

Ecosystem services versus poverty services?

The recent flurry of interest in payments for ecosystem services (PES) is partly related to the perception that it can be used as a tool to simultaneously achieve poverty alleviation and conservation benefits. Yet the debates on the nature of this linkage are increasing. Can and should PES be used as a means to achieve poverty reduction or does including poverty as a main objective put the whole concept of PES in jeopardy (see e.g. Pagiola, 2007)? Or will a pure focus on ecosystem services forget the interest of the poor, a concern that is increasingly voiced by indigenous forest dependent communities, NGOs and development organisations (see e.g. Peskett et al., 2008)?

The concept of payments for ecosystem services has first and foremost been designed with the objective to enhance the provision and quality of ecosystem services by creating an incentive mechanism for those that provide these services (irrespective of their poverty status). By definition PES thus has a clear focus on ecosystem services and many argue that this should remain the main objective (Wunder 2008; Pagiola 2007). At the same time, some empirical evidence suggests that PES can have beneficial impacts on the poor, but that these on their own are not large enough to lift people out of poverty.

With this in mind, framing the question in terms of “ecosystem services versus poverty services” seems the wrong way to approach the complex interaction between the poor, ecosystem services and payments for ecosystem services. Indeed, the very notion of the word “versus” tends to suggest that there is an “either – or” option between ecosystem services and poverty reduction. Reducing the debate to these potential trade-offs risks that an instrument is discredited before it has even had a chance to mature and prove itself. Therefore, in this comment, we rather prefer to focus on the synergies between payments for ecosystem services and poverty reduction and to frame the question in terms of how to ensure that the poor can participate in and benefit from PES.

How does PES affect the rural poor?

Most of the world’s poor live in rural areas and are directly dependent on natural resources for their survival.

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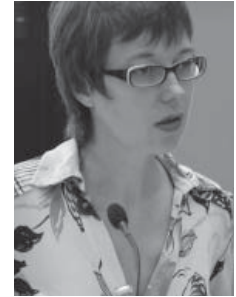
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They are thus effective users of natural resources and influence the provision of ecosystem services. Independently of the question whether PES can contribute to poverty reduction, or whether the poor qualify as ecosystem service sellers, chances are thus high that a PES scheme will affect the poor in one way or another. From an equity point of view, PES schemes should thus address both potential positive as well as negative impacts on the poor.

The question of how to maximise the potential positive impacts and minimise potential negative impacts on the poor is discussed in the literature under the heading of “pro-poor PES”, and there are a number of lessons that can be learned from the discussions.

First, several barriers need to be overcome when designing pro-poor PES. The most important and frequently-mentioned ones are high transaction costs and property rights. As many of the poor own only small pieces of land, costs for negotiating, contracting monitoring and enforcing PES can become prohibitively high. This means there is a risk that small landholders will lose out in favour of larger land owners.

However, as research and experience in implementing PES schemes grow, a number of solutions have emerged on how this constraint can creatively be overcome. Bundling individual contracts, for example, is regarded as an effective way to reduce transaction costs. Intermediaries also play an important role in reducing costs as they can take a facilitating role in identifying buyers and sellers and in structuring the PES scheme. Another important way to reduce costs is to make use of existing local institutions rather than building new institutional arrangements for PES from scratch. At a recent Katoomba Group (see also article on page 32) meeting in Africa, for example, it was stressed that PES could make use of the long experience many African countries have with community-based natural resource management.

Property rights are another major issue as formal ownership of the land that provides the ecosystem services is often regarded as a pre-condition for the realisation of a

PES deal. In many cases, however, the poor are not *de jure* owners but *de facto* users of the land and its resources. Again there are a number of ways to address this constraint in practice. For example, some PES deals work on the basis of *de facto* ownership. Others have even used the securing of land tenure as an incentive mechanism for providing the ecosystem services.

Second, the poor are a heterogeneous group of people and the impact of PES on poverty will vary according to whether there are poor service providers, poor service users, poor non-participants of the PES scheme or a combination of all (Wunder 2008). At the same time, service providers may also be very heterogeneous and range from the very poor to the very rich. The challenge for pro-poor PES will thus be on how to adequately identify and address the impacts on such a heterogeneous group of people. This means that distributional issues will also have to be borne in mind when designing PES schemes.

The example of compensating landowners for reducing emissions from deforestation in the Brazilian Amazon illustrates this problem of heterogeneity: Service providers here are defined as landowners who do not deforest. But the opportunity costs they face differ widely. They are highest in the case of farmers who abstain from opening up new forest areas for growing soybean or raising cattle. In the case of smallholders, monetary opportunity costs are

lower, or even absent among subsistence farmers. From an equity perspective, the legitimacy of reproducing these differences in the payments to the various groups of service providers (as proposed by Nepstad et al. 2007) might be questioned, while this approach makes sense from the perspective of efficiency.

Conclusion

When considering PES in terms of its impact on poverty reduction, it has to be borne in mind that the tool itself is still relatively young. Most practitioners and researchers in the field thus agree that it is too early to make any conclusive statements on the impacts of PES on the poor. Increasing attention is being paid on how to make PES pro-poor. Research on this should be supported rather than limiting the debate to the question of whether PES can or should contribute to poverty reduction. Ultimately, it is only by fostering more research and implementing PES schemes in developing countries that further lessons can be learned on the complex interactions between the poor, ecosystem services and the impact of PES schemes.

A list of references can be obtained from the authors.

Zusammenfassung

Das derzeit starke Interesse an Zahlungen für Ökosystemdienstleistungen (PES) ist zum Teil dadurch verursacht, dass diese gleichzeitig als Instrument für Armutsminderung und Umweltschutz genutzt werden können. Diese Verknüpfung wird jedoch zunehmend in Frage gestellt.

In dem Beitrag wird betont, dass verstärkt betrachtet werden sollte, wie das PES-Konzept den Armen zugute kommen kann, anstatt die Diskussionen auf die Frage zu beschränken, ob PES einen Beitrag zur Armutsminderung leisten kann oder soll. Im Zuge der Forschung und der Erfahrungen mit armutsorientierten PES wurde eine Anzahl von Hürden festgestellt, die überwunden werden müssen, wenn PES zur Armutsminderung beitragen soll. Dies sind zum Beispiel hohe Transaktionskosten und fehlende Eigentumsrechte, da das Eigentum an dem Land, das die Ökosystemdienstleistungen liefert, oft als Voraussetzung für eine PES-Vereinbarung gilt. Armutsorientierte PES müssen auch die Heterogenität der vom PES-Modell betroffenen Menschen berücksichtigen. Hierfür müssen sowohl Fragen der Verteilung als auch Fragen der Gerechtigkeit und Effizienz berücksichtigt werden. Erforderlich sind eine Vertiefung der Forschung und der Erfahrungen mit der Durchführung armutsorientierter PES-Modelle in Entwicklungsländern, um die komplexen Wechselwirkungen zwischen Armut, Ökosystemdienstleistungen und den Wirkungen der PES-Modelle besser beurteilen zu können.

Resumen

La reciente oleada de interés en los pagos por los servicios de los ecosistemas (PES por sus siglas en inglés) se relaciona en parte con la percepción de que pueden ser usados como una herramienta para obtener simultáneamente dos logros: el alivio de la pobreza y los beneficios de la conservación. En este sentido, los debates sobre la naturaleza de este vínculo se vienen incrementando.

El artículo de opinión sostiene que el debate debería centrarse más en qué hacer para que los PES se conviertan en un instrumento pro-pobres, en lugar de limitarlo a la cuestión de si pueden o deben contribuir a reducir la pobreza. A medida que las investigaciones y experiencias sobre PES pro-pobres aumentan, se han identificado una serie de barreras que necesitan superarse al diseñar PES de este tipo. Estas barreras incluyen altos costos de transacción y derechos de propiedad, puesto que la propiedad formal de las tierras que proveen los servicios de ecosistemas se considera a menudo un requisito previo para el cierre de un acuerdo de PES. Los PES pro-pobres también deben tomar en cuenta la heterogeneidad de las personas afectadas por el esquema previsto. Esto requiere contemplar tanto los asuntos distributivos como los temas de equidad y eficiencia. Es necesario realizar más investigaciones y adquirir mayores experiencias en la implementación de PES pro-pobres en los países en desarrollo, con el fin de comprender más cabalmente las complejas interacciones entre los pobres, los servicios de los ecosistemas y el impacto de los esquemas de PES.