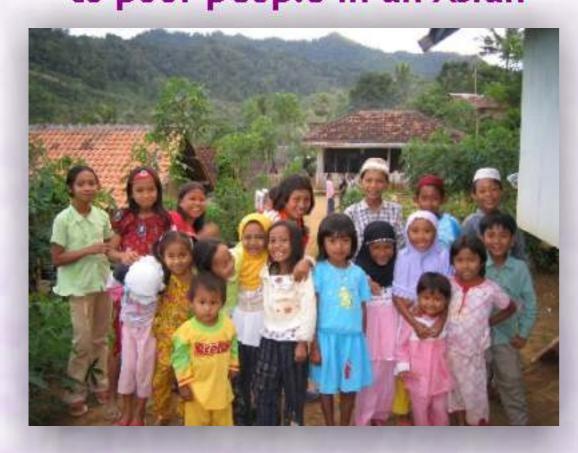


Rewards for, Use of and Shared Investment in Pro-poor Environmental Services, (RUPES) Second phase

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GOAL

Rewards for provision of environmental services flow to poor people in an Asian



Objectives and expected outcomes

A. National policy framework

Objective: Support active participation by national policy makers in international fora on environmental agreements; and contribute to development and improvement of policy frameworks for voluntary, realistic, conditional and pro-poor RES.

B. International and national buyer and investor engagement

Objective: Articulate and increase recognition of the 'business case' for investment in pro-poor environmental service schemes.

C. Environmental service intermediaries enabled

Objective: Document good practices and support capacity building for intermediaries, such as interested local NGOs and local governments, in order to cost-effectively link ES supply to demand.

D. Innovations in effective, efficient and pro-poor RES mechanisms

Objective: Support rural poor as ES local providers to engage in RES and identify conditions for success of established and new types of RES mechanisms.

E. Mainstream RES into IFAD rural development initiatives

Objective: Disseminate communication materials and lesson to raise awareness of the potential for RES.



EXISTING PROTOTYPE

RUPES I

RUPES-I	Existing prototype	
Watershed services		Conditional land tenure in watershed protection areas.
		Allocation of royalty payments of hydropower/ drinking water users
		RiverCare scheme with environmental outcome based as condition for ES contract.
Carbon stocks		Voluntary CDM-like schemes
(Agro) biodiversity		Recognition of agro- biodiversity rich areas from local and national government through special conservation zone and award

RUPFS II

RUPES-II	New Prototypes introduced
Watershed function	Micro-hydro projects as non-financial reward for outcome- based watershed services
Carbon stocks	REDD and its combination with voluntary CDM-like.
	Bio-right schemes as carbon reward in peatland and other areas.
Biodiversity/ Landscape beauty	Micro-hydro projects as intermediate non-financial reward for local biodiversity conservation.
	Eco-labelled products



REALISTIC

real impacts for environment and stakeholders

RUPES I

Realistic

Comprehensively studied and developed as rapid assessment tools for ES provision and perceptions of stakeholders.

Recognition of the key beneficiary actors (especially government as public buyers) on the values of watershed services Introduced limitedly

participatory local

monitoring for all ES.

RUPES II

Realistic Dissemination

 Dissemination of rapid assessment tools to other intermediaries for reducing

transaction costs

- Application of site-level
 ES monitoring and
 evaluation at new
 sites
- Testing new approaches in nonfinancial RES scheme as innovations for RES in Asia
- Increasing ES value appreciation by



CONDITIONAL

level of contractual agreement

RUPES I

Conditional

- Agreements of carbon project under CDM have been overly restricted and complex; and a near failure.
- Limited experiences in dealing with outcome-based watershed rewards for proving the environmental aspect of RES
- Achieving experiences and lessons in establishing watershed agreements

RUPES II

- Conditional

 The capacity and sustainable institutional arrangement for ES providers involving in the development of ES agreements strengthened, including in newly RES schemes, such
- as REDD

 Scale up and scale
 out localised
 watershed schemes
 for improving explicit
 link between rewards
 and environmental
- Enabling and conditioning factors for RES schemes are enhanced for existing sites and prepared for new sites



VOLUNTARY

legitimacy and free prior informed consent

RUPES I

Voluntary

- Applying legitimacy at individual level and effective voice in developing contractual
- agreement.
 Introducing the nested approach in decision making process as important continuing process.
- Identifying constraints inhibiting systematic transfers of rewards to upland communities.

RUPES II

Voluntary

Support advocating local and national importance at international fora and synchronizing local to national RES policy concepts

PRO-POOR

benefit for the poor

RUPES I

Pro-poor

 Effectively advocating the concept of propoor RES, including access to land as ES reward

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RUPES II

- Continuously ensured and engaged local communities in the design of new RES
- schemes
 Support the development of propoor policy framework
- on RES

 Mainstreaming propor RES to rural development agendas

