

PAYMENTS FOR ENVIRONMENTAL SERVICES (PES): EMERGING ISSUES IN SOUTH ASIA

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ABSTRACT

PES, a market-based instrument has emerged as a conservation financing mechanisms during the past decade in both developed and developing countries. The main idea behind PES is to internalize environmental externalities through appropriate incentive mechanisms. This paper aims at reviewing the PES case studies in South Asia and highlights the emerging issues on the implementation of PES schemes. The practical experiences of PES in South Asia are very limited. Therefore, this study highlights the issues and implications for South Asia on the basis of theoretical understanding of the PES concept. It demonstrates a number of challenges that may hinder the design and implementation PES programs in South Asia.

KEYWORDS: EVS, South Asia, Market-based instruments.