

PES and Poverty Alleviation: Issues and Challenges

Presenter: Sven Wunder, Centre for International Forestry Research (CIFOR), Brazil

Abstract: PES is a voluntary transaction where a well-defined environmental service is being bought from a provider who controls an environmental asset and the provision can be continually secured. Challenges to PES include insecure land tenure, lack of control over environmental resources, illegal resource uses, and weak governance. PES can enhance resource uses previously not in the best interests of landowners, can resolve conflicts, and make can all participants better off, including the poor. Because PES programs are voluntary, they are unlikely to make the poor worse off unless people are cheated or surprised by unanticipated effects. Because PES is a relatively new concept with small numbers of participants, there are few systematic studies to evaluate its effects on poverty. Donors may focus only on PES programs that help poor people significantly, but that makes them development projects in disguise, excluding the private sector's participation. The best way to achieve pro-poor PES may be to focus on interventions that "grease the wheels."