

# A Policy Brief on Environmental Conditional Cash Transfers (eCCT)

## Environment and Rural Development Program

### Context

Precious natural resources such as the country's forests, waters, coasts and reefs are being destroyed or severely degraded at an alarming rate. Poverty remains highest in upland and coastal communities. To reverse that trend, sustainable management and "good governance" of natural resources need to be fostered at a large scale.

Upland dwellers and fisher folk, when moving from traditional to sustainable practices, often experience significant income depressions for a certain period of time. An upland dweller willing to give up shifting cultivation in favour of agro-forestry will need to bridge the low-income period until perennial trees can be harvested. Similarly, fisher folk willing to protect their traditional fishing grounds (reefs, grass beds, mangroves) and converting to sustainable fishing practices will need some support until fish stocks have recuperated. This phenomenon is often hindering adoption of sustainable practices.

- **Local Governments are the key**  
Local Government Units (LGUs) must be interested in facilitating additional, sustained incomes to their poorest constituents. They can do so by engaging in spatial planning and entering co-management agreements with the Department of Environment and Natural Resources (DENR) for jointly managing the forest lands and coastal areas under their jurisdiction. Forest Land Use and Coastal Zone Management Plans will become an integral part of the obligatory Comprehensive Land Use Plans (CLUP). This will form the basis for issuing long-term user rights and obligations, which, in turn, form the legal basis for enforcing the sustainable use of natural resources by Local Governments, hand-in-hand with the DENR and other authorities.

- **The National Greening Program paved the way**  
The Philippines National Greening Program (NGP) created the opportunity to provide Conditional Cash Transfers (CCTs) to poor people participating in reforestation activities. However, the transfers are only linked to educational and health goals. They are not geared towards specific environmental goals.
- **eCCTs for environmental sustainability**  
For safeguarding environmental goals and future benefits, cash transfers must be linked to environmental outcomes. eCCTs should be limited to 3-6 years to households, who will suffer income depression during that time before benefits of sustainable practices are felt. On the other hand, eCCTs could as well be paid continuously for such environmental services that are not generating income but yield considerable public benefits (e.g. enforcement activities or any other environmental services beneficial to the public).
- **eCCTs only in well governed Local Government Units**  
Sustainable resource management can only be achieved with good local governance. Only those LGUs shall be eligible for eCCTs, which adhere to agreed natural resource use regulations and environmental protection measures. If a Local Government does not comply with the stipulations of the co-management agreement with the DENR, it shall lose its status as an eligible recipient of eCCTs.
- **eCCTs need to be tested**  
Before any eCCT scheme can be applied nationwide, GIZ in close collaboration with its partners from the National Convergence Initiative (DA-DAR-DENR) and the Department of Social Welfare and Development (DSWD) is willing to support a limited number of pilot areas with upland dwellers and fisher folk.

## Recommendations

### Proposed eCCT Scheme Features

#### Eligibility Criteria for Local Governments

- **Approved Forest Land Use Plan (FLUP)** or Coastal Fisheries Resources Mgt. Plan (CFRMP)
- **Approved co-management agreement** with DENR for forest and coastal resources
- **Approved zoning ordinances** in line with National guidelines
- **Well established enforcement teams** (Bantay Dagat / Bantay Gubat) as per national standards
- **Assistance given to DSWD** in conducting the asset / means test as per national guidelines
- **Complementary extension services and technical advice** given to eCCT beneficiaries
- **Compliance to monitoring & reporting tasks** (quarterly as per defined minimum standards)

#### Conditions for Upland Dwellers and Fisher Folk

- **Registered resident** of an eligible LGU
- **Certified being poor** (verified through an asset / means test)
- **Registered land user** (present or future, based on FLUP outcome and land distribution) or
- **Fishing Vessel owner or operator** (LGU registration certificate)
- **Complying to eCCT conditions** as per approved ordinances; quarterly certified by the LGU's Bantay Gubat or Bantay Dagat team and respective DENR or other relevant officials

#### Level of funding

- **Basis:** actual number of household members for a max. of 5 family members (regardless of age)
- **Level of Funding:** to cover the approximate rice needs for an agreed upon, limited time
- **Maximum:** 250 g rice x 5 persons x 30 days x 25 PhP / kg = 937 PhP / month or 11.250 PhP / year
- **Payments:** to follow DSWD's present practices (cash card)

- **Total Costs:** For a period of 7 years, whereby 2-3 million families or up to 10 million people could be covered, about PhP 90 billion (about 13 billion / year) is needed (other costs not considered).

## Expected Benefits

Above conditions are geared towards a massive increase in number and size of protected forest and marine areas, and better co-managed forest lands and municipal waters, to finally halt the destruction of the highly valuable natural resources of the Philippines. Moreover, the scheme will:

- Improve the legal situation of upland dwellers (by issuing long-term land use rights);
- Improve the livelihoods of the poorest of the poor, both upland dwellers & fisher folk;
- Reduce numerous conflicts over natural resources, promote social peace and thus, reduce the costs for combating terrorist groups in mountainous areas on the long run;
- Preserve land / seascapes for tourism development and modern employment generation;
- Reduce rural migration to urban areas, thus reducing the costs for absorbing them;
- Generate self-propelling local economies and jobs (through the massive cash injections); and
- Increase public revenues from transparent land taxation and the growth of local economies.

Hence, it is high time to take bold steps to pilot or extend eCCTs in the Philippines for their manifold positive economic, ecological, social & political outcomes that will have a considerable immediate impact on the lives of millions of poor people and the long-term prosperity of the nation as a whole.

For more information

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