

Safeguarding local equity as global values of ecosystem services rise

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Marketing ecosystem services: what impacts on equity?



Project partners

Southampton University

Oxford University

Rutgers University

Australian National University

Overseas Development Institute (ODI)

The Center for People and Forests (RECOFTC)

Centro Agronómico Tropical de Investigación y Enseñanza
(CATIE)

EARTH University, Costa Rica

Uganda Coalition for Sustainable Development



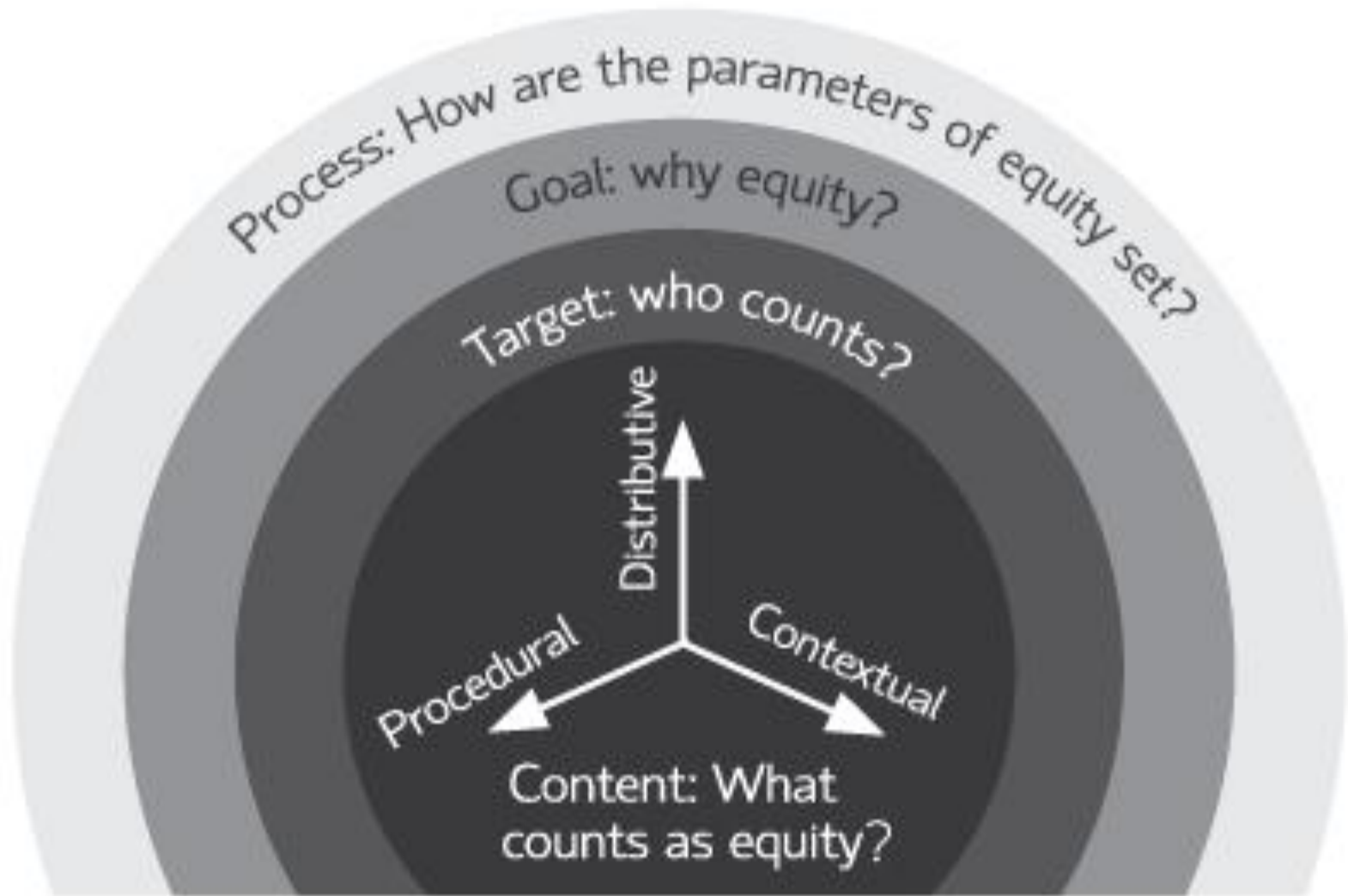
Why are we interested in equity?

- New values (monetary and non-monetary) are being assigned to ecosystem services
- Does their greater value lead to poverty alleviation?
- Resource curse literature suggests caution re equity
- Our focus is on REDD+ agenda
 - 40 countries planning national REDD+ programmes
 - Who wins? Who loses? Concern about equity
- Discussions hindered by lack of clear definition of 'equity' ('the elephant in the room')

Aim: to produce a framework for discussing equity in the context of ecosystem service markets

- Framework can be used in planning or assessment of policies and initiatives
- Framework sets out guiding questions and dimensions rather than specifying universally applicable standards
- Could be used to establish a context-specific definition of equity – e.g. as a baseline for assessing how equity is affected by a PES scheme

The equity framework



1. Content: What counts as a matter of equity? (e.g. Nepal community forestry)

a. Distributive equity

- Outcomes in allocation of benefits, costs AND risks
- Decisions justified on the basis of equality, social welfare, merit and need

b. Procedural equity

- Fairness in political processes
- Participation in decision-making:
 - inclusion, representation, voice

c. Contextual equity

- Capabilities
- Access
- Power



2. Target and scale: Who counts as a subject of equity? (e.g. gas extraction, Bolivia, Humphreys Bebbington 2011)

- **Regional or national government?** Conflict over control of rents from hydrocarbon extraction ('natural gas with redistribution')
- **Which community?** De-institutionalising effect of companies negotiating only with 'affected' communities or individual Weenhayek leaders
- **Who along the value chain?** High salaries and decision-making concentrated in company HQs in Santa Cruz, Brazil, UK, France
- **Which generation?** Short-term hydrocarbon benefits vs future climate?

3. Goals: Why equity?

- What are the (explicit/implicit) equity-related goals?
 - advance equity (fair trade)
 - do no harm (national REDD+)
 - equity impacts not under consideration?
- NB Equity and poverty do not necessarily co-vary
 - e.g. REDD+ agroforestry scheme can alleviate poverty (by raising aggregate income) while increasing inequity (excluding landless)
- Equity highlights the distribution of power & resources underlying poverty

4. Process: How are the parameters of equity set?

(e.g. forest certification, C. McDermott 2011)



- What is the process for deciding the goals, target, content of the initiative? Who is included/excluded?
- FSC – NGO driven; social, economic and environmental chambers have equal votes; emphasis on involvement of NGOs and indigenous people to set parameters; can have FSC standards endorsed without industry support
- PEFC – private sector driven; forest producers are key parameter setters; focus on making (modest) standards accessible to forest producers



Case study: Trees for Global Benefits, Uganda



- Plan Vivo model developed in Mexico and Mozambique
- Uses carbon finance to fund planting of indigenous trees by producers on their own land with explicit objectives of poverty reduction and environmental protection
- Uganda project implemented by ECOTRUST
- Working with >900 farmers in Rubirizi, Mitooma, Masindi and Hoima districts



How does it work?

- Farmers must have enough land and a bank account.
- Buyers purchase carbon from individual farmers with registered plan vivos. Payments held in trust by ECOTRUST until they are made to the producers.
- ECOTRUST makes sale agreements (for 50 years) with individual producers on behalf of purchasers.
- Producers paid after monitoring visits in years 0 (30%), 1 (20%), 3 (20%), 5 (10%) and 10 (10%).
- 10% of payment goes into a Carbon Community Fund.



Some equity issues

- Distributive equity:
 - Shift from variable payments per ton of CO₂ to standardised payment of \$6
 - Carbon Community Fund: distribution pro-rata, merit or need-based?
- Procedural equity:
 - Agreements only available in English
 - Farmers sign before knowing exact payment and schedule
 - Many farmers wait > 2 years to receive signed copies
 - No info about breach of contract or loss of trees
- Contextual equity:
 - Land ownership requirement disadvantages vulnerable groups
 - Ecotrust is only information source

More equity issues

- Equity at different scales:
 - Within the hh: men dominate decision-making over use of payments
 - Along the value chain: farmers receive 50-60% of CO₂ price
- Equity goals:
 - None yet; ‘do no harm’ safeguards
- Parameter setting:
 - International level: price of carbon
 - National level: which species can be included in carbon forestry? (coffee, banana?)
 - Project level: which species are allowed? (indigenous, exotic?)

Are they getting a fair deal?



In conclusion...

- As ecosystem services are valued more explicitly and are increasingly marketed, we need an agreed terminology to describe the multiple dimensions of equity.
- Our framework highlights the distributive, procedural and contextual dimensions of equity as well as recognising the importance of how decisions are taken about framing the content, target (or scale) and aims of equity.
- The equity framework is useful for both planning and assessment of policies and initiatives.
- Ideally, it would be used in an inclusive process in which participants at all levels from local to nation states have a say in determining a context-specific definition of equity.

- For further elaboration of ideas presented here see: McDermott, Mahanty and Schreckenberg @ <http://redd-net.org/themes/equity>



Thank you!
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