



BASQUE CENTRE
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Social equity matters in Payments for Ecosystem Services

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**Payments for environmental services: new panacea or auxiliary for
environmental management? PESMIX workshop. CIRAD. Montpellier 11-13
June 2014**

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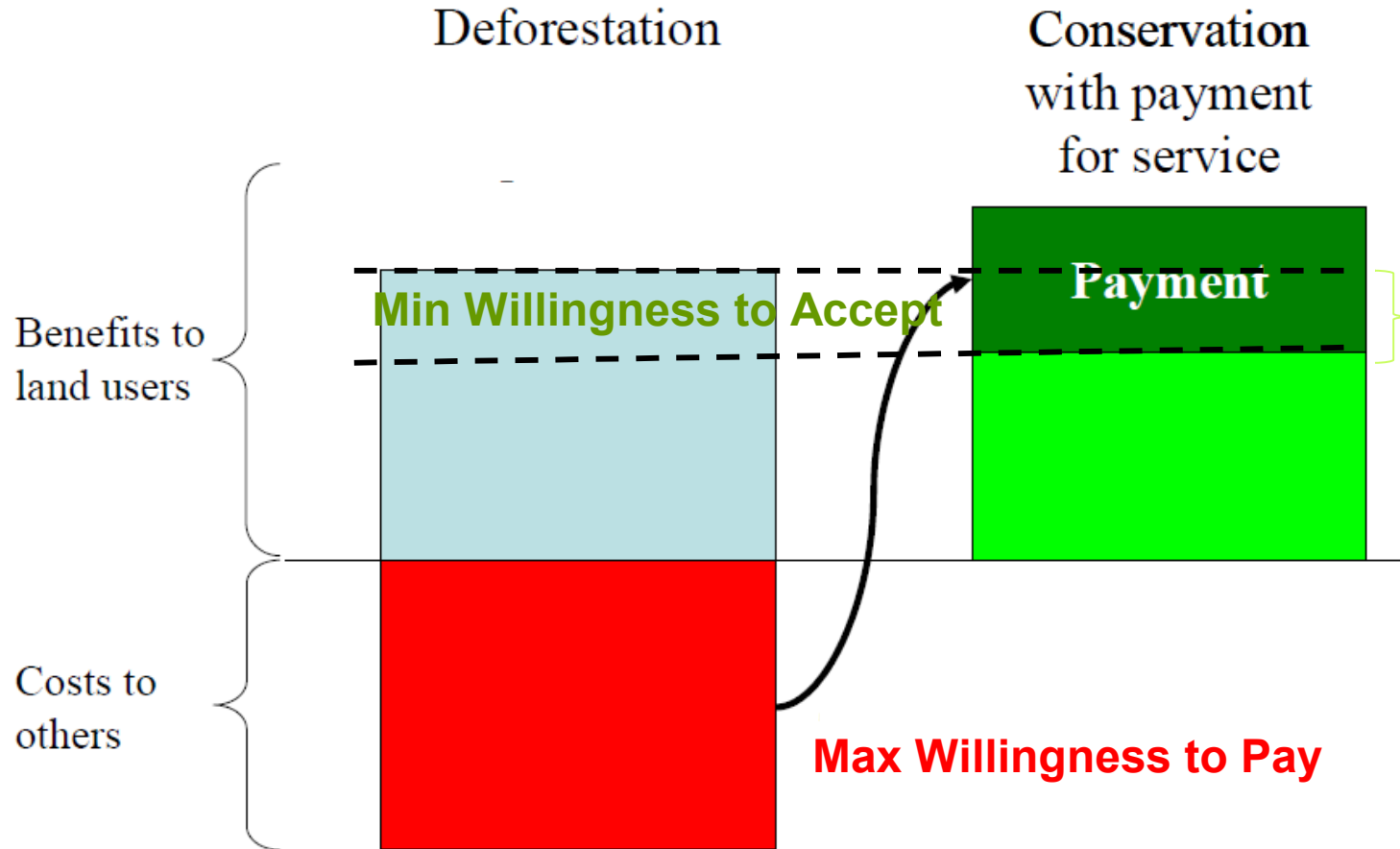
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Overview

1. Motivation and background
2. What do we mean by equity in PES?
3. Prevailing focus on economic efficiency of PES
4. A pragmatist's view
5. The road ahead

1. Motivation: The efficiency logic of PES, REDD+....



But things are messy ...the equity logic of PES, REDD+?



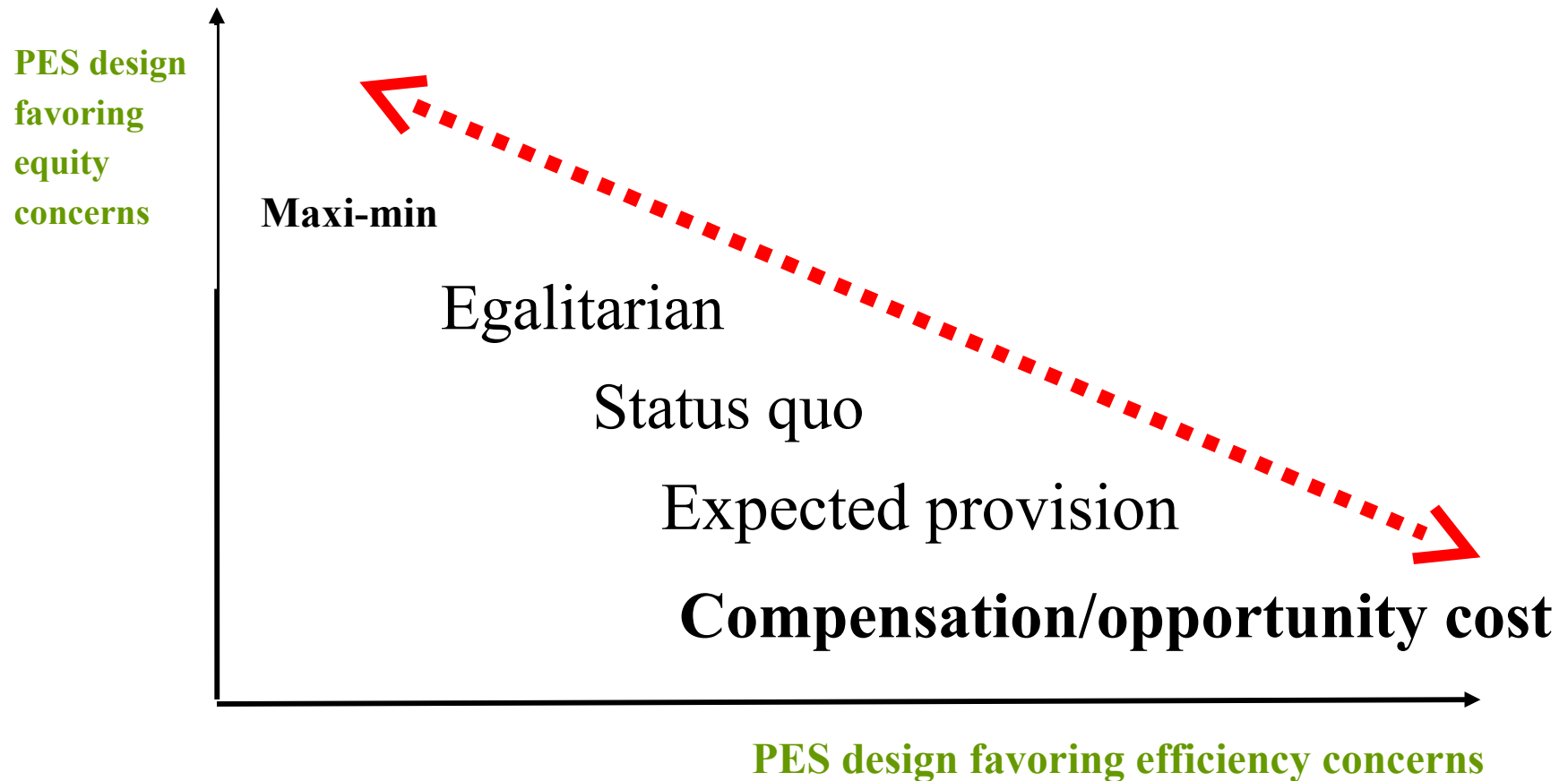
Background

- **Widespread concern** that PES programs are likely to change/reinforce existing power structures and inequalities in access to resources (Corbera et al., 2007)
- Environmental conservation: Landscape of **institutional conflicts** (confronted values and interests).
- Growing body of evidence suggests that **equity** considerations should be integrated into conservation. But the debate remains hot.
- **Interdependencies** exist between *economic efficiency and social equity* in PES (Pascual et al 2010)
 - **1. PES creates equity impacts.**
 - **2. Equity impacts of PES** create **feedbacks** that influence env., outcomes
 - **3. 'Equity blind' PES** are more likely to result in **negative feedbacks** that can undermine long-term conservation goals

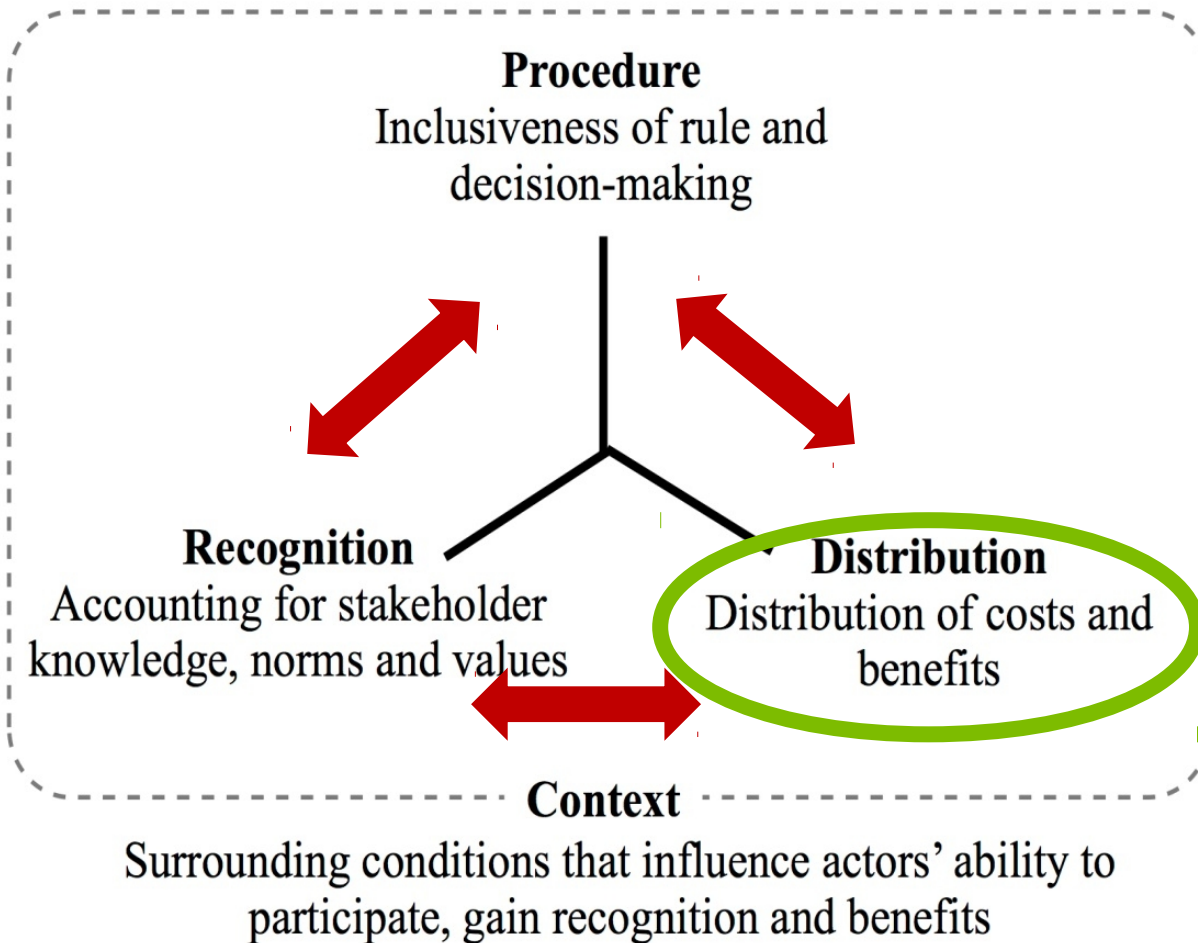
2. What do we mean by equity?

- **Dominant idea:** Equity relates to the distribution of socio-economic factors and goods in a society according to an agreed set of *fairness principles*
 - → meaning is not only specific to each society/culture but also changes over time
 - **Of course...** from an ethical perspective, there is no *a priori* reason why one fairness criterion should prevail over others
 - **Problem...**: Each PES actor is motivated to construe fairness/justice in their own favour
- *Who/why has the power to decide on the prevailing fairness criterion?*

Fairness criteria: equity vs efficiency concerns in PES (Pascual et al 2010)



Multiple dimensions of equity in PES



- These dimensions interact with people's intrinsic motivations and beliefs → *crowding in/out* effects
- Their relative importance is dynamic and context dependent

3. Prevailing focus on economic efficiency

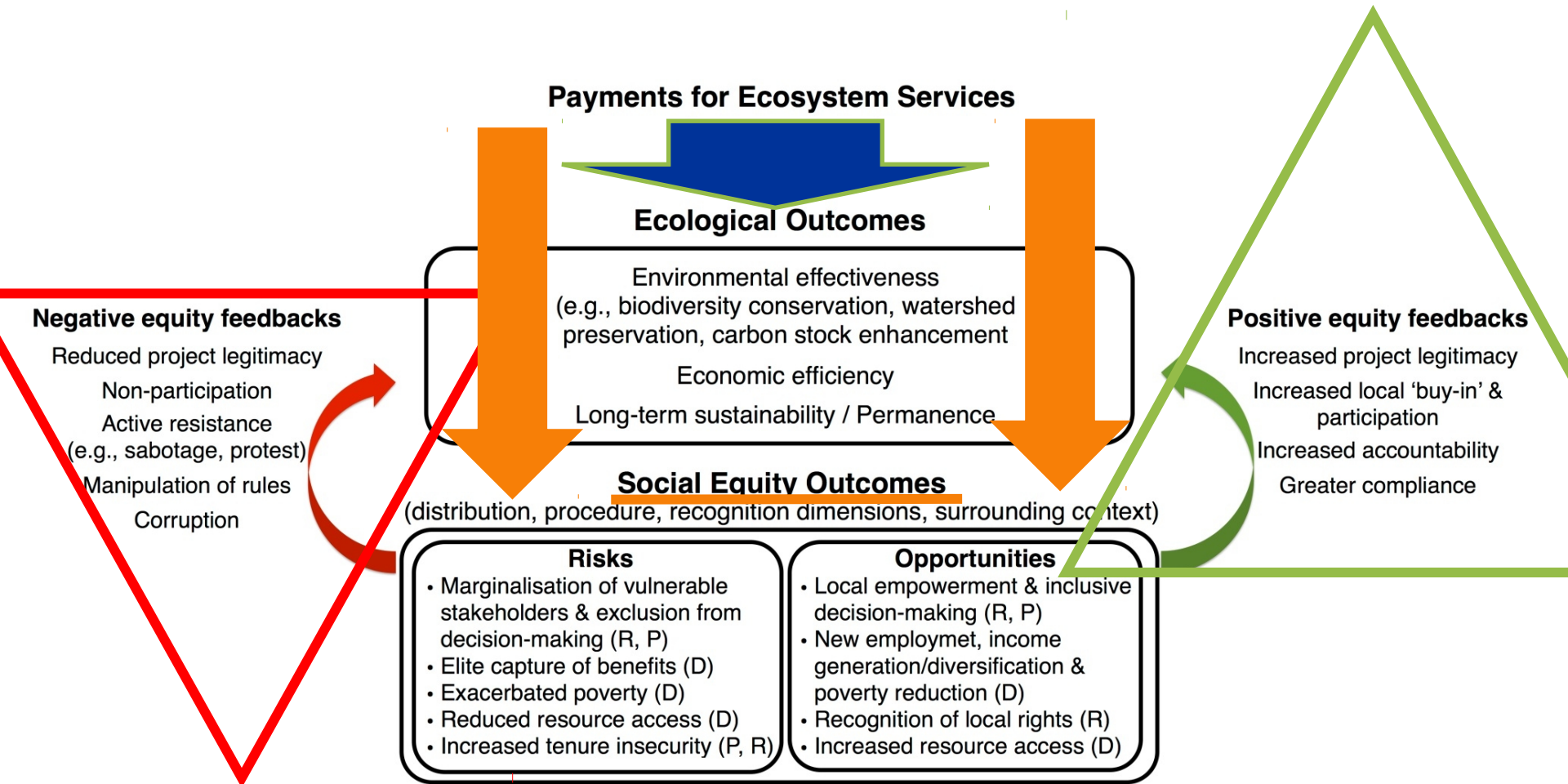
- PES typically envisioned und under an **aura of economic efficiency**
- Some proponents argue that environmental goals must not be conflated with social objectives → At most conservation schemes should either adopt:
 - A '**do not harm**' approach that seeks to attain conservation without worsening equity (**safeguards approach**) or/and
 - **externalize equity considerations** to be addressed through separate policy instruments (one goal, one policy instrument) (Kingzig et al 2011 vs. Corbera and Pascual 2012)

■ **BUT efficiency of PES is rarely evaluated** as it requires diverse **valuationS**

- *Proxied by cost-effectiveness (max. conservation against a budget)*
- *cost-effective targeting approach & min. transaction costs*
- *selection of participants (individuals vs. groups, large vs. small landowners, etc.)*
- → *if legitimacy and developmental concerns, then negotiated re-targeting occurs*
- → → *muddling cost effectiveness & equity criteria tends to be the norm in public PES.*

Equity as instrumental to conservation

- Mounting evidence that equity has important **feedbacks (+/-)** in conservation



Examples (positive feedbacks)

- Greater local autonomy over monitoring and enforcement enhances project legitimacy (Kanowski et al., 2011), stronger accountability and improved compliance
- Participatory approaches and deliberative conflict management strategies improve ecological outcomes (Redpath et al., 2013; Raymond et al. 2013)
- Respecting local perceptions of fairness in distribution of PES benefits have been linked to greater scheme credibility and effectiveness, → → sometimes more important to scheme success than the amount paid (Gross-Camp et al., 2012)



Examples (negative feedbacks)

- **Equity risks** (both actual and perceived) trigger negative feedbacks that erode scheme legitimacy, reduce stakeholder participation, and result in a range of conservation conflicts leading to:
 - rule-breaking (corruption and manipulation of conservation rules), sabotage and protest (Brockington and Igoe, 2006),
 - cancellation of PES contracts (Ibarra et al. 2011),
 - delayed project implementation, required mitigation, and local resistance
- Negative equity feedbacks may ultimately undermine PES scheme viability, require ex-post enforcement, mitigation, outreach and compensation. → **increase operational costs.**

Erode sought after efficiency

The road ahead: Rescuing equity in an era of efficiency

- PES are likely to alter **relationships within and among communities**, and between people and nature
- **Beyond normative or moral arguments**, the available evidence suggests that equity matters for ecological effectiveness.
- **Equity blind PES** schemes run the risk of failure as a result of applying single-objective tools to complex social ecological phenomena
- Need to **capitalize on positive equity feedbacks** to achieve more robust outcomes that can be sustained over time.

- PES needs to move towards:
 - **Participatory design** engaging all stakeholders in decision-making in line **with Free Prior and Informed Consent** principles → need of a broader **recognition of the diverse values** and identities attached to ecosystems
 - An **adaptive approach** to PES governance involving:
 - flexible contracts that allow for periodic re-negotiations and termination options
 - participatory evaluation with emphasis on known socio-economically disadvantaged groups

Thank you