

FROM PAYMENTS TO CO-INVESTMENTS IN ECOSYSTEM SERVICES

Date: Thursday, 22 June 2017

10:00 – 17:30 hours. Registration starts at 09:30. Lunch will be provided.

Venue: Botanical Gardens of Rome

Largo Cristina di Svezia, 24, 00153 Roma

Payment for environmental services (PES) is widely seen as a way to "financially internalize externalities" and provide land managers with appropriate incentives to opt for land use practices that maintain or enhance the level of environmental services (ES) that are expected, but have not so far been appreciated, by "downstream" or ES beneficiaries. There are many current and emerging mechanisms that use the PES terminology, ranging from subsidies for forest owners paid from levies on water or hydropower users, thought trade in certificates of rights to pollute (based on certification of emissions reduction elsewhere), ecotourism and moral incentives to plant trees, to outcome-based contracts to reduce sediment loads of streams and rivers¹.

The International Centre for Research in Agroforestry (ICRAF) - World Agroforestry Centre of the CGIAR system – has worked on operationalising payments for ecosystem services (PES) schemes in Asia, since 2002, through the IFAD-funded *Rewarding Upland Poor for Environmental Services (RUPES)* project phase I (2002-2005) and phase II (2008-2012), and the subsequent IFAD-funded project called *Climate-smart, tree-based, co-investment in adaptation and mitigation in Asia (Smart-Tree Invest)*, which was recently completed in March 2017.

ICRAF has helped establish incentive schemes for providing environmental services as part of climate change mitigation. The *RUPES* programme introduced rewards for environmental services schemes in different Asian countries, to indigenous forest dwellers and smallholding farmers in less productive environments that were vulnerable to environment degradation and climate change. *RUPES* achievements have included: increased awareness at the grass-roots level about the

PES concept; tens of thousands of farmers achieving greater land access security; strengthening of local institutions and multi-stakeholder networks; and generating knowledge on environmental services as global public goods.

The *Smart-Tree Invest* (STI) project (2014-2017) aimed to improve the livelihoods and resilience of smallholder farmers through the promotion of climate-smart, tree-based agriculture in Indonesia, Philippines and Viet Nam. The outcomes of the project were as follows:

- Local solutions provided for coping with climate change, reducing vulnerability and mitigating risks are available to smallholders.
- Smallholder farmers who perform well in mitigating climate change, benefited from external public and private funding and from their local actions in adapting to climate change.
- Capacity of stakeholders increased and robust information generated by the process of mainstreaming tree-based farming systems for smallholders to adapt to and mitigate climate change.

Objective of the event

The event will present the achievements, lessons learned, innovations as well as policy interventions, captured and tested by the ICRAF - RUPES I, II and STI projects that could be scaled-up / integrated into future programmes. Other PES experiences and studies from Bioversity International, FAO, IFAD, Molise University, Sapienza University, and World Bank will also be presented. The scope of this event is to raise awareness on the evolution of PES, and create a roundtable on the ways to effectively operationalise payments and co-investments for ecosystem services through projects.

Welcome addresses

10:00 – 10:30

Prof. Massimo Reverberi, Department of Environmental Biology, Sapienza University of Rome

Moderator: **Dr. Fabrizio Bresciani**, Asia and Pacific Division, International Fund for Agricultural Development (IFAD)

Background on payments and co-investments in Ecosystem services (ES)

10:30 – 12:30

Roshan Cooke, Asia and Pacific Division, International Fund for Agricultural Development: ***Options for building resilience and for fostering ES provision.***

Dr. Meine van Noordwijk, World Agroforestry Centre (ICRAF) Southeast Asia Regional Office, Indonesia & Wageningen University, the Netherlands: ***Payments and co-investment in ES – incentives for multi-functional landscapes.***
The concepts of payment for ecosystem services (PES) as market-based instruments have evolved in developing country contexts. Action research initiatives in Asia and Africa coordinated by the World Agroforestry Centre (ICRAF) have shown that multiple paradigms (commodification, compensation, co-investment) emerged within the broad PES terminology. Empirical experience suggests that forms of 'co-investment in landscape stewardship' alongside a rights-based approach to generic (land-use planning) and individual (tenure, use rights) level are the logical entry point for sharing respect, resources, risks, benefits, and responsibility, building trust.

Dr. Bernardete Neves, Land and Water Division, Food and Agricultural Organization: ***A range of incentives for integrated farm management.***
FAO's programme on Incentives for ES from Agriculture (IES) places PES within a broader spectrum of incentives, combining public and private investments, to assist farmers in overcoming adoption barriers to more sustainable practices, and achieve environmental goals by improving productivity. Best practices to increase ES are well

known, but not enough attention is paid in the adoption barriers faced by farmers. A range of incentives to overcome short-term costs and support a long-term change is needed and there is a myriad of funding sources already available. Greater policy coherence and institutional coordination can assist in offering these incentives in an integrated manner, that complements each other and maximizes results.

Dr. Adam Drucker, In Situ and On-Farm Conservation, Bioversity International: ***Payments for Agrobiodiversity Conservation Services (PACS) – Elements and Advances.***

Presentation will discuss the on-going development and uptake of cost-effective incentive mechanisms for in situ/on-farm agrobiodiversity conservation in Latin America, based on PES concepts.

Discussion and closing remarks

12:30 – 13:00

Lunch

13:00 – 14:00

Round Table – PES project experiences

14:00 – 17:00

Moderator: **Dr. Meine van Noordwijk**, World Agroforestry Centre (ICRAF) Southeast Asia Regional Office, Indonesia.

Dr. Leimona Beria, World Agroforestry Centre (ICRAF) Southeast Asia Regional Office, Indonesia: ***Co-investment for ES: action learning and innovations in Indonesia, the Philippines and Vietnam.***

The "Climate-smart, Tree-based Co-investment in ES in Asia" project coordinated by the World Agroforestry Centre and funded by IFAD has provided 'proof of concept' in Indonesia, the Philippines and Vietnam on how knowledge can be co-produced between scientific, local and public-private domains. This knowledge is the basis for diagnosis of problems faced by marginalized communities and tree-based ways smallholders can reduce vulnerability and increase resilience at the landscape level. Through the collaboration with local government and NGOs, the project undertook

action learning initiatives as contextual innovations to increase smallholders' resilience and their capacity to provide, maintain and enhance ecosystem services.

Ni'matul Khasanah, World Agroforestry Centre (ICRAF) Southeast Asia Regional Office, Indonesia & PhD candidate of Wageningen University the Netherlands: ***Towards green growth, carbon footprints of biofuel from palm oil in Indonesia***

Globally-verified commodity certification is an alternative tool to secure consumers' trust that companies involved in global trade of commodities adhere to social and environment standards. This research clarifies the state of Indonesia palm oil production in meeting the standards for net emission reduction when entering the international global biofuel markets, particularly the European ones. The results can support the design of a road map on how Indonesia palm oil as one of the most lucrative agricultural commodities can contribute to a green growth agenda for the country and help its global consumers match individually determined contributions to climate change mitigation.

Dr. Pier Carlo Zingari, Department of Environmental Biology, Sapienza University of Rome: ***ES, European Union Policies, and Stakeholders' Participation – a case of framework strategy for supporting PES implementation and development at the national and international level.***

A number of International Conventions support the fact that biodiversity is a driver of ES beside the active role of communities and groups with their knowledge, skills and practices. Based on these assumptions, EU defined a framework biodiversity strategy to 2020 supporting the mapping and assessment of ES (known as MAES), the valuation and accounting of economic, social and cultural benefits. PES are part of this framework shifting the current paradigm of "polluter pays" to the one of "provider gets".

Dr. Davide Marino, Department of Bioscience and Territory, Molise University & **Giampiero Mazzocchi**, Sapienza University: ***PES as a management tool for protected areas: the case of the project LIFE+ Making Good Natura.***
The project LIFE+ Making Good Natura, a LIFE+

project with a length of four years (2012 -2016) has developed innovative approaches of environmental governance to preserve agro-forest-ecosystems and elaborates instruments for qualitative and quantitative valuation of the ES in the study sites of the Natura 2000 network.

The presentation will be focused on the Results of the project LIFE+ Making Good Natura, on the typologies of ES considered and the methodologies for their evaluation, as well as the strengths and critical issues met during the project.

Rikke Olivera, Policy and Technical Advisory Division, International Fund for Agricultural Development: ***IFAD's experience working with PES***

Stefano Pagiola, Environment Department, World Bank: ***World Bank's experience working with PES – examples from Latin America***

Leimona Beria and Fabrizio Bresciani: ***Way forward in Asia– Identification of knowledge gaps, scope for partnerships, scaling-up opportunities and policy prospects for PES.***

In the context of Asia, the presentation will identify: i) knowledge gaps and frontiers in research that need tackling, ii) scope for partnerships among development organizations, research centres, and NGOs, iii) scaling up opportunities as part of the broader climate-smart agriculture (CSA) agenda, and iv) prospects for PES to gain space in the policy agenda, in particular in some Asian countries. The objective is to identify concrete opportunities for piloting innovative approaches, scaling up existing models, and deepening the policy engagement

Discussion and closing remarks

17:00 – 17:30

Organizing committee:

Fabio Attorre, Sapienza University
Leimona Beria, World Agroforestry Centre (ICRAF)
Fabrizio Bresciani, International Fund for Agricultural Development (IFAD)
Dilva Terzano, International Fund for Agricultural Development (IFAD)