Wunder, Sven; CIFOR
swunder@cgiar.org
Authors: Sven Wunder, CIFOR
Title: Policy mixes in incentive-based forest initiatives: comparing four Latin American cases

Command-and-control measures (forest laws, protected areas, etc.) have been the traditional way to address forest conservation needs, but more recently a paradigm of conditional conservation incentives (PES, certification, REDD+) has gained more traction, being referred to also as ‘market-based instruments’. These are also sometimes thought to be a more effective alternative to unconditional incentives, such as integrated conservation and development projects (ICDPs). In this presentation, four Latin American incentive programmes are scrutinized to this respect, including looking at how these programmes are institutionally embedded. We find that in practice, incentives are not implemented in their purely conceptualized form. In part, this is due to the complex interaction between community, market, and state (hierarchical) institutions at play. Markets per se play little or no role in shaping these incentives. National PES programs are politically often born only in tandem with weighty non-environmental, human welfare and livelihood objectives. Subnational incentive programmes are often super-imposed on pre-existing imperfect regulations, serving at least in part as compliance subsidies: new “carrots” are complementing old “sticks”, i.e. existing laws, protected areas, or regulatory threats are still doing their part to reduce landholders’ conservation opportunity costs. Specifically, subnational REDD+ projects tend to be dominated by traditional community-based integrated conservation and development programmes (ICDP). Conditionality is de facto often poorly, if at all applied. This can have to do with their limited financing horizons, with the implementation in often remote forested areas with limited uses of cash, but also with a deeply rooted ideology that changing productive logic is more important than compensating landholders for their opportunity costs. Overall, we explore some political economy reasons why we seldom see forest conservation incentives implemented as standalone policies, and develop some conjectures under what circumstances these vis-à-vis theory ‘contaminated’ incentive policy mixes could still deliver desirable outcomes for forests and people.