



UNIVERSITY OF
CAMBRIDGE

Department of Land Economy

A British Ecosystem Services Policy

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CSaP Annual Conference:

How does academia contribute to the work of government?

Royal Society

29 June 2017

Towards a British Ecosystem Services Policy

- Objective and principles
- Architecture of the policy
- National government
- Local governance
- Conclusions



Objective and principles

- Objective: Promote the total social value of rural land resources in the long term
- Principles
 - Promoting social values (market and non-market)
 - Subsidiarity: locating decisions at scale of benefits and costs
 - Integrating across ES: exploiting economies of scale and scope in ES delivery
 - Engaging multiple stakeholders
 - Providing long term consistency
 - Transparency and accountability



Architecture of the policy

- Payments for ecosystem services
- Procurement funds
 - National single service funds
 - Local multiple services funds
- National government guidance & oversight
- Environmental Governance Organisations (LEGOs)



Payments for ecosystem services

- Some potential services (eg water quality, carbon, flood control)
- High requirement for evidence and role for intermediaries
- Establish clear reference level (eg duty to maintain soil carbon?)
- Match funding where generate external benefits
- Remove regulatory barriers
- Potential limited by transactions costs / public good characteristics



Procurement principles

- Competitive tendering
- Payment by results
- Incentives for co-ordination
- Accessibility for all types of supplier (inc non-landholders, non-profit etc)
- Potential funding for any activities that enhance supply (eg mediation, facilitation)



National single service procurement funds

- National standards and targets (eg water quality, biodiversity, GHGs and carbon, major flood protection, forestry)
- Spatial targeting where social value of ES varies spatially (eg biodiversity)
- Potential for long term funding programmes and rights acquisition (eg continuing support for facilitation & land ownership)



Local multiple service procurement funds

- Supports delivery of locally valued ES
 - Local landscapes and wildlife
 - Public access
 - Catchment management
- Represents local values
- Fills gaps from national funding
- Element of local fund raising?
- Potential local ‘broad and shallow’ schemes



National government oversight

- Needs vision for BESP
- Develop rural land and ecosystems strategy
- Clarity for reference levels: duties of land ownership
- Allocations of funding to national and local procurement funds
- Monitoring and assessing funds performance
- Enforcing transparency and accountability



Local Environmental Governance Organisations (LEGOs)

- Responsibility for ecosystem sustainability and ES delivery at local level
- Represents local stakeholders
- Determines local priorities
- Administers local procurement fund
- Example of National Parks



Transitioning to BESP over time

- Transferring funds from CAP payments to BESP procurement
- Balance between PES schemes and procurement funding
- Balance between national and local procurement funds
- Institution building for LEGOs



Challenges

- Institutional capacity in government to innovate
- Developing devolved institutional capabilities
- Managing transactions costs
- Confidence in system
- Political commitment to change



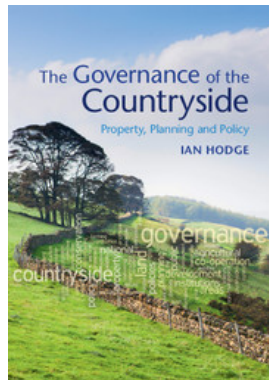
Conclusions

- A unique opportunity for a new direction
- Clear objective to support total social value of ecosystems in long term
- Funding decisions at scales that reflect incidence of benefits (and costs)
- Payments incentivise landholders to look for potential portfolios of services to supply
- Substantial institutional development required



Further information

- [Policy brief](#)
“Envisioning a
British Ecosystem Services Policy”



- » Cambridge University Press
- » 2016

Envisioning a British Ecosystem Services Policy

Policy Brief on an alternative approach to rural land policy after Brexit

David Gawith and Ian Hodge
Department of Land Economy
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May 2017

Key Points

- Brexit creates a unique opportunity to improve agricultural policy. Policy must have a clear vision of a new direction from the outset.
- An ecosystem approach to rural land policy can address many of the problems the CAP and demonstrate substantial public benefits.
- The fundamental objective of a British Ecosystem Services Policy (BESP) would be to secure the long term social value delivered from ecosystems in the UK.
- Under a BESP, subsidies to farmers would be selectively reduced, and environmental goods and services would be purchased directly from those best placed to provide them.
- At a national level, a BESP would provide a strategic approach and oversight for the procurement of ecosystem services.
- A BESP would encourage the establishment of Payment for Ecosystem Services (PES) schemes.
- A BESP would establish national procurement funds to purchase ecosystem services that are not amenable to PES schemes.
- At a local level, a BESP would create governance structures to support local priorities and co-ordinate the delivery of ecosystem services.
- Funding would be allocated on a competitive basis and available to a wide range of stakeholders.
- Development of a BESP would require considerable political, technical, and bureaucratic resources, however the benefits of a BESP would likely substantially outweigh its costs over time.
- Some farmers would lose from the removal of direct subsidies, however a BESP would also provide opportunities for diversification and ease entry into the sector.