



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

Correspondence: Beria Leimona (l.beria@cgiar.org) and Meine van Noordwijk

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Voluntary CDM-like schemes
(Agro) biodiversity	<ul style="list-style-type: none"> Recognition of agrobiodiversity rich areas from local and national government through special conservation zone and award

RUPES II

RUPES-II	New Prototypes introduced
Watershed function	<ul style="list-style-type: none"> Micro-hydro projects as non-financial reward for outcome-based watershed services
Carbon stocks	<ul style="list-style-type: none"> REDD and its combination with voluntary CDM-like. Bio-right schemes as carbon reward in peatland and other areas.
Biodiversity/ Landscape beauty	<ul style="list-style-type: none"> 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 simple and participatory local monitoring for all ES.

RUPES II

- Realistic**
- 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 non-financial RES** scheme as innovations for RES in Asia
- Increasing **ES value appreciation** by targeted private buyers



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 services
- 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 pro-poor RES, including access to land as ES reward

RUPES II

- Pro-poor**
- Continuously ensured and engaged local communities in the design of new RES schemes
- Support the development of pro-poor policy framework on RES
- Mainstreaming pro-poor RES to rural development agendas

