

## **PES as a Regional ICIMOD Programme**

### **Introduction**

The Hindu Kush Himalaya (HKH) region known as the Himalayan water tower is a life line to nearly 1.3 billion people living upstream and downstream. Environmentally, this region is a biodiversity hotspot, but one that is undergoing changes and degradation at an alarming rate. In the past, governments in the HKH region have developed numerous policies for managing and conserving the fragile mountain environment. However the mountain environmental resources continue to degrade unabated because many of such policies relied on regulatory instruments that did not consider the contextual and local realities. In fact, much of the ecosystem services provided by the HKH region are either under-valued or not recognised by its users. In realization of this problem, there is now a new paradigm emerging in conservation and management of environmental resources by adopting innovative mechanisms that are tied with incentive, is flexible, is voluntary and contextualizes the socio-economic reality. This shift in paradigm calls for institutions to develop incentive based mechanisms that are fair, equitable and where benefit flows from the users to the service providers.

### **ICIMOD's Framework on PES**

Climate change, globalization, and the resulting changing population dynamics and land use are the main drivers of environmental degradation in the HKH region. To address mountain specific issues on water, climate and livelihoods, PES has been identified by ICIMOD as a tool to be promoted in the region. It points out PES as a new opportunity and upcoming challenge and stresses more research and knowledge development is required in the field as only few case studies have been conducted in the HKH.

### **Current PES related activities**

ICIMOD is working on at watershed (in Kulekhani) to implement a payment mechanism from a hydro electric power plant to local communities that manage forest and reduce siltation.

ICIMOD is implementing UN-REDD programme that aims to develop a payment and distribution mechanism from payments made for carbon sequestration from community managed forests. This is a pilot project that tries to develop PES governance mechanism in line with global REDD policy that if far, equitable and transparent working together with the forest user groups in Nepal.