Executive summary*

Analysis, assessment and perspectives on the implementation of payments for environmental services in Côte d'Ivoire

Payments for environmental services at the heart of Ivorian forest cover restoration policies

Côte d'Ivoire developed its National REDD+ Strategy as part of its commitment to the global fight against deforestation. One of its cross-cutting strategic option is to establish a national system of payments for environmental services (PES). The beneficiaries of environmental services in a PES system pay ecosystem managers for their contractual commitment to adopt certain practices (for example, maintaining forest cover) that generate these services.

A practical guide to PES in Côte d'Ivoire was drafted in 2016. Some pilot projects of direct incentive to agroforestry, reforestation and forest conservation have also been carried out at the local level. Since the development of its National REDD+ Strategy and of the PES guidance documents, Côte d'Ivoire has engaged into the Cocoa & Forests Initiative. It also launched a new policy to restore, expand and protect forests, which has resulted in the adoption of a new Forest Code. The PES mechanism is referred to in this Code, as well as in the Cocoa & Forests Initiative action plan, which envisages the development of PES to restore forests.

Côte d'Ivoire is increasing its efforts to leverage the required investments to achieve its climate objectives, and the number of programmes and initiatives aimed at restoring and protecting forests is growing. It is therefore timely to assess the country's pioneering experiences in the use of the PES mechanism.

* This document is the executive summary of a **complete study available in French.**

Specifically, hindsight from two pilot projects provides the first lessons from testing different PES modalities:

- **The Nawa PES pilot project:** launched in 2017, this public-private partnership between the Ministry in charge of Environment and the chocolate manufacturer Mondelēz International is part of the Mondelēz's Cocoa Life sustainability programme. The project aims to reduce deforestation in the Mondelēz cocoa supply chain by establishing a PES system. The Ivorian NGO Impactum implemented the PES mechanism, which tested individual and collective PES modalities for agroforestry, reforestation and forest conservation.
- **The Mé REDD+ project (2017-2020):** implemented by the NGO Nitidæ and the Permanent Executive Secretariat for REDD+ (PES-REDD+), the project is funded by the French Development Agency under the C2D (the Debt Reduction-Development Contract). It tested an agroforestry premium for organic shade-grown cocoa farmers. Cocoa buyer Alter Eco's carbon offset financed this premium.

The role of PES in restoring Ivorian forest cover

The analysis of these two projects has confirmed PES' relevance in providing economic incentives to local actors and/or in covering investment costs within a structured and contractual framework with farmers, allowing the technical support and monitoring of activities over time.

The projects pilot two complementary modalities of PES that focus on agroforestry incentives. The PES-agroforestry model proposed by the 2016 practical guide and implemented in the Nawa region aims to finance investment for the introduction of trees in cocoa plantations. The Mé REDD+ project pays for existing agroforestry practices. Each incentive form plays a specific role.

Farmers' intrinsic motivation to introduce or maintain trees in their plots, in particular for shade, seems sufficient to secure investment sustainability and to limit the PES-agroforestry contracts' duration to the period corresponding to the initial planting investments. Technical arrangements were chosen through a trade-off among agronomic, social and economic considerations. The Farmers' preferences must be obtained through participatory diagnosis. Agroforestry systems also provide important biodiversity conservation services not measured and valued as PES at this stage. To improve this PES mechanism and its value maximisation, it would be important to adopt a more comprehensive approach to all the environmental services that agroforestry systems provide.

The good maintenance of forest plantations is less certain. It likely requires ongoing technical and financial support to tree maintenance. The creation of forestry brigades to support farmers might not be sufficient. In the longer term, tree replanting after harvest will depend on market access and prices.

Measurement of the basal area in the Mé REDD+ project

Photo: Romuald Vaudry, Nitidæ

There are several obstacles to **reforestation** and **conservation**. The first is land tenure insecurity, in particular the fear of tree extraction within logging perimeters and the loss of land-use rights over land considered unused. Other frequent obstacles are uncertainties over timber prices and the lack of available land for replantation. PES can reduce those barriers. However, the forest plantations' good maintenance probably requires ongoing technical and financial support. Cocoa sector companies have many options to improve conservation investments' sustainability. Among others, they can develop economic activities compatible with the forest (beekeeping, for example) or strengthen the links between conservation PES and community infrastructure investments planned as part of their sustainability programmes.

The sustainability of PES-linked investments requires the transfer of skills and responsibilities to local actors, such as cooperatives or community organisations. In long-term PES payment, as in the case of the Mé project, the premium' sustainability probably requires shifting its funding from corporate social responsibility/carbon offset budgets to include it in purchasing contracts.

Finally, cocoa farming and PES in general primarily involve men who are often relatively old. However, PES projects can also benefit women and young people through complementary activities essential to the implementation of ecosystem restoration, such as tree nurseries, tree maintenance, and support to non-timber forest product development.

The importance of an enabling framework for PES implementation

The analysis of these two projects also provides some lessons concerning the enabling conditions for effective implementation of a PES-type incentive mechanism in agroforestry and restoration projects.

Tree nursery in Assawlèkro, Nawa region

Photo: Adeline Dontenville, EU REDD Facility

The functioning of PES programmes requires a certain level of community organisation, in particular for promoting PES, recruiting beneficiaries, and establishing nurseries or even forest maintenance services. Specific investments at this level, as with Mondelēz's Cocoa Life sustainability programme, can support the PES mechanisms' implementation. The projects' success also relies on engaging the population by involving traditional leaders, as well as local services of the Ministry of Water and Forests and the Ministry of Agriculture and Rural Development.

Mapping land use or drafting a local sustainable land-use plan (LSLUP) is an essential preliminary step to identifying the potential for reforestation and conservation, as well as to drawing up collective PES contracts. There are two major guarantees for farmers' uptake of the project. First, the population must be aware of its rights over the planted trees, whose untimely exploitation within the logging perimeters is illegal. The second element is securing these property rights through land certification. This can be achieved through several options, such as funding the land certificates, as in the Mé project, or ad hoc mechanisms guaranteeing the absence of land conflicts, as in the Nawa project.

The PES pilots also underlined the importance of developing value chains for forest products to ensure profitable market access for PES beneficiaries. This would strengthen the attractiveness of the forestry activities promoted. PES are only one means among others to achieve given objectives. Regulation, structuring and development of the timber, cocoa and non-timber forest product value chains (purchase price, added value, zero-deforestation policy and others) create incentives or disincentives to agroforestry, reforestation and forest conservation. Several actions would strengthen the engagement of those value chains in forest restoration efforts. Examples include: fixing a different price for agroforestry cocoa; restructuring compensatory reforestation obligations; establishing minimum prices for timber purchased from local populations; or creating partnerships with forest operators, such as those developed in the Mé REDD+ project. In general, the legal framework for the forest sector currently offers little security and few incentives. The ongoing legal reform may have more potential to promote the achievement of agroforestry and reforestation objectives than PES.

Lessons learned from this study are intended to facilitate the implementation of future PES projects or other projects with similar objectives. They can also contribute to establishing an appropriate legal framework. A national PES programme, as envisaged in the Ivorian National REDD+ Strategy, could follow provided there is political will.

Authors: EU REDD Facility, Thomas Legrand (independent consultant)
Cover photo: cocoa pods. Credits: Adeline Dontenville, EU REDD Facility

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