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Supporting land management and
environmental delivery:
A British Ecosystem Services Policy

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Supporting land management and environmental delivery

- We need a 'British Ecosystems Services Policy'
- Not an agricultural policy
- Delivery of ecosystem services
- Setting the framework
- Envisioning an ecosystems approach
- How it could work
- Getting there



A 'British Ecosystem Services Policy' (BESP) for rural land

- A unique opportunity to reset rural land policy: path dependency will lock in policy options in longer term
- Rural land delivers wide variety of marketed and non-marketed goods and services
- BESP is a territorial not a sectoral policy
- Policy should seek to support the total social ecosystem value over the long term



Not an 'agricultural' policy

- The problems of agricultural policy:
 - CAP spending on Pillar 1 direct payments
 - Greening ineffective and untargeted
 - Lacks integration across land management impacts
- BESP challenges presumptive entitlements to farmers to deliver environmental benefits
- Potential for longer term security for land management project funding: programme funding



Setting the framework

- The counterfactual – what environmental standard in the ‘absence’ of farming?
 - Water purification?
 - Flood control?
 - Biodiversity?
- The reference level:
 - Standard to be achieved to justify payments
 - External costs – polluter pays
 - External benefits – provider gets



An ecosystem approach

- Focus on delivery of ecosystem services
 - Not just public goods? Supporting services?
 - Not just Natural Capital – ‘services’ connect provider with beneficiary
- Integration across different ecosystem services
- Addressing complexity
 - Devolving decisions closer to providers and beneficiaries
 - Accounting for trade-offs and synergies
 - Co-ordinating decisions



Elements of an ecosystem approach

- Integrated land use decisions by those with best information
- Decentralised funding authority
- Co-ordinated at local level
- Adaptive decision making
- Longer term commitment
- Engages a wider range of stakeholders beyond farmers



How it could work

- BESP is longer term goal
- Requires new local institutions for decision-making (cf National Parks)
- Collective supply (eg farmer associations) and collective demand organisations (eg NGOs and government)
- Support for mediation and facilitation – intermediary organisations (eg Westcountry Rivers Trust)
- Payment for ecosystem services markets
- Local funding for procurement of ecosystem services
- Supported by regulatory systems (eg catchment management)



Payments for ecosystem services

- Some potential services (eg water quality, carbon, flood control) (eg Green Alliance/ National Trust (2016) 'Natural Infrastructure Schemes')
- High requirement for evidence and role for intermediaries
- Establish clear reference level (eg duty to maintain soil carbon?)
- Remove regulatory barriers
- Potential limited by transactions costs / public good characteristics



Ecosystem service procurement funds

- Devolved funds to procure specific ecosystem services, eg:
 - Ecological restoration funding to support large scale conservation areas
 - Catchment funds to pay for land use change and water management
 - Local funds to purchase public access and environmental conservation



Getting there

- Long term incremental shift of funding from direct payments to payments for ecosystem services
- Target remaining payments towards areas where required to protect countryside values
- Shift from central towards local procurement of ecosystem services
- Build on nascent local collective actions (landscape partnerships, nature improvement areas, catchment partnerships ...)



Challenges

- Scope depends on international trading arrangements
- Avoid rapid disruption to land management
- High information demands
- Accountability for devolved expenditures
- Optimal transactions costs to balance environmental benefits
- Tension between long term commitment and responsiveness and cost effectiveness



Conclusions

- We now have the opportunity to alter the path of rural land policy
- Farmers will need to justify payments to compete for funding against NHS etc.
- Justification is primarily to deliver socially desired land-based outcomes (ecosystem services)
- BESP challenges farmers to seek out potential ES benefits
- We need to develop institutions that can deliver a BESP.



