



PAYMENTS FOR ECOLOGICAL SERVICES,
BIODIVERSITY AND DEVELOPMENT:

HOW CAN WE SEE THROUGH THE JUNGLE?



Economics *for* the environment

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AFD & Institut Veolia Environnement – Reconciling
poverty eradication and quality of the environment

The problem:
how, why and where should we support PES?



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- **Why are PES attractive for both?**
 - ▣ **A “natural win-win” instrument?**
 - ▣ **A way to reach the populations in most remote areas (then likely poorest)**
 - ▣ **A way to raise new funds for environment**

But:

A jungle of diverse schemes

→ How to select and favour the most fruitful schemes so as to relay objectives both in poverty alleviation and natural capital sustaining?

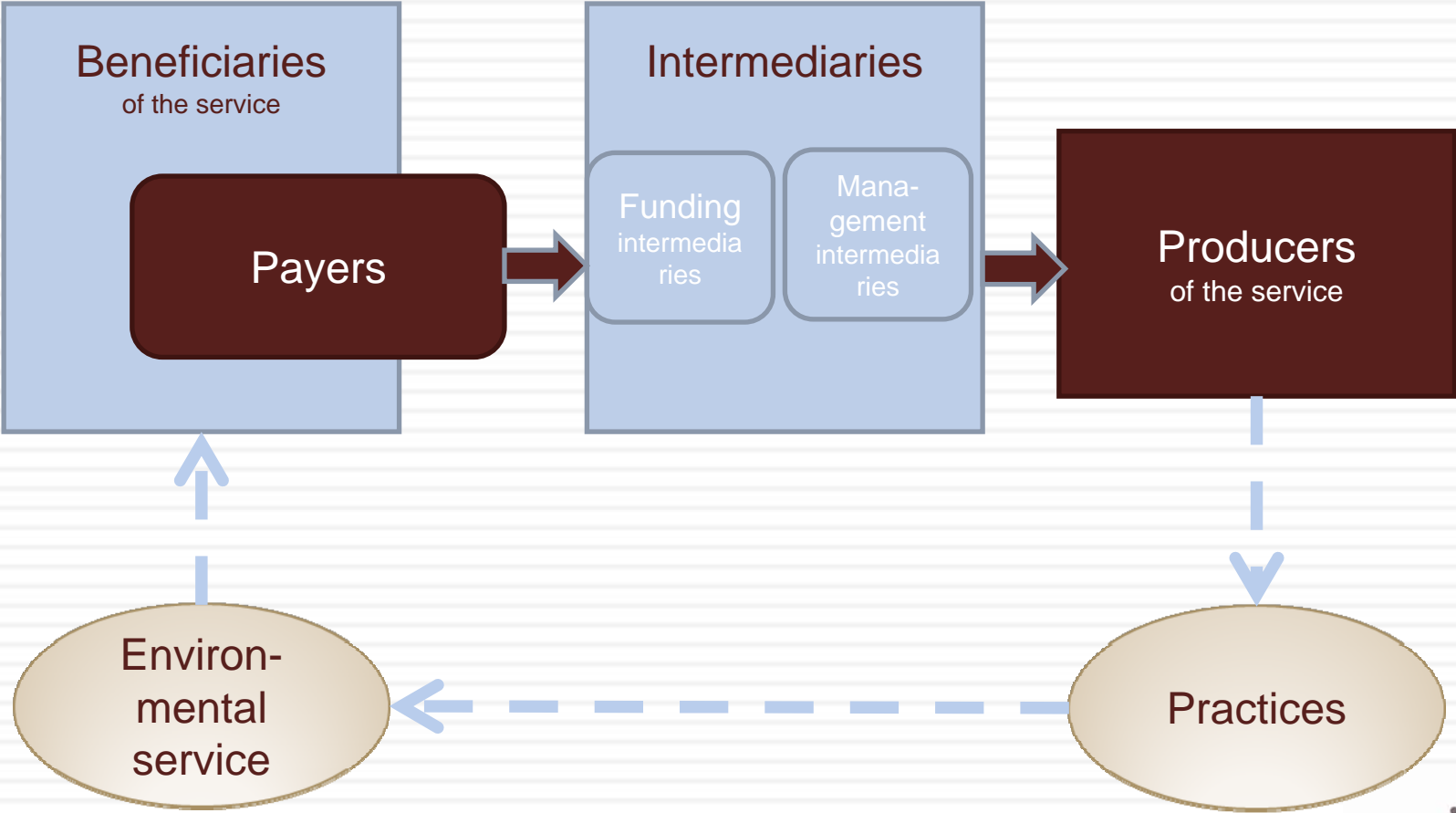
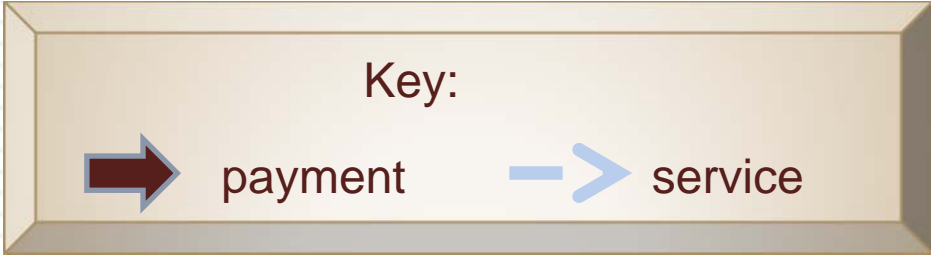


One possible way out of the jungle :
sort out PES according to the *funding sources*

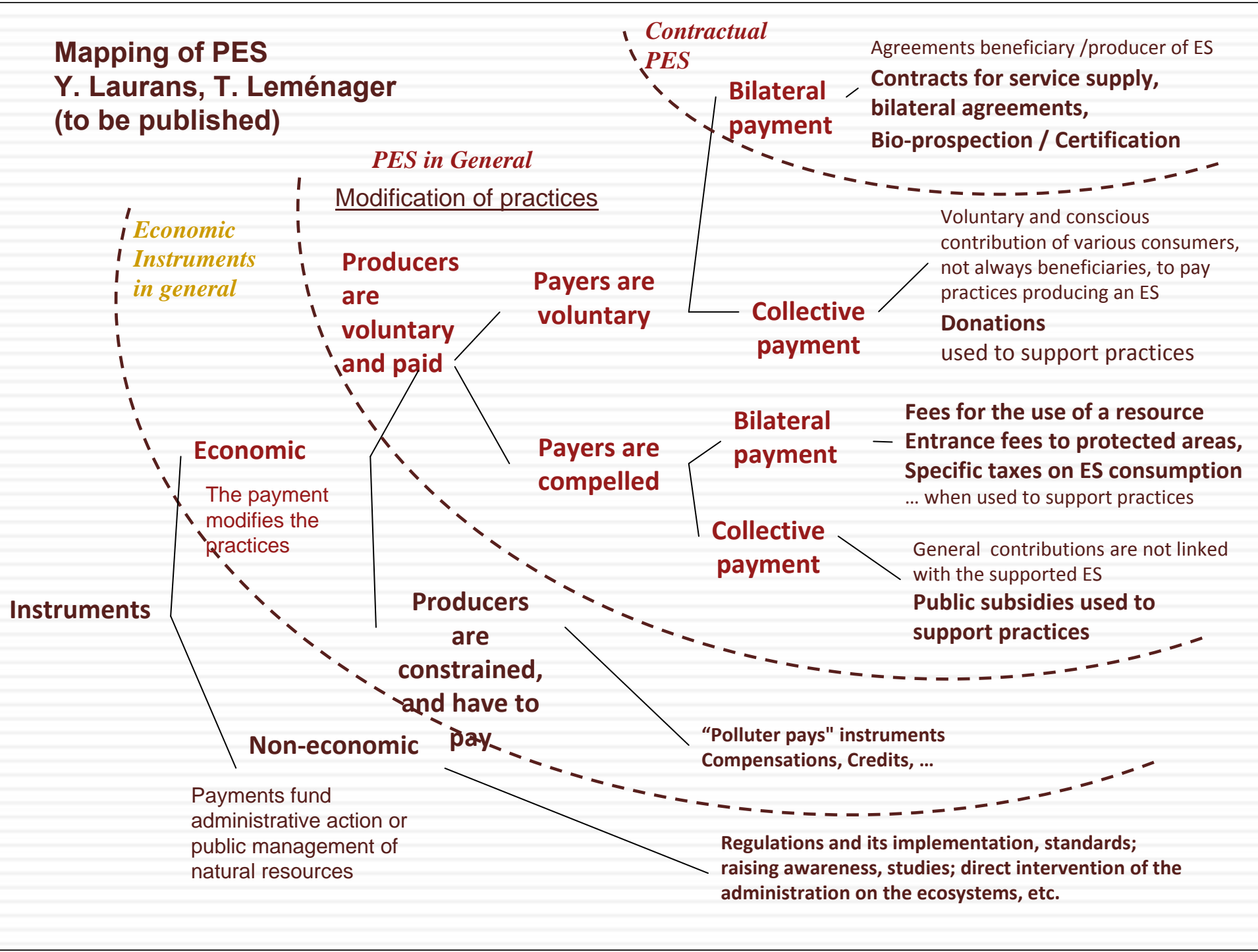


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1. **Economic instrument:**
Practices of producers are changed or sustained directly by the payment (≠ innovative financing of regulation)
2. **Voluntary instrument:**
Producers are not constrained (≠ from “polluters-pay” economic instruments)



Mapping of PES
Y. Laurans, T. Leménager
(to be published)



A selection key (first sketch)



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	Bilateral		Collective	
	+	-	+	-
	”Contractual”		”Donations”	
V Voluntary payment	Targeting and conditionality New fundings available	Not suited for large-scale Ok for “economic leaders” (Tourism & water) Green-washing “New comers” → qualifications?	Makes intensive use of NGOs’ skills New funds available Action generally at local scale: pragmatism, local, can target the poorest	Loose connexion of payers to target Dependence to NGOs strategies and skills
C Compulsory payment	”Use Fees”		”Subsidies”	
	Institutional guarantee of funds Relation user-objective	Sometimes impossible to have the most powerful users to pay Less active contractualization (then less active for the poorests and the most remote)	Large scale, can apply to most fundamental national issues Legitimacy (≠ greenwashing)	Simply conveys existing strenght relations Long loop, biodiv and poorest diluted Social issues are first (because need of large political support)

Some thoughts on poverty-biodiversity conciliation with PES



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- **Synergetic relations**
 - New opportunities for “margins” & most remote areas (in all cases)
 - Direct wealth effect (weak for collective & large scale), institutional effect (esp. in voluntary payment schemes)
- **Negative relations**
 - Independent selection criteria
 - Works on voluntary basis
 - Doesn't address much conflictual issues
 - Works for most marketable e. services
 - Biodiversity as a “free rider”



Thank you



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- yann.laurans@ecowhat.fr
- Laurans, Y., Leménager, T. & S. Aoubid. (2011)