

South Downs Way Ahead NIA
Best Practice Event
Developing the potential for payments for
ecosystem services

25th September 2013

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Overview of recent work in Defra on PES



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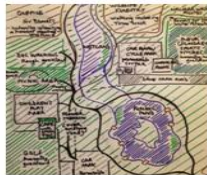


Department
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Developing the potential for Payments for Ecosystem Services: an Action Plan

May 2013



Department
for Environment
Food & Rural Affairs

Payments for Ecosystem Services: A Best Practice Guide



April 2013

URS



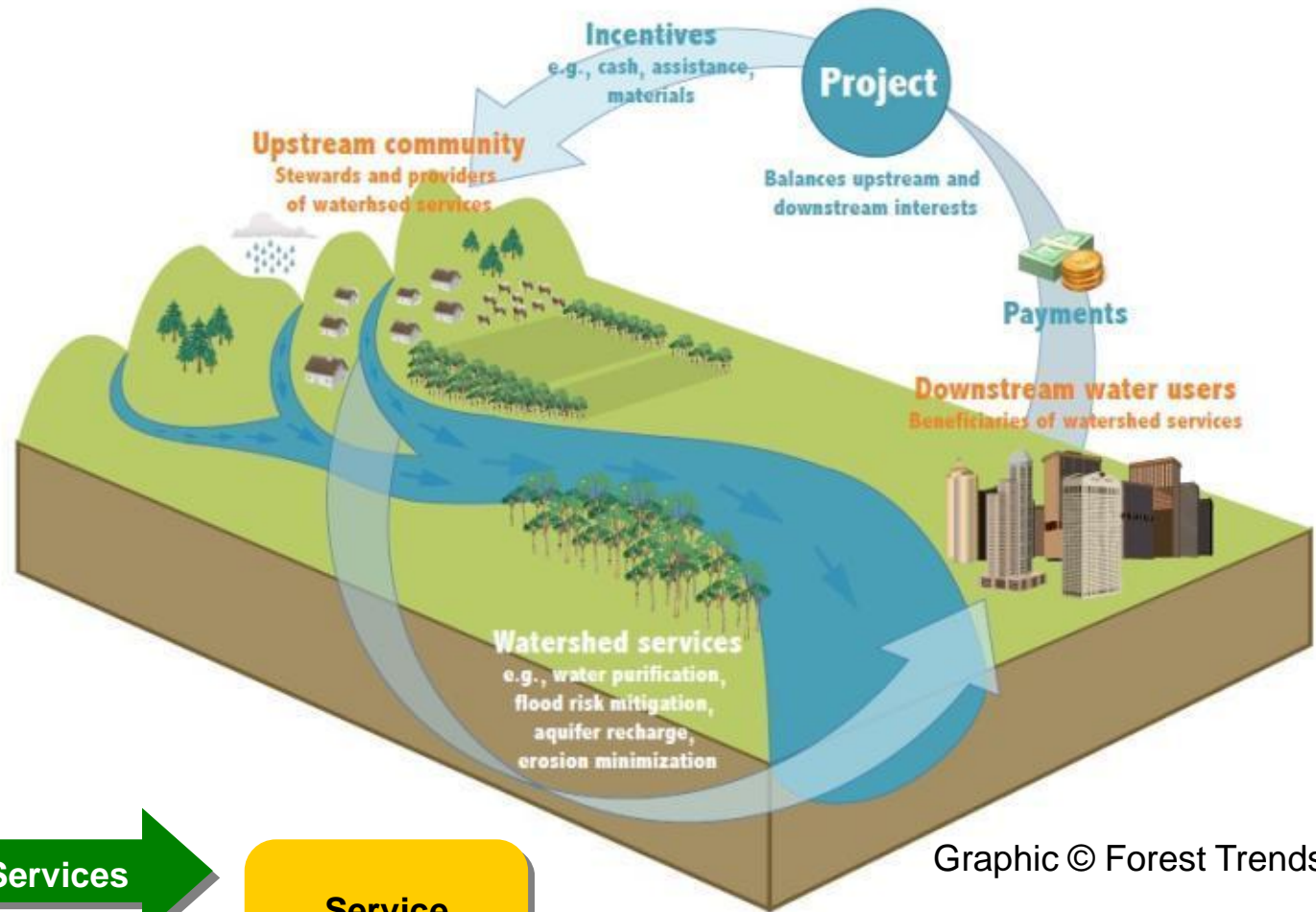
Westcountry
Rivers
Trust



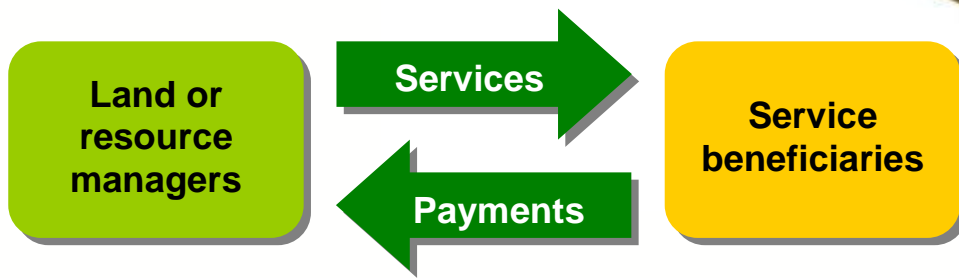
Purcell Ltd

What does PES look like?

‘beneficiary
pays
principle’



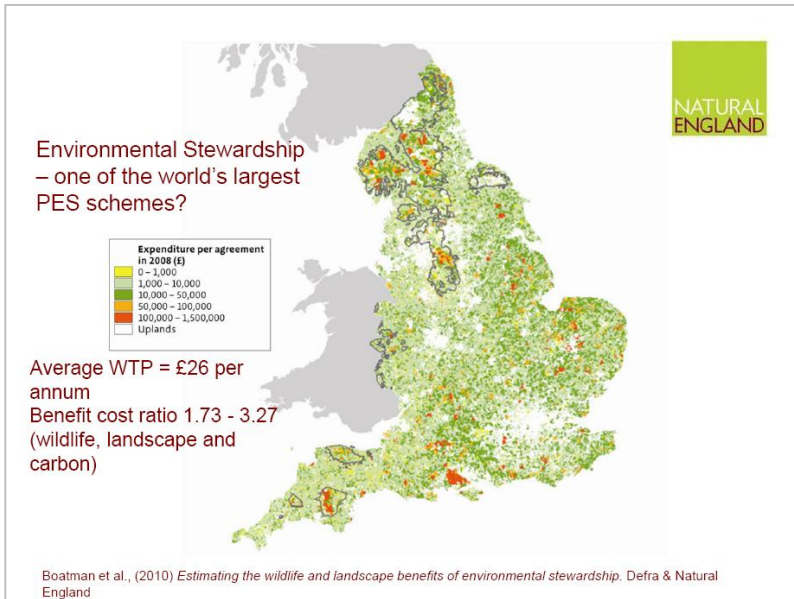
Graphic © Forest Trends



Existing PES schemes



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Food and Rural Affairs



Woodland Carbon Code

Requirements for voluntary carbon sequestration projects

Woodland Carbon CO₂e

scamp news

WORKING TOGETHER FOR WILDLIFE AND WATER
ISSUE 8, SPRING 09

A day on the farm

This spring tenants, local interest groups and environmental associations were given the opportunity to see, first hand, a farm on our Bowland Estate where all the work under our SCaMP programme has been completed.

Representatives from a wide host of organisations including, Lancashire County Council, The Country Side Alliance, The Environment Agency, The Forestry Commission, The Moorland Association, Natural England, The Ribblesdale Conservation Trust, and the Bowland Estate, tenants visited Hawsaids Farm in March to see for themselves the improvements made to the farm over the last three years.

The day began with a tour of the recently completed farm buildings including an extension to the existing stone building and a new yard and milking parlour.

The group then visited the farm to look at some moorland shepherding where moorland drains, (grip) have been installed.

Caroline Hooton, Bowland Land Agent explained the reasons behind all the work which was carried out as part of SCaMP and the HLS agri-environment scheme.

The moorland drains were installed with the aim of bringing the water level on the land to slow water runoff from the land to the watercourse and reservoirs to stabilise or reduce water colour from these areas and reduce the amount of peat eroded from the upland.

The new buildings were erected to house sheep taken off the fell during the winter months in order to reduce grazing pressure on the fell as part of the HLS scheme.

Feeding livestock also leads to a rise in the production of manure, so it was essential to improve the fields to accommodate this increase to protect water quality she added.

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The group was then taken to Scares Reservoir to view the new woodland restoration which will help achieve the Lancashire Biodiversity Action Plan Targets. This work has involved the removal of conifers and the planting of native broadleaves of native tree species.

Nursing Langden Head back to health

A huge project has begun to stabilise and re-vegetate areas of bare and eroding peat at Langden Head in Bowland.

More than 40 tonnes of bedding made off from livestock which combine the nutrients to soil peat.

The first crop of grass will act as a nurse crop, stabilising the ground while providing the essential micro climate for the heather and other moorland plants to establish again.

Natural England is funding the majority of the project which has also benefited from a £20,000 grant from Lancashire County Council's Our Moors, Our Future Fund which will be used to create some of the large grassy strip edges on the site.

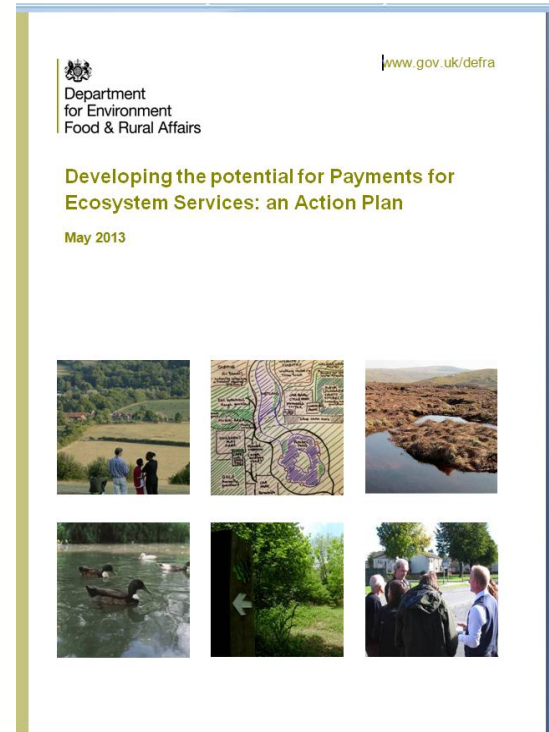
Woodland Carbon CO₂e



Key PES principles

- Voluntary
- Beneficiary pays
- Direct
- Additionality
- Conditionality
- Ensuring permanence
- Avoiding leakage

- Provides an opportunity to look at potential role of PES in different policy and ecosystem contexts.
- Recognises that Government has a supportive and enabling role to facilitate innovation
- Provides stock-take of an evolving agenda
- PES is simply one approach that may complement rather than replace other approaches





Overview of PES Action Plan

1. Capacity Building

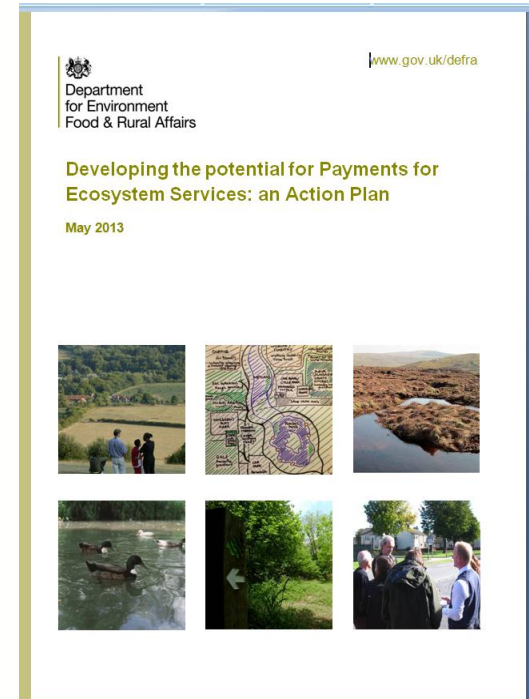
- PES Pilot Research Fund
- Best Practice Guide + case studies
- Developing understanding of demand, spatial planning for ecosystem services, multiple financing models etc.

2. Actions in specific areas

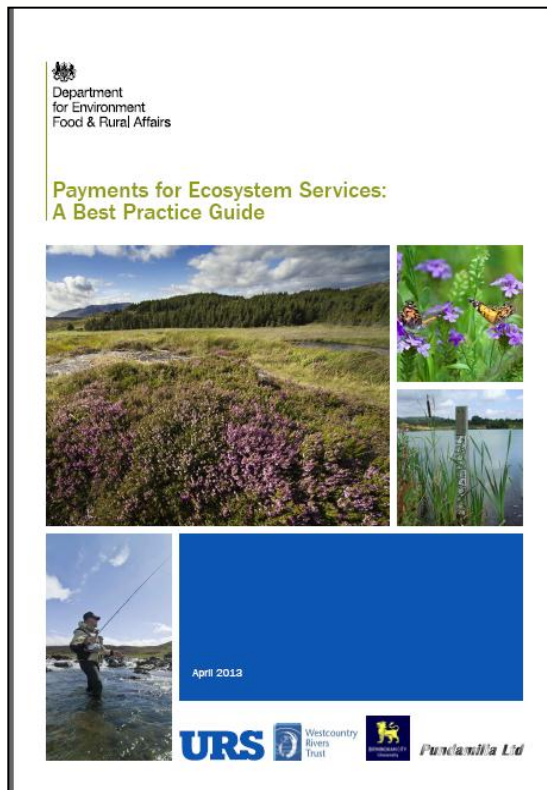
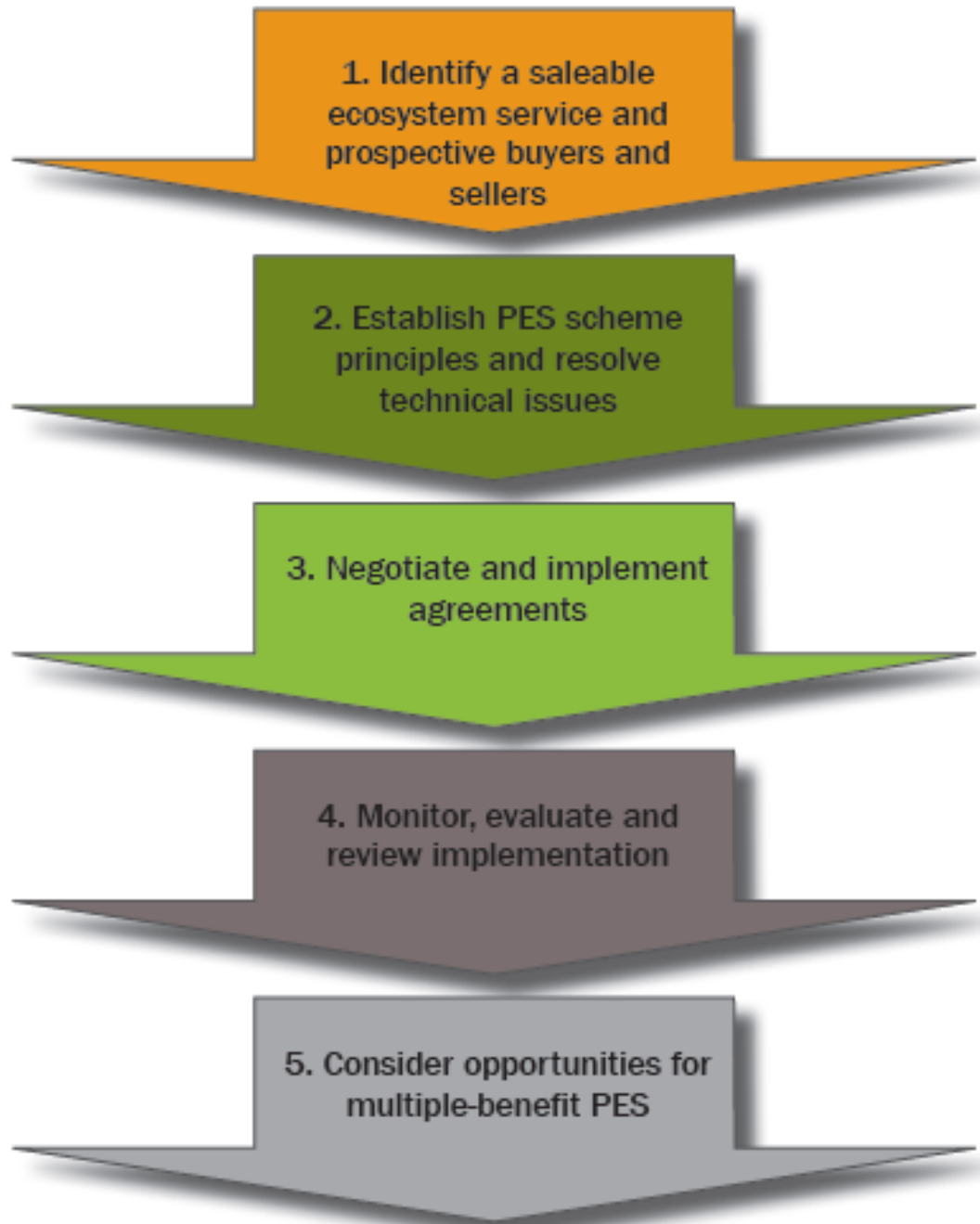
- Water quality, Peatland, Forestry, Stewardship, Flood risk management

3. Evaluation

- Learning by doing
- Tracking progress
- Review in 2014, following completion of pilots



Five phase approach to PES



PES best practice guide case studies: Upstream Thinking



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- ❑ **Buyer** = South West Water (private water company)
- ❑ **Sellers** = Farmers in target catchments
- ❑ **Intermediary** = Westcountry Rivers Trust (charity)
- ❑ **ES** = water quality (plus water quantity, biodiversity)
- ❑ Encourages and/or incentivises farmers to implement land management actions to improve raw water quality, with many management measures locked into 10 or 25 year covenants
- ❑ South West Water and the Westcountry Rivers Trust worked together to develop an action plan for three target catchments



2. Specific opportunities

Specific areas of opportunity in the Action Plan



Water Quality

- Integrate PES into Catchment-based approach
- Strengthen evidence base
- New research into catchment financing



Flood risk management

- Fund flood risk demonstrators
- Partnership funding offers opportunities for PES / natural solutions



Linking PES and Agri-Environment

- Explore potential for reverse auctions and match-funding mechanisms to improve vfm
- Review barriers and opportunities to joining up with private funding



Forestry and Woodlands

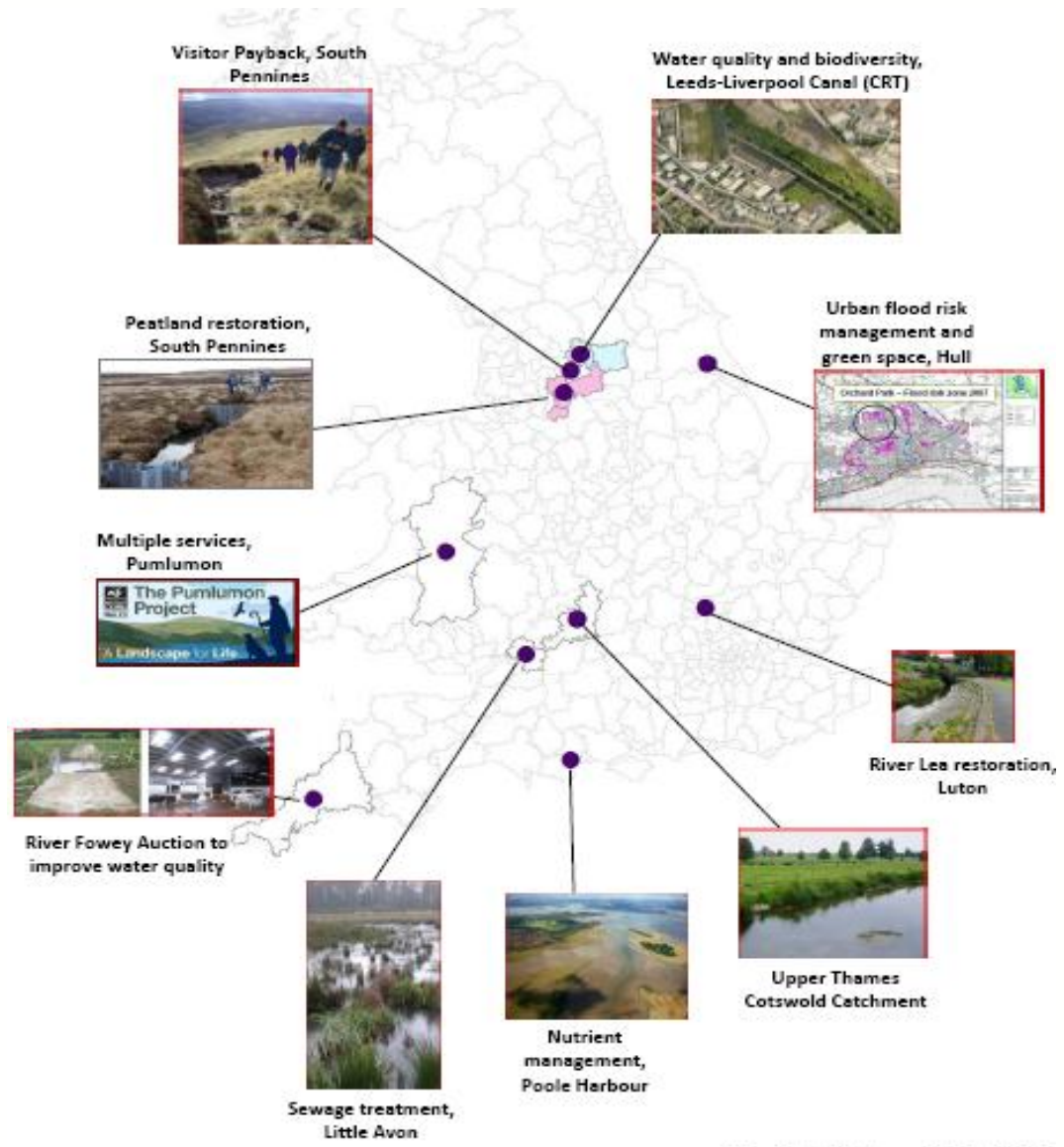
- With FC, develop Woodland Ecosystem Roadmap
- Support work of "Grown in Britain"



Peatland Restoration

- Work with IUCN and DAs to launch pilot Peatland Carbon Code
- Publish carbon metrics

Defra PES pilot fund – projects currently funded



Development and launch of a pilot peatland code



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UK Peatland Carbon Code A DEFRA PAYMENT FOR ECOSYSTEM SERVICE PILOT PROJECT

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Other partners:

- Centre for Ecology & Hydrology
- Crichton Carbon Centre
- Forest Carbon Ltd
- Free University of Berlin
- Germany University of Greifswald
- URS
- Environment Bank
- Consultants: Alex Inman & Charles Cowap



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Pilot UK Peatland Code

PEATLANDCODE

The Peatland Code is the voluntary standard for peatland restoration projects in the UK that want to be sponsored on the basis of their climate and other benefits.

During its pilot phase, this draft Peatland Code is designed to support funding from businesses interested in restoring damaged peat bogs. It provides standards and robust science to give business supporters confidence that their financial contribution is making a measurable and verifiable difference to UK peatlands.

Our peatlands are vitally important for people and urgently need funding to help secure climate change, biodiversity and water benefits.



Trialling different contexts for applying PES to water

- South West Water pilot & implementation (UEA/WRT) of a reverse auction approach for diffuse pollution (Fowey river improvement auction)
- Feasibility of a nitrogen PES scheme in the Poole Harbour (RSPB)
- Applying PES in context of sewage treatment works/constructed wetland (Bristol Avon Rivers Trust)



Fowey River Improvement Auction

Designing a payments for ecosystem services auction

The River Fowey is the source of the majority of Cornwall's drinking water but suffers from sediment, nutrient and pesticide pollution, primarily emanating from farming activities. That pollution is a big problem for the regional water company, South West Water. In order to provide their customers with safe drinking water, the company incurs substantial costs treating water abstracted from the river.

Investigating 'Visitor Payback' schemes

- Schemes where visitors make voluntary payments towards conservation & management of places they visit
- Defra pilot investigates whether PES principles and use of a smart phone app to facilitate payment might increase revenues & avoid the high admin costs of existing VP schemes
- Final outputs will include Visitor Payback toolkit, learning network, & apps



Some lessons learned so far

- Pilots are helpful in testing the feasibility of PES in new contexts (water, peatlands) which could have wider application
- PES opportunities do not generally exist in isolation but must respect wider strategies and plans in the target area, to which they could add value
- Need to communicate with many stakeholders in simple, intuitive terms. Importance of trusted intermediaries / facilitators of PES
- Need to find ways to combine multiple sources of funding from a range of beneficiaries

Thank you

PES action plan and best practice guide:

<https://www.gov.uk/government/policies/protecting-biodiversity-and-ecosystems-at-home-and-abroad/supporting-pages/valuing-the-benefits-we-get-from-nature>

PES pilot research projects:

<https://www.gov.uk/ecosystems-services>

<http://ekn.defra.gov.uk/resources/programmes/pes-pilots/>