

Eco-compensations and poverty reduction session

# Conditional transfers: experiences, lessons and challenges



ADB30PRC 同行三十載，攜手惠四方  
Partnership for a Better World

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# Setting up the scene

Fragile  
ecosystems to  
protect, or  
restore...

Poor people,  
vulnerable,  
small  
landholders,  
landless ...

## Instruments like:

(a) **Behaviour incentive-based** with  
conditionality attached  
e.g. PES, Eco-compensation

(b) **Public work schemes – job  
creation** conditional to satisfactory  
environmental works





# This session

**Sharing experience** between poverty and environmental experts, policy makers and researchers, and across geographies

**Marking point:** areas for future practice, learning and joint research

# Experience at scales

## **Asia:**

- **The Philippines** National Greening Programme,
- **India's** Mahatma Gandhi Rural Employment Guarantee Act programme,
- **China's** Eco-compensation Programme
- The **Bangladesh** *Jatka* Conservation Programme,
- **Bhutan's** emerging Water PES

## **Africa:**

- **South Africa's** Environmental public works programme,
- **Ethiopia's** Productive Safety Net Programme
- **Madagascar's** emerging Payments for ecosystem services
- **Kenya's** emerging Payments for mangrove protection

## **Latin America:**

- **Brazil's** Bolsa Floresta programme;
- **Mexico's** Payments for hydrological services programme,
- **Costa Rica's** Payments for Ecosystem Services programme

# Enablers for success

## Government buy in and financial sustainability

- Net political gain is key.
- Insulate financial sustainability from economic and political shocks

## Institutional setup, + monitoring and evaluation

- Smart and efficient institutions needed
- A need towards a more cost-effective monitoring and evaluation

## Targeting + payment types

- Exclusion and exclusion errors
- Compensation types and distributional implications

## Conditionality and compliance

- Trust is key for compliance esp. for small scale projects
- Effective monitoring and enforcement; well defined property rights



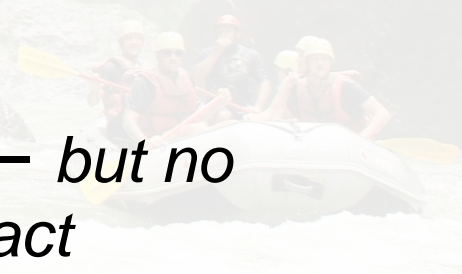
# Convergence potential

**Evidence that it works**— *although not easy (mis-targeting, elite capture, etc)*

**Advances in ICTs** to reduce costs — *although practice not always as planned or preferred*

**Domestic public commitments** and potential for private sector — *but problems with free riding*

**Evidence of change in behaviour** — *but no clear exit strategies with long-lasting impact*



# What next?

## A learning platform:

- Exchange and learn from each-other
- Make a clear link of the environment to wider agendas: health, poverty, industry, climate change, SDGs
- Sustainable ecosystems need sustainable finance: fiscal reform, tackle bad subsidies, natural capital accounting