Exploring the ideas and views on PES held by professionals working on environmental management in the UK

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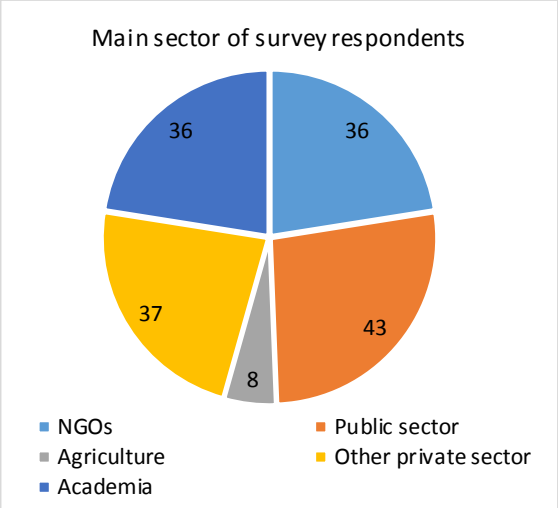
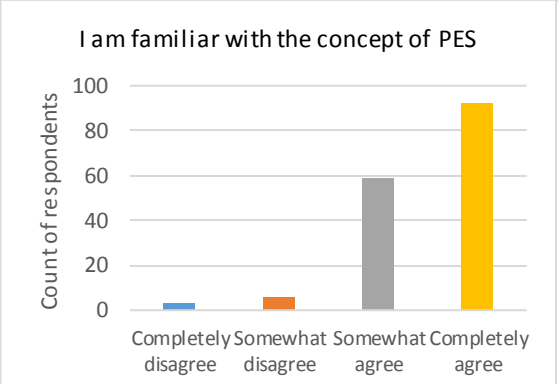
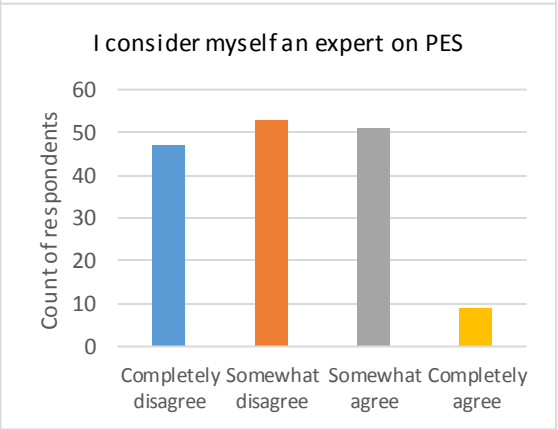
In the summer of 2016, over 150 environmental professionals from across the UK responded to an online survey designed to capture ideas and attitudes about the 'Payments for Ecosystems Services' (PES) concept and practice. These respondents have a range of job roles and professions, ranging from policy-makers through to academics and consultants. This briefing note provides an overview of some of the views expressed in the survey. We are currently preparing our full results for publication in an academic journal in 2017– please contact us if you would like more information before then.



Who took part?

We aimed our survey at anyone who considered themselves to be working on environmental management in the UK. We are happy that our respondents reflect a broad mix of roles in environmental management, including groups who enable, deliver or study environmental management. Over 60% of our respondents had a training or educational background in the natural sciences (e.g. ecology). Other backgrounds include economics, social sciences, engineering, business or multi-disciplinary training. We did not find training or sector affected people's responses in a statistically significant way, so the rest of this report doesn't differentiate between these groups.





What is the level of familiarity with PES?

Whilst many people considered themselves to be familiar with the idea of PES, fewer people classed themselves as experts. 125 people said they were aware of existing PES projects in the UK, whilst 47 said they were actively connected with PES projects. Quite a variety of projects were described. No specific project was particularly likely to be mentioned, although many projects were connected with water management and the recent Defra 'pilot projects'[1] were often mentioned.

[1] http://ecosystemsknowledge.net/resources/programmes/pes-pilots

What does PES mean?

Academics have offered several definitions of PES, but generally agree that PES involves people or organisations ('buyers') who voluntarily pay other people or organisations who manage natural resources ('sellers') for the provision of new ('additional') benefits ('services') from nature. Payments are conditional on sellers taking action or delivering results, and entering into the scheme is usually expected to be voluntary.

When we asked respondents to describe PES in their own words, most of these descriptions were consistent with the above definition. However, **our respondents tended to focus** on the participants and the object of exchange (i.e. the notion of 'buyer', 'seller' and 'ecosystem services'), and **less often on characteristics of the arrangements (i.e. that transactions should be voluntary, conditional and/or additional)**. For example, there was only one mention that payments should be "above regulatory requirements".

We also asked people to select essential features of PES from a menu of 11 options derived from aspects of different PES concepts. Most answers were split between identifying features as 'essential' versus 'optional': this indicates **some disagreement between those who see PES as having to follow a certain design, versus those thinking schemes should be flexible.**

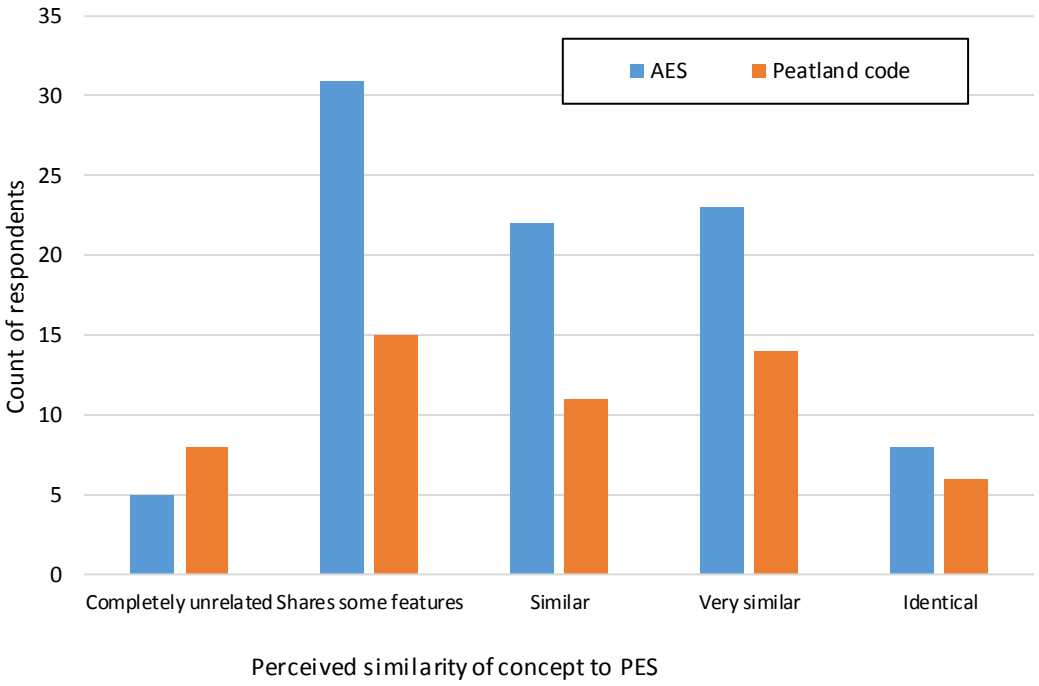
↓Potential features of PES schemes % choosing →	Essential	Optional	Incompatible	Don't know
An intermediary is involved in setting up and/or running the PES project	18%	74%	3%	6%
Payments to the seller are conditional on them carrying out certain actions ('input conditionality')	59%	34%	3%	4%
Payments to the seller are conditional on the service actually being delivered ('output conditionality')	50%	42%	3%	5%
Sellers enter the programme voluntarily	47%	41%	6%	6%
Both buyers and sellers participate in setting the price	36%	53%	3%	8%
Buyers are the government or a public body	6%	79%	8%	8%
Payments are made repeatedly over a period of time, in order to sustain action (rather than a one-off payment for a one-time intervention)	35%	58%	3%	4%
Sellers must receive payments that exceed their costs (i.e. they receive more than just compensation for costs incurred)	32%	51%	11%	6%
Values of ecosystem services are monetized	34%	55%	6%	5%
Services provided by PES are additional to those already existing before it began (i.e. something new must be provided)	27%	61%	8%	5%
Buyers are a private entity (e.g. NGOs, individuals)	3%	86%	5%	6%

How does PES relate to other practices?

In the survey we asked if people saw PES as related to other environmental management concepts. These ranged from initiatives that explicitly describe themselves as linked to PES, such as the Peatland code[2], to those that pre-date PES, such as Integrated Catchment Management[3].

Answers to this question were fairly varied. Most respondents saw some similarities with other initiatives, but did not usually see them as identical to PES. Having said that, all concepts were rated as identical by one or a few respondents. **The schemes most often seen as closely related were Integrated Catchment Management and Biodiversity Offsetting**. Schemes that were most likely to be seen as unrelated – albeit sharing some features – were Corporate Social Responsibility, Ecotourism, Visitor Giving schemes, Green taxes and Eco labelling.

The greatest disagreements were over Agri-Environment Schemes (AES)[4], and the Peatland code: the graph shows a real spread of views on whether these are similar to PES.



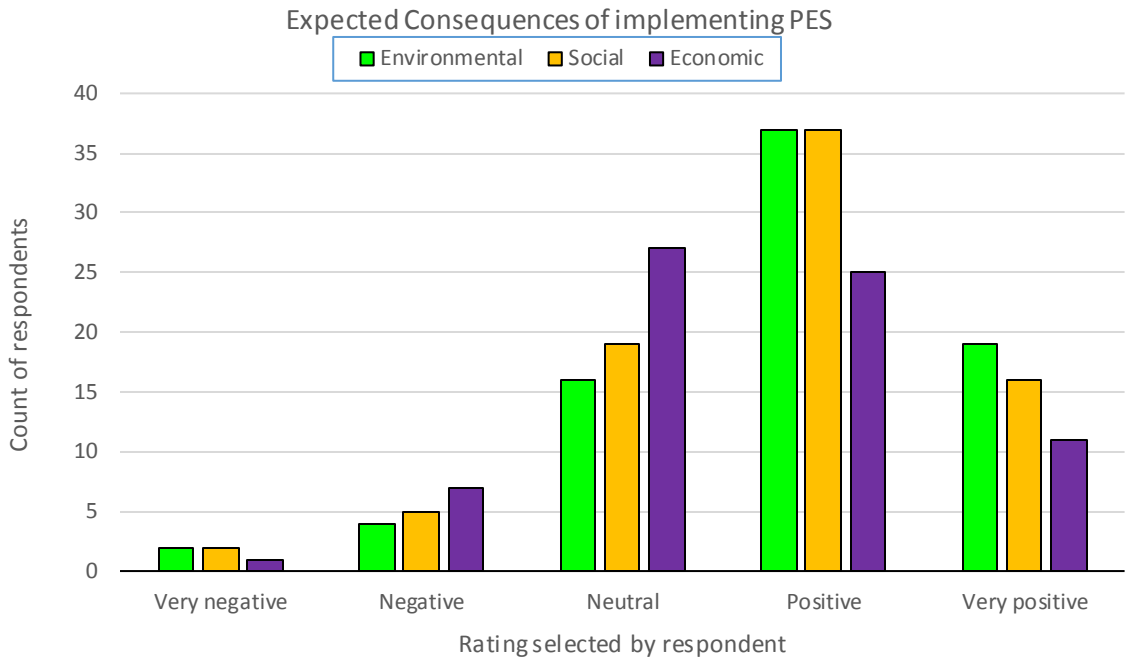
[2] http://www.iucn-uk-peatlandprogramme.org/peatland-code

[3] https://www.shef.ac.uk/polopoly_fs/1.130196!/file/Bob-Harris.ppt

[4] An example of an AES is https://www.ruralpayments.org/publicsite/futures/topics/all-schemes/agri-environment-climate-scheme/

Is PES seen positively or negatively?

We asked several questions that explored if respondents felt positively or negatively about PES. Overall, **most people indicated that they wanted to see more examples of PES implemented** in the UK, as they expected the implications of PES projects could be positive.



Commonly voiced expectations were that PES could: unlock new or alternative funding opportunities, at least for land-managers; allow the protection of more types of places and ecosystems, especially in urban settings; encourage delivery of multiple benefits; improve sustainability in the longer-term; and, raise awareness of the diversity of ways in which nature benefits society. **PES was often noted as a means of bringing together groups not currently thinking about or working to manage the environment**.

However, it seems appropriate to characterise this support as cautious and qualified. PES was usually seen as something worth trying where other approaches have failed. This expectation probably explains why only a minority voiced strong objection to PES, but several noted that it was essential not to reverse the polluter pays principle. Furthermore, **the vast majority of respondents saw risks or potential downsides to implementing PES, and so agreed that achieving benefits from PES depended on careful implementation and support.**

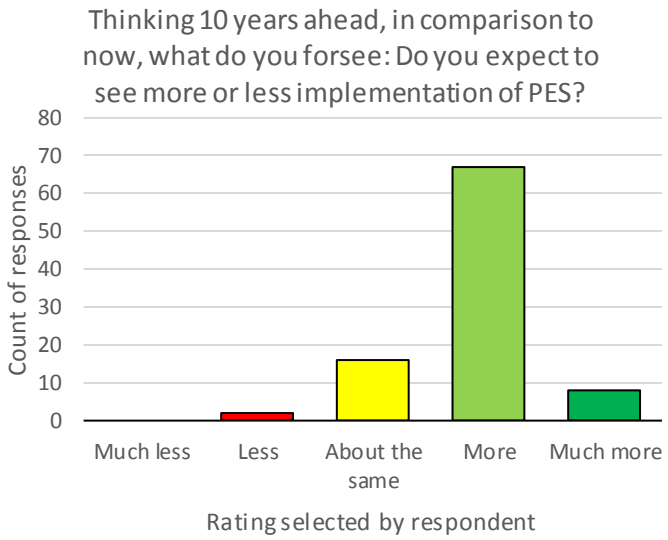
Why try PES?

We asked several questions that provided insights as to why there might be interest or support for PES. In general PES was not seen as a means of conserving biodiversity for its own sake, but to provide benefits and services for humans. However, as noted above, many were motivated to try PES because other approaches (e.g. designating protected areas) had often not been unable to prevent biodiversity loss. Decision-making processes have often not given sufficient weight to nature, so it is hoped that PES will redress this by "factoring in the value of services provided by an ecosystem". **Most respondents' willingness to try PES seemed to be driven by frustration with the existing situation, compounded by fear of future reductions in resources for conservation**. Use of PES was seen as an additional instrument for nature management, rather than a replacement for existing approaches such as regulation.

A cluster of answers suggested PES was particularly suitable for catchment management, particularly to reduce diffuse pollution. However, beyond this **there was not much agreement about the specific situations or challenges suited to PES**– and some answers were even contradictory. For example: some said that PES is only suitable for managing large areas, others say it only works at smaller scales; some advocated that it should be used only to deliver of certain specific ecosystem services, whereas others thought we should be looking to 'bundle' as many ecosystem services when designing PES. These contradictions may indicate where further research is needed. Other expectations may always be in tension –for example calls for flexibility and local adaptation, versus calls for simple and standardized approaches.

What does the future hold?

Most respondents expected to see more implementation of PES in the UK over the coming years. However, this was not expected to happen automatically or unproblematically: most felt **changes were needed** to better enable PES. We grouped these into three categories of change: (1) more understanding, evidence and testing; (2) more guidance, regulation and clarity to enable PES; and (3) more awareness of PES and engagement with the public and potential participants. A strong theme was the need to enable facilitation and partnership working to set up and administer new PES schemes (rather than, say, resources to incentivise delivery of ecosystem services). This has implications for action and collaboration across sectors: by academics, government, public third-sector and private groups delivering management 'on the ground'.



Since many said **more research and evidence is required**, it is interesting to focus on these needs. We can again group these into three headline categories, although there is a great deal of detail that falls under these headings: (1) More research to understand socio-ecological systems, how these support ecosystem services and societal consequences; (2) More research on the governance of PES to know when and how to enable it in a UK context, including in the face of uncertainty or non-monetised information about services; and (3) More studies and monitoring of new and existing PES projects, studying all aspects of process and all dimensions of sustainability over long-term scales. There is a particular need for comparative work to understand whether and when it is worthwhile to commit to different types of PES schemes, or other management approaches. These ideas would need input from a range of social, economic and natural sciences.

Conclusions

In general, the survey indicates **there is positive but cautious support for more exploration and application of PES in the UK**. However, there also seems to be **considerable disagreement or confusion about exactly what doing this could or should look like**. Whilst this creates space for innovation, it can also complicate the challenges of designing, implementing and evaluating new projects for environmental management.

We suggest it would be useful to have more clarity about what PES is, including the range of practices that can be encompassed by the concept, and how it relates to other existing concepts and practices. Importantly, we think it may be useful to reflect on what we hope to achieve by using PES. For example, if enabling collaboration and partnership working is an aspiration – as many answers to this survey suggest – are there other activities or concepts that we should focus on as well or instead? These issues also reinforce the **need for evaluation of new initiatives to encompass a range of environmental, social and economic factors** – e.g. in terms of collaboration supported, not just in terms of the efficiency of transactions.

Acknowledgements

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Information about PES

If you would like to further discuss PES or this survey please don't hesitate to contact us. Kerry.Waylen@hutton.ac.uk and J.MartinOrtega@Leeds.ac.uk

If you are interested to know more about PES beyond this survey, note that many existing examples of PES in the UK have been delivered by the Defra 'PES Pilot projects': http://ecosystemsknowledge.net/resources/programmes/pes-pilots.

You might also be interested in the results of a workshop on PES that we held in 2015: http://ecosystemsknowledge.net/sites/default/files/wp-content/uploads/15%2005%2005%20PES%20REPORT%20Final.pdf

A search of Google scholar with the phrase "Payments for Ecosystem Services" will reveal thousands of articles that relate to PES. However, some the 'key' academic sources who provide an overview and definitions of PES are:

- Schomers S & Matzdorf, B (2013). "Payments for ecosystem services: A review and comparison of developing and industrialized countries." *Ecosystem Services* (6): 16-30.
  This provides a good overview of PES in both developed and developing countries, and the potential links with pre-existing agri-environmental schemes.
- Wunder S (2015). "Revisiting the concept of payments for environmental services." *Ecological* Economics 117: 234-243. This provides an excellent recent overview of all the main definitions of PES, and the implications of each.
- Martin-Ortega J, Ojea E & Roux C. (2013). "Payments for water ecosystem services in Latin America: a literature review and conceptual model." *Ecosystem Services* (6): 122-132. This paper provides a good illustration of how the theory and practice of PES may diverge.