

Plan Vivo

Improving rural livelihoods, restoring and conserving ecosystems



Overview

Plan Vivo is a system for designing and operating payments for ecosystem service projects and schemes, targeted at developing countries. Key participants in Plan Vivo projects are small-scale farmers and forest dependent communities. They create sustainable land management or living plans (*plan vivos*) that combine existing land uses with additional activities and improved practices, which lead to the creation, restoration and protection of indigenous forests and woodlands, as well as agroforestry.

Plan Vivo projects are developed and managed by in-country project coordinators - usually local or national NGOs - who work with communities to apply the Plan Vivo System. The system is really a framework for planning, managing and monitoring project activities and the CO₂ sequestration and reduction benefits that arise from those activities. The system incorporates a set of standards (the Plan Vivo Standard) and guidelines, administrative processes, tools and technical models.

The decisive trigger for project activities is a payment for ecosystem services (PES). Participants receive staged payments for carrying out activities that generate ecosystem services, quantified using carbon as a metric. However, project activities generate a range of social benefits in parallel with ecosystem services. Apart from sequestering and conserving carbon in terrestrial ecosystems, Plan Vivo projects develop rural capacity and the resilience of poor communities by helping to diversify incomes, and by building financial, natural, human and social, and physical capital. It is vital that participation in project activities does not undermine subsistence agriculture and revenues from cash crops. On the contrary, improved agricultural and land use practices are germane to Plan Vivo, and such activities are promoted and encouraged.

It can be helpful to think about Plan Vivo as a blend between a micro-finance and smallholder out-grower scheme. The out-grower concept is that - instead of outsourcing the production of



cash crops, small-scale farmers are paid for ecosystem services delivered through project activities. Payments for ecosystem services in a Plan Vivo project perform much the same incentive function as micro-loans in a micro-finance scheme. There are other similarities with micro-finance too: Plan Vivo is all about promoting small-scale enterprise, market linkages and community empowerment; incentives are performance-linked; aggregation is the key to success; service agreements are straightforward; and organized civil structures are important.

Some history

The UK Department for International Development (DFID) originally funded and supported the research and development of the first pilot project in Chiapas, Mexico, in 1994. That led to the first formulation of the Plan Vivo System. It also set the tone for what has happened in Plan Vivo since. It has been ground-up, context-driven, pragmatic and oriented around communities and small-scale producers, farmers and forest dwellers in developing countries. Almost everything that informs and has come out of Plan Vivo is the product of experience. That has meant trying things, taking risks, accepting the need for trade-offs, making mistakes, muddling through, learning and refining approaches to what can

work. Plan Vivo recognises that organic development is key to its success as a system and standard.

Today there are four operational Plan Vivo projects that sell Plan Vivo Certificates, in Mexico, Uganda, Mozambique and Tanzania. Several others are in various stages of development, including two in Malawi and one each in Cameroon, Rwanda and Nicaragua.

How are projects financed?

Plan Vivo projects source funding for PES largely by providing Plan Vivo Certificates to buyers who may buy Plan Vivo Certificates for voluntary carbon offsetting, corporate social responsibility, or simply to support PES in an area, or in respect of ecosystem services that they have an interest in supporting. A Certificate represents one tCO₂e and a bundle of various other environmental and social benefits that are difficult to price on their own.

Projects require some capital to cover upfront development costs. Typically the initial capital is from ODA sources, philanthropic donors, conservation groups or - in the case of the Mozambique project, for example - private capital.

Once they are established, projects need to be able to cover ongoing project management costs and provide incentives for producers to participate in project activities. In the early phases of a project, incentives come primarily from direct payments for ecosystem services and other forms of project support, such as training or access to community funds.



As projects and sustainable land management practices become more established, sources of income diversify and the importance of the ecosystem/carbon payments for households and communities will often recede.

Environmental and social benefits

Plan Vivo strengthens capacity and builds different forms of capital through a variety of means.

Financial capital . PES create opportunities to invest in more productive and sustainable land use systems, community enterprises and revenue generating activities, through income diversification (agricultural, timber and non-timber forest products), and through savings from the provision of cheap and sustainable bio-energy

Natural capital . through biodiversity maintenance, greater natural environmental resilience, more balanced agricultural and agroforestry systems, watershed protection and moisture retention especially important in areas prone to drought and risk of floods, soil stabilization and erosion control, increased productivity and the ability of lands to support agriculture for longer periods, the provision of shade for animals and crops

Human and social capital . through poverty reduction, livelihood improvements and higher standards of living, increased resilience and ability to adapt to climate change, knowledge sharing, transfer of skills, participatory planning, the strengthening of community structures and financial networks, reduced dependency on aid and government support, and by drawing attention to the importance of community and smallholder land use rights and tenure

Physical capital . through the mobilization of tools, equipment, seedlings and other things which help to improve sustainable resource management capacity

The livelihood benefits of Plan Vivo projects are well understood. The biodiversity benefits are often overlooked and warrant special mention. Native trees are planted which are suitable for local wildlife. Projects help create and link islands of biodiversity. They also provide buffer zones for local biodiversity hotspots by easing pressures of encroachment and unsustainable fuel wood collection.

Plan Vivo and PES

There are various ways to think about and describe payments for ecosystem services (PES). In the Plan Vivo framework, PES can be seen quite simply as a kind of subsidy or compensation for actions that give rise to environmental services. The importance of the word *actions* cannot be over-emphasized; Plan Vivo is about mobilization and activities; it is about rewarding rural farmers and communities for successfully doing things they would not ordinarily do, because of a lack of financial wherewithal, capacity or support. Producers receive staged payments based on their actions and attainment of agreed performance milestones.

The metric of CO₂ is used as *currency* for transacting PES partly because it is widely recognised, and can be understood and monitored (relatively) easily by people on the ground. It is a useful indicator of how successful project actions are. Carbon serves as both a means and an end. It is an end as it represents and corresponds to a climate change mitigation benefit. Carbon finance is a means of getting money to peasant farmers and communities, maintaining biodiversity, restoring natural and managed (agricultural) ecosystems, improving rural livelihoods, and reinforcing the rights of people who are the stewards of forests and lands and whose survival depends directly on natural resources.

Plan Vivo scalability

One of the great strengths of the Plan Vivo is its scalability, which is closely linked to the fact that the system is replicable, transferable and helps achieve economic and information efficiencies. Much like a micro-finance system, Plan Vivo thrives because it is able to efficiently mobilize and aggregate the enterprise and corresponding environmental benefits of thousands of producers. The system standardises and simplifies project operations, making them more efficient to administer, understand and communicate.

Projects are based on systematized accounting processes . both for carbon and the management of payments to producers. The *plan vivos* (management plans) serve as the basic building blocks for projects and are linked to approved technical specifications



(methodologies) that are used to calculate carbon benefits. A Plan Vivo database provides a basic infrastructure for allocating funds across producers and for recording, managing and disseminating data from the monitoring of project activities. These administrative processes, technical models and tools facilitate replication and extension of project activities to new areas.

Project extension is also made considerably easier by information efficiencies that arise as producers become a powerful driving force for communication, understanding and the transmission of information. When producers in a particular area learn about and are able to see the benefits of a project operating in another area, they generally feel encouraged to become involved and more receptive to learning and understanding how the system works.

The Plan Vivo project in Mexico started with a handful of families and has recruited over 700 over the year. The Mozambique project has grown to include 1,350 producers since it was initiated in 2001. The producer recruitment numbers for the Plan Vivo project in Uganda illustrate the sort of growth potential that is possible in Plan Vivo projects:

2003	30 new producers
2004	54 new producers
2006	18 new producers
2007	34 new producers
2008	268 new producers
2009	100 new producers
Total	504 producers

The Plan Vivo Foundation and BioClimate Research & Development

The Plan Vivo Foundation governs and oversees the development of the Plan Vivo System and Standards. It reviews and registers projects, and also assesses project monitoring data in order to issue Plan Vivo Certificates. The Foundation also approves third-party verifiers and coordinates project validation. It disseminates information and promotes and supports the Plan Vivo System, Standard and projects. The Foundation itself cannot get directly involved in project development because of its governance and certification function.

BR&D, a Scottish company, strives to facilitate knowledge transfer, increase community capacity and make project development accessible and affordable for organisations in developing countries. In future BR&D may look

at helping develop routes to market for Plan Vivo (Fairtrade) commodities and products. BioClimate Research & Development (BR&D) is a not-for-profit company mandated by the Plan Vivo Foundation to assist organisations around the world to develop Plan Vivo projects.

For more information visit www.planvivo.org

Plan Vivo Foundation
18B Liberton Brae
Tower Mains Studios
Edinburgh EH16 6AE
United Kingdom

Tel +44 (0)131 672 3782

