

Markets for Environmental Services from Forests: Local Perspectives

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Who lives in the forest?

<i>Livelihood source</i>	<i>Main economic activity</i>
Forest Resources	Hunters and gatherers
	Shifting cultivators
	Herders
Forest Commodities	Artesan traders and small entrepreneurs
	Forest industry employees
Farming	Landless workers
	Poor farmers
	Wealthier farmers

Opportunities for local people

- ★ New income sources
- ★ Improve land productivity
- ★ Improve local environment
- ★ Training for commercial activity
- ★ Local institutional development



Risks for local people

- ✦ Loss of land use rights
- ✦ Loss of rights to harvested products or environmental services
- ✦ Loss of land ownership rights
- ✦ Loss of employment



How to minimize risks

- ★ Strong local input in project design
- ★ Transparency in contracts and distribution of benefits
- ★ Tailor to local conditions
- ★ Clearly define and enforce land and resource rights of local people



Implications for the design of markets

- ★ Use Social Impact Assessments
- ★ Provide incentives to pursue multiple benefits
- ★ Pursue forest resource management options that clearly benefit local livelihoods
- ★ Work with intermediaries to reduce transaction costs of local participation
- ★ Strengthen capacity of local people



Markets for
environmental
services could
help the poor...

... by paying them for the real
services they provide as
forest stewards.

