



# RUPES Newsletter

## Welcome to RUPES

Welcome to the second newsletter produced for the RUPES Project. This newsletter has been prepared in conjunction with our 'end of year' activities, such as preparing the Progress Report for 2003 and in anticipation of the IFAD review of the project in early 2004. This has given us the opportunity to reflect at our achievements over the past year and guide our plans for 2004 and beyond.

The Progress Report for 2003 being prepared promises to be rewarding evidence of the progression of activities in the RUPES project. Our partnership activities continue to expand with IUCN - one of the RUPES Consortia members - taking the lead in organizing RUPES 'kick off' workshops in Lao and Sri Lanka (reported in this issue). IIED - another RUPES Consortia partner helped develop our successful training workshop in Chiang Mai, Thailand and our national partners in Indonesia and the Philippines remain active and committed. In addition there is strong likelihood of RUPES activities taking off in Yunnan, China and in Vietnam. As a

contributor to the World Summit on Sustainable Development (WSSD) Type II Partnership we have updated our database on the RUPES Program to be included to the report of Commission on Sustainable Development (CSD) 12.

One important effort completed in 2003 was to select the five sites as the first phase of RUPES action research sites. Three of them in Indonesia are briefly described in this issue while the other two sites were published in the previous issue of the RUPES Newsletter. The conclusion reached from this effort is that it takes time to build up these relationships and awareness of RUPES and the potential (and realities) of environmental service payment schemes. By taking the time we did we have learned and shared some important messages in moving forward with action research for the testing of rewards and reward mechanisms at the site level in Asia. This will prove useful in selection of further sites for RUPES and for other partners who are considering similar studies.

## RUPES National Workshops in Sri Lanka and Lao PDR

Two RUPES National Workshops - in Colombo, Sri Lanka and Vientiane, Lao PDR were held in October and November 2003 respectively. The main purposes of these workshops was to raise awareness of the RUPES Program and to develop effective partnerships at the national level, as one of the contributing factors to main component of the project.

The workshops in which IUCN took a lead in organizing, were successful and generated a lot of interest. Both workshops had a good cross-section of participants, such as key government officials, project managers, NGOs and academics. In addition to that, the workshops were also the starting point for

proposal development and selection of potential sites to develop environmental transfer payments that contributing to poverty alleviation of the upland communities in both countries. Other important result was the forming of Technical Committee (TEC) for RUPES Project in Sri Lanka. It completes the existing RUPES TECs in the Philippines and Indonesia. In 2004, RUPES Program will expand its network by holding kick-off meetings in Vietnam collaborating with IUCN, WWF and Hue University and in China collaborating with ICRAF Kunming and Beijing-based partners in the China National Forestry Economics and Development Center and the China Agricultural University.

## RUPES at the CGIAR Annual General Meeting (AGM), October 2003

The AGM provided an opportunity for the RUPES project to make a more formal representation in the CGIAR community on the objectives, outcomes, programme of work and progress of the project. The interactions at AGM included a side event specifically on RUPES hosted by IFAD and held on the first day of the AGM. Presentations (made by Meine van Noordwijk (ICRAF), Fiona Chandler (RUPES) and Markku Kanninen (CIFOR) generated some interesting discussions and enthusiasm for the project.

Other activities that RUPES featured in were

the Alternatives to Slash and Burn Programme's (ASB) "Sundowner" and discussions on the CGIAR Rainforest Challenge Programme. Productive meetings and future cooperation were discussed with the International Food Policy Research Institute (IFPRI) and the Systemwide Programme for Collective Action and Property Rights (CAPRI). Preliminary discussions were also initiated with the University of California, Berkeley in regards to developing a proposal for a PhD student to work under the supervision of Prof. Alain de Janvry on the RUPES project.

# Action Research Site Selection

The activities in Year 2 of the RUPES Project were focused to a large extent on the final selection of a core set of RUPES testing sites and formulating the workplans for the action research at these sites. The initial selection for sites by the RUPES International Steering Committee (ISC) in May 2003 approved two sites namely Kalahan Reserve in the Philippines and Kulekhani in Nepal (the brief description of these sites were available in RUPES Newsletter Volume 1 Issue 1). During the latter half of 2003, three sites in Indonesia were included in the RUPES portfolio to start action research on testing reward mechanisms. These additional sites are Bungo (Jambi Province) - biodiversity conservation, Sumberjaya (Lampung Province), and Tanah Datar (Singkarak, West Sumatra Province) - both watershed protection.

At this point, the five sites with their proposed workplans will absorb a large proportion of the funds set aside from the International Fund for Agricultural Development (IFAD) for Action Research over the next two years of the project. The RUPES Project Management is taking actions to include additional sites by seeking further funding and joint projects.

## Bungo–Jambi Province

The Bungo district in the Batang Hari watershed located in Jambi is the third largest rubber producing province in



*Jungle rubber in Bungo, Jambi* (Photo: L. Joshi, ICRAF)

Indonesia. The 'jungle rubber' agroforests in this area are becoming increasingly important as a reservoir of forest diversity and other 'forest services' valued in natural forests.

In the absence of specific incentives for the environmental services provided by rubber agroforests, these systems may well be replaced by oil palm monocultures or any other more profitable land-use by whoever can obtain the credit or capital required for such conversion. In addition, both very low price of rubber of recent years increased the hardship of rubber smallholder-farmers.

The next step will be to provide direct financial support to village communities that agree to protect a substantial area of old rubber agroforest. This incentive is expected to provide an immediate reward before all jungle rubber and the associated biodiversity disappears, it will allow time to develop more sustainable reward mechanisms.

An eco-certified market-based form of rewards for the multiple products of jungle rubber agroforests can provide incentives and has good long-term perspectives. Selling eco-labelled products at a higher than average price would increase the economic returns from the agroforests. But still, challenges have to be overcome to secure certification and access to interested markets. Contact person: Dr. Laxman Joshi (World Agroforestry Centre - ICRAF SEA)

## Sumberjaya-Lampung Province

Sumberjaya (which means 'source of wealth') - a sub district in the mountain range (Bukit Barisan) is a benchmark for conflicts of forest watershed functions in Indonesia, and has witnessed one of the most intensive 'eviction' episodes, increasing poverty



*Panorama over three coffee systems and watershed of Sumberjaya* (Photo: B. Verbist, ICRAF)

of squatter families in the area. Under the RUPES Project, the action research in this watershed will be focus on three sub watersheds of 200-1500 ha: Way Petai, Way Ringkih and the Gunung Abung-Simpangsari.

The supply of clean water and problems with domestic debris and soil sedimentation of the river has become the main focus of this watershed. Land use conflicts between the communities and Forestry Department also arise in this area because most of the watershed is classified as protection forest and national park. The proposed reward mechanisms are temporary land tenure with better criteria and clearer guidelines of the 'reward scheme' from the local government (Forestry Department) and direct financial payment and/or in-kind payment from management of Hydropower Electricity Company and domestic water users. Contact person: Dr. Suyanto (World Agroforestry Center - ICRAF SEA)

## Tanah Datar, Singkarak- West Sumatra Province

Tanah Datar district surrounding Singkarak Lake, West Sumatra Province Lake Singkarak functions as upstream reservoir of the Inderagiri River, a source of irrigation water, fishery, a hydro-power electricity generator and recreation area. The watershed function problems that arise in this area, are regularity of water flow and water quality.

The catchments area of Singkarak Lake in Tanah Datar District is critical land - mostly covered by Imperata grassland. Strong local institutions (structure of 'the adat system') and its coherence are added values of this area as an action research site. Moreover, the local government along with other community leaders has an initiative to establish a management body for Singkarak Lake called Badan Pengelola Danau Singkarak.

Tanah Datar district is one of the project sites of National Strategy Study of Indonesian government carbon project. Therefore, through their collaboration with the RUPES project, they also would like to develop concepts of carbon-sink projects. Contact person: Dr. Rizaldi Boer, Bogor Agricultural University.



*Singkarak Lake* (Photo: B. Lusiana, ICRAF)

# RUPES Training Workshop- Reward Mechanisms for Environmental Services: How to Assess, Negotiate and Monitor

The RUPES Project recognizes that capacity building in the technical capacity to design, implement, monitor, and evaluate environmental services agreements must be greatly enlarged, in order to facilitate a higher proportion of projects and programs designed to tap global transfer payment flows to meet the interests of the most disadvantaged populations in the uplands.

The SII/ICRAF project 'Teaching advances in agroforestry research and development' has supported RUPES and its capacity building activities through providing a grant for a nine-day training and orientation workshop in Chiang Mai, Thailand (17-25 September 2003). The participants came for both the proposed RUPES action research sites as well as from a range of RUPES type initiatives being undertaken across Southeast Asia. In total there were 47 participants originating from Vietnam, China, India, Sri Lanka, Indonesia, Thailand and the Philippines.

The topics included in this training workshop were environmental services - their elements and characteristics; the needs and characteristics of the providers and buyers of the environmental services reward mechanisms, and institutional/policy arrangements for environmental service payments. The workshop was a combination of theoretical knowledge on the basic principles of rewarding upland poor for environmental services they provide interweaved with case studies relating experiences and the extent to which rewards or payments for environmental services did or did not reach and benefit the poor. The workshop gave the participants the opportunity to discuss and then apply the case studies and experiences to individual projects. A one-day field trip relevant to the topics discussed was included in the workshop.

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## From Good-will to Payments for Environmental Services - A Survey of Financing Alternatives for Sustainable Natural Resource Management in Developing Countries

A compilation of papers as a result from a joint project of WWF-Macroeconomic Program Office (WWF-MPO), DANIDA and the International Institute for Environment and Development (IIED), reviewed financing alternatives available to developing countries to pay for sustainable natural resource management (SNRM) projects and programs.

The report together with the accompanying electronic and training materials is the product of this endeavor, and provide:

- § A user-friendly entry point to 52 financing alternatives for SNRM, together with clear indications of where to go next, either for more in-depth information and analysis, or to contact people from financing sources themselves.
- § A brief discussion and description that highlights which financing alternatives might be more accessible to poor rural communities, or offer more opportunities for projects and programs to simultaneously address rural livelihood improvements and natural resources conservation.
- § A summary of ongoing experiences and discussions regarding financing SNRM through payments for environmental services (PES) and private business-community partnerships, which have recently attracted much attention but whose potential and limitations are still a matter of debate.
- § A collection of recent SNRM financing cases and experiences, particularly, but not limited to, cases in Danida co-operation countries and countries where WWF is working.
- § Additionally, the electronic version provides hyperlinks to access many of the institutions and references mentioned in the survey, and the training material offers a power point presentation that can be used as a self tutorial or as an aid for a half day training session.

The editor welcomes your comments and suggestions regarding this paper, please contact:

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### Five Common Sense Principles when Considering Financing for Sustainable Nature Resource Management (SNRM)

#### Financing is important

Never undertake a SNRM project before its short-term financing needs are secured, its long-term financing needs are well understood, and it has good prospects.

#### Financing is not that important

Never undertake a SNRM project simply because the money is available

#### Think short and long-term

Everyone knows that you need to care about a project's start-up financing. Very few are clear why long-term financing should be an issue, considering that no one can know for sure what will happen in the future. Actually understanding long-term financing prospect s is not about knowing what the future will be but what the future may be, so as to better the project of program to cope with uncertain future.

#### Financing is not an add-on or a one size fits all

It is an integral part of the project design. To a large degree, financing arrangements are case and context specific. The financing mix may affect issues like ownership, dependency, equity, risk taking and risk sharing, income generation and more. A mismatch between the project design and the project developer's lack of financing understanding, as much as from a financing expert lack of understanding of the SNRM project's goals and context.

#### Financing SNRM projects require more thinking that it used to

This is because there is a tendency to need multiple sources of financing, and because new financing options are more complex than traditional ones. Compare, for example, a simple grant supported project with the complexities of a project entailing payments for environmental products and services, or a private-community commercial partnership.



# Meeting and New Initiatives Alert

**2004 WORLD WATER WEEK IN STOCKHOLM.** The 2004 World Water Week takes place August 16-20, 2004, and is themed "Drainage Basin Management - Regional Approaches for Food and Urban Security". The First Announcement/Call for Abstracts is now available and includes information about the Stockholm Water Symposium workshop topics, seminars to be organised by the European Union, World Water Council, International Water Management Institute, and other organisations. Download the document at [www.siw.org](http://www.siw.org).

**TOOL BOX FOR ENVIRONMENTAL SERVICES.** LEAD-FAO has developed the Toolbox for environmental services for decision making in research and technical assistance as part of the project "Integrated approaches for ecosystem management" supported by FONAM (National Environment Fund), World Bank; FAO and the Livestock, Environment and Development Initiative (LEAD). It contains mainly information, diagnosis, base studies, planning, following and evaluation specifically for this project but which are able to be adapted to similar conditions.

<http://lead.virtualcentre.org/silvopastoral/default.htm>

**NEW SERVICE LAUNCHES PROVIDING FREE ACCESS TO ONLINE JOURNALS.** GDN-North America's new Free Journal Access Portal enables social science researchers based in developing or transitional countries to access a searchable, full-text, online database of more than 120 well-known social-science journals, free of charge! If you would like to use the new service, but do not have a GDN Profile, you will need to first create one at:

[http://www.gdnet.org/knowledge\\_base/researchers/create\\_a\\_profile/](http://www.gdnet.org/knowledge_base/researchers/create_a_profile/) Please let the GDN team know if you have any comments on [gdni@gdnet.org](mailto:gdni@gdnet.org).

**CALL TO ACTION: WOCAT World Map.** WOCAT, the World Overview of Conservation Approaches and Technologies network, is documenting and evaluating soil and water

conservation (SWC) worldwide using a unique standardized and comprehensive methodology. The aim of the new initiative is to create a small scale world map on which SWC achievements are shown with a symbol in different sizes indicating the area coverage, and colors and shape showing land use, degradation and conservation type. A first draft of how SWC achievements might be presented (still not depicting the real situation) can be viewed at the WOCAT Website:

<http://www.wocat.net/worldmapFull.asp>.

**WORLD DEVELOPMENT REPORT 2005 -INVESTMENT, CLIMATE, GROWTH AND POVERTY: Information Gathering and Consultations.** The 2005 WDR will focus on improving the investment climate and place particular emphasis on the role of government policies, institutions and behaviors in shaping incentives for firms to engage in productive economic activity, and thus to contribute to growth and poverty reduction. The WDR team welcomes inputs from a broad range of source and invite comments on a draft outline posted on-line and on a draft version of the report in early 2004. The report will be published in September 2004. Updates to this schedule and opportunities and deadlines for participation in the consultation process will be posted on the World Bank website

<http://www.worldbank.org/> and announced in the Bank's free monthly Research Newsletter.

**COURSE ON COMMUNITY BASED TOURISM FOR CONSERVATION AND DEVELOPMENT** will take place in Bangkok 27 April - 22 May 2004. The course will cover better understanding on how to assist communities to create vibrant, exciting, culturally enriching and eco-friendly tourism activities. Deadline for registration: 31 March 2004. The course fee is US\$ 3,600, which includes course materials, accommodation, daily allowance and health insurance. For more information: [contact@recoftc.org](mailto:contact@recoftc.org)

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The outcome of the training was to give the participants the opportunity to gain a greater understanding and application of institutional mechanisms for recognizing and rewarding poor upland people in Asia for the environmental services they provide. It was expected that by the end of the workshop, the participants would understand and be able to apply the skills /knowledge they learned in the training workshop in their site work.



*Participants from seven Asian countries together with the workshop organizer team*

All aspects of the program, including background papers, lecture note material, PowerPoint presentations and additional material is available on CD from the RUPES project office. The lecture material will be adapted into a series of lecture notes along the lines already prepared for the Alternatives to Slash and Burn Programme. The complete report of this training workshop is available on the RUPES Website.



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**We're on the Web!**

<http://www.worldagroforestrycentre.org/sea/Networks/RUPES>

  
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