

So what have we learned about PES so far?

GEF IW Learn/IUCN PES
Workshop

3-5th April 2008, Hanoi

Workshop Objectives

- 1.** Understand economic aspects of ecosystems and links between interests of ecosystem service providers and beneficiaries
- 2.** Identify market-based incentives for ecosystem management & options for payment systems
- 3.** Share experience across countries, regions and applications, to expand scope for PES application in IW
- 4.** Identify components of PES development programmes
- 5.** Understand institutional requirements and processes for stakeholder engagement and negotiation
- 6.** Synthesis of practical lessons for project management

 *Can we expand scope from watersheds to marine?*

Some Key Insights

- We learned a lot – but still more to learn !
- Greater clarity on what it is and isn't
- Many have been doing elements of PES without realizing it
- Complex and high transaction costs
- Trust building / negotiation (fair contracts and M&E)
- Key components – science, enabling environment and institutions , economics,

Not a silver bullet – one of the many tools for environment conservation and development

- PES may work in a given place and time under certain conditions which CAN change
- But also RISKS - unintended adverse social, economic, environmental impacts both on-site and off site,
- Governance issues & Policy/legal frameworks
- People's aspirations & needs can change, opportunity costs change,
- externalities, environmental & political risks.

So when & how to use PES?

- As part of larger level land or seascape planning after considering different trade-offs & tools to achieve a given set of conservation & development objectives
- As a component of broader goal of ensuring the full value of natural ecosystems is recognized and maintenance costs are internalized (MEA)
- Should be approached in multidisciplinary, multistakeholder manner –more interaction between natural/social/legal/economic experts
- Be pragmatic – go for low hanging fruit (in line with agreed conservation & development objectives – avoid *ad hoc-ism*)

The role of the 'honest broker'

- Many of us here have huge potential role to play as the intermediary to ensure fair deals struck and/or to facilitate/communicate/inform/develop capacity at different levels
- How do we ensure PES does not exploit the poor?
- When does role of intermediary end?

Further Questions

- Philosophical/cultural/political differences of opinion – we haven't really addressed
- Should ecosystem services be marketed?
- Who finances pre-investment for developing PES schemes and for upscaling?

Still more questions:

- How do we avoid donor driven or purely opportunistic or commercially driven agendas? (E.g. Multinationals & other powerful interest groups)
- Pro-poor PES?
- Application to coastal/marine environment?

Getting PES right is not going to be easy!!!

- But worth trying – because we need all the \$\$\$\$\$\$ we can find for conservation & development
- Good practice guidelines for helping us develop PES schemes, but also how it fits into a country's overall environmental planning.
- Suggestions from other participants?