

International Forum on Payments for Environmental Services of Tropical Forests

San Jose, Costa Rica
7-11 April 2014

Main outcomes and the way forward





International Forum on Payments for Environmental Services of Tropical Forests

Aim: to explore how payments for the environmental services provided by tropical forests can support forest owners **to increase income and manage forests sustainably**

Hosted by: Government of Costa Rica, co-organized by ITTO, FAO and FONAFIFO

Attended by: more than **150 people** from **60 countries**, representing governments, regional and international development partners, civil-society organizations and private sector



The need for PES in tropical forests

- Tropical forests provide critical environmental services – e.g. by protecting water catchments, sequestering carbon and conserving biodiversity
- Many people who benefit from such services – e.g. urban dwellers, big industry and developed countries – pay little or nothing for them
- Action is needed to increase the financial remuneration for tropical forest environmental services, usually referred to as payments for environmental services (PES)
- Many PES schemes already exist, including in tropical forests

PES for sustainable forest management

- PES can help increase economic competitiveness of SFM by assigning a financial value to unmarketed forest benefits
- SFM, including wood harvesting, can maintain the delivery of tropical forest environmental services
- Timber certification is a way of paying for environmental services through price premiums (generally insufficient)
- PES schemes should encompass the full continuum of forests and trees in landscapes - more intersectoral cooperation is required
- PES schemes are more effective if incorporated in broad sustainable development models

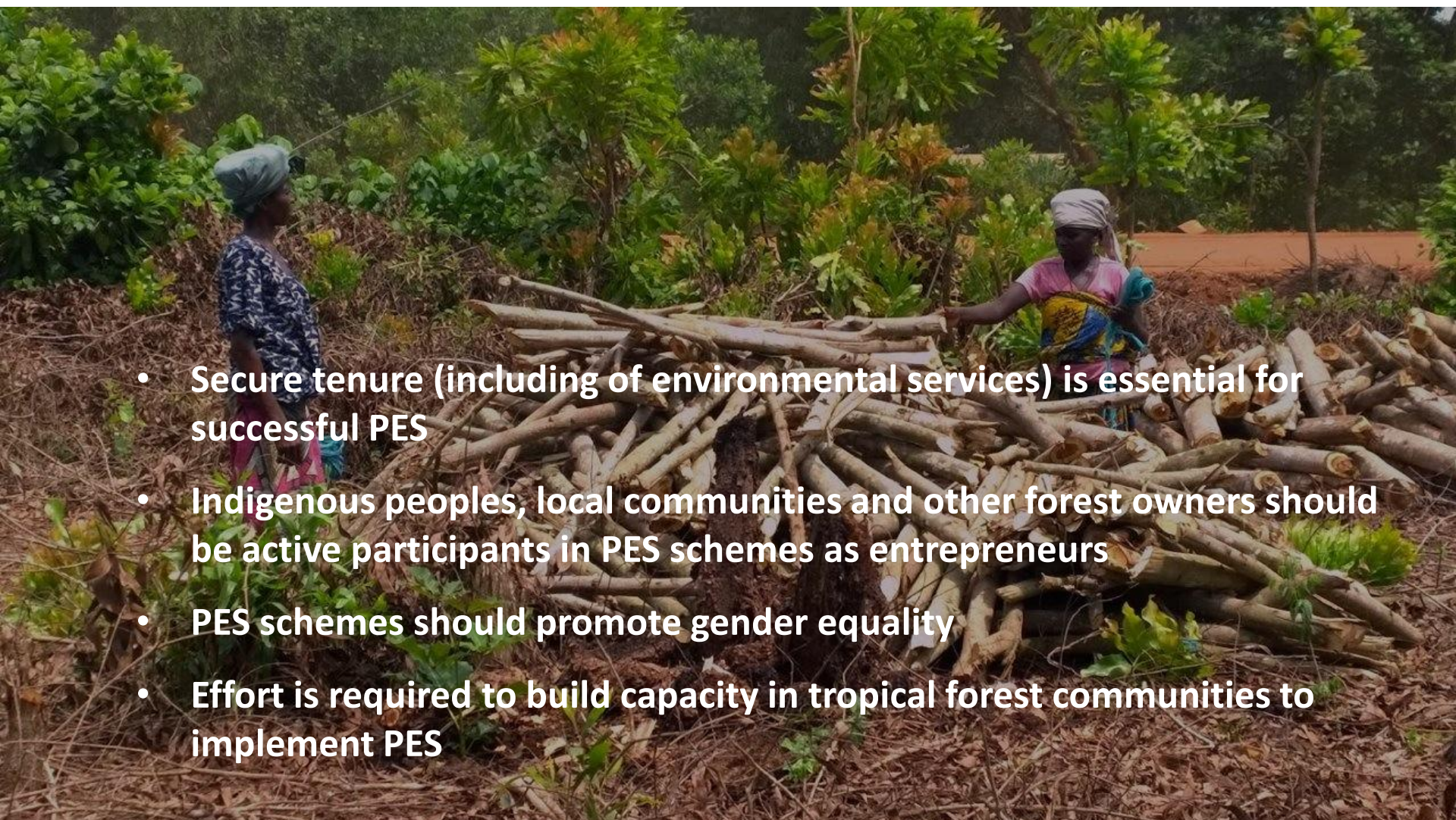
Developing innovative financing mechanisms

- PES schemes are effective when there is a clear demand for environmental services
- Currently, demand is low, partly due to lack of awareness among users of the need to pay, or lack of willingness to pay
- Financial mechanisms should have clear rules, transparent oversight and political legitimacy
- Private sector needs clarity on benefits and risks, and adequate monitoring

Ensuring benefits for local communities

- PES schemes can build trust between indigenous peoples and local communities, government and private sector
- Safeguards such as the right to free, prior and informed consent should be built into all PES schemes

Ensuring benefits for local communities (cont'd)

- 
- A photograph showing two women in a tropical forest setting. They are standing next to a large pile of cut logs, which are stacked in a neat pile. The woman on the left is wearing a blue and white patterned shirt and a blue headscarf. The woman on the right is wearing a pink and blue patterned shirt and a white headscarf. They are both looking towards the camera. The background is filled with lush green tropical vegetation and trees.
- Secure tenure (including of environmental services) is essential for successful PES
 - Indigenous peoples, local communities and other forest owners should be active participants in PES schemes as entrepreneurs
 - PES schemes should promote gender equality
 - Effort is required to build capacity in tropical forest communities to implement PES

Establishing robust governance and institutional arrangements

- Requires appropriate institutional mechanisms, accountability, knowledge of the forest practices required, and an understanding of stakeholders
- Multistakeholder forums helpful to develop effective governance approaches
- Capacity building and funding required to ensure participation by marginalized groups
- More research needed on effectiveness of different institutional arrangements and their costs
- Devolving tenure of environmental services offers win-win outcomes and potential to adapt international frameworks to domestic situations

Recommendations on the way forward

PES proponents are encouraged to:

- Understand the communities with whom they work and respect and the cultural diversity present in forests
- Assist forest owners/managers to implement forest management plans to maintain forest environmental services
- Build safeguards into PES schemes to protect the rights of indigenous peoples and local communities
- Improve the business climate for PES

Governments, civil society, the private sector, donors, academics and PES providers and users are encouraged to:


- **Conduct scientifically sound studies on PES with the aim of increasing the effectiveness of PES schemes**
- **Raise awareness of the importance of environmental services, the role of tropical forests in the provision of such services, and the need to pay for them**
- **Create enabling conditions at all levels to enhance PES**
- **Promote south–south and triangular cooperation on PES experiences**

International organizations are encouraged to:



- Document and promote experiences on PES, develop financial mechanisms, build capacity in delivery of PES schemes in tropical forests
- Use their convening power to inform policy development and promote action on PES in tropical forests
- Promote policies in other economic sectors to internalize the cost of environmental services with the aim of increasing the size of PES markets

Policy brief


REWARDING THE SERVICE PROVIDERS
A POLICY BRIEF





Compensating tropical forest dwellers, owners and managers for the environmental services their forests provide will enhance livelihoods and improve forest management




RÉTRIBUER LES PRESTATAIRES DE SERVICES
DOCUMENT D'ORIENTATION



Rétribuer les habitants, propriétaires et aménagistes de forêts tropicales en contrepartie des services environnementaux que procurent leurs forêts renforcera leurs moyens de subsistance et améliorera la gestion des forêts



COMPENSACIÓN POR LOS SERVICIOS PRESTADOS
UN INFORME DE POLÍTICA



La compensación de los pobladores, propietarios y administradores de bosques tropicales por los servicios ambientales que éstos producen mejorará los medios de sustento locales y la gestión forestal

