
  - low transaction costs, including existing transfer payment mechanisms
  - Secure land/water rights and tenure





# Lessons Learned - Constraints

- Getting incentives right
- Lack of:
  - “buyers”
  - Awareness
  - Scientific linkages of upstream-downstream benefits
  - Valuation studies
  - Social capital
  - Capacity among local organizations
  - Strong legal and regulatory framework
  - Monitoring and enforcement
  - Low transaction costs
  - Financial resources



# Best Practices?

- In India, de-linking land and water rights benefits the poor
- In the Philippines, local government leadership and support a critical success factor
- In Nepal, multi-stakeholder committee established to review Environmental Management Special Fund proposals



# Knowledge Gaps . . . in the Asian context

- Designing PES to be more efficient and equitable. Is there a trade-off?
- Financial sustainability of PES?
- How does PES fit into the scope of other financing mechanisms aimed at diversifying the financial base of the poor?
- Are PES schemes changing people's attitudes and behaviors in becoming environmental stewards?
- How will PES schemes adapt/adjust to changing market conditions?

# Thank you!

