

Payment for Ecosystem Services Programs: An Introduction



Image by Sandy Repp

Prepared by the CCETC PES Work Group

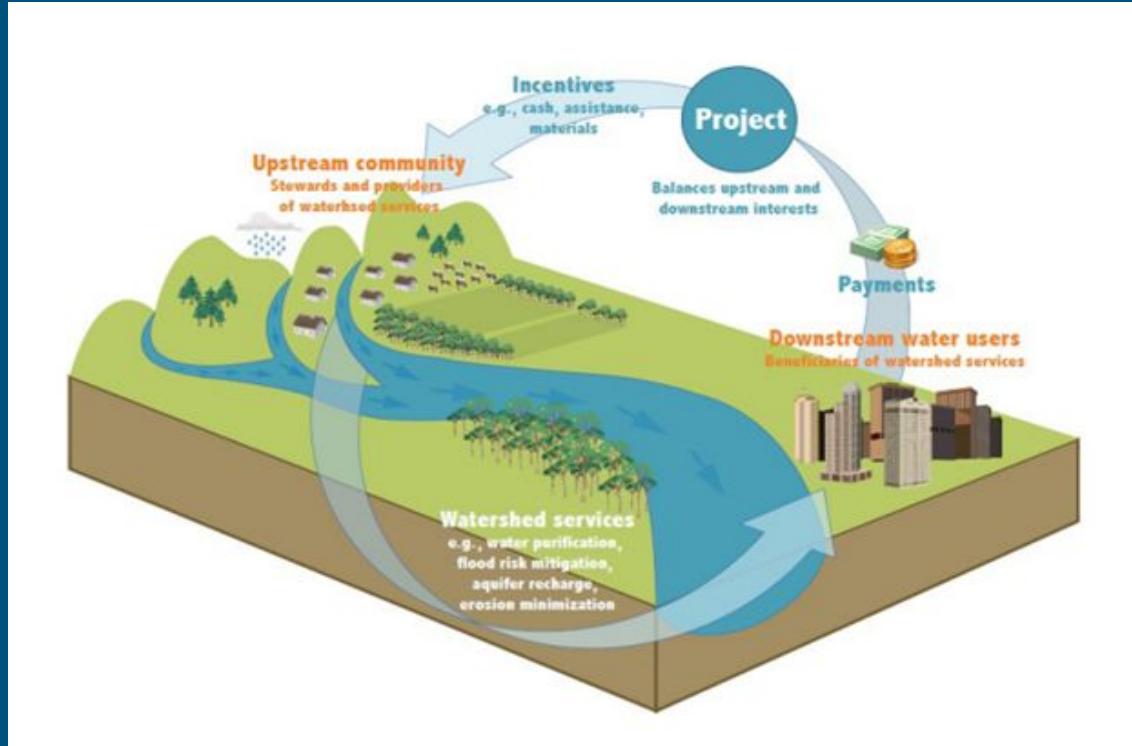
Agenda

- I. Introduction of the Payments-for-Ecosystem-Services concept
- II. Examples of existing Payments-for-Ecosystem-Services programs
- III. Differences between conservation program approaches
- IV. Time for questions...and some answers
- V. Next steps & opportunities to engage

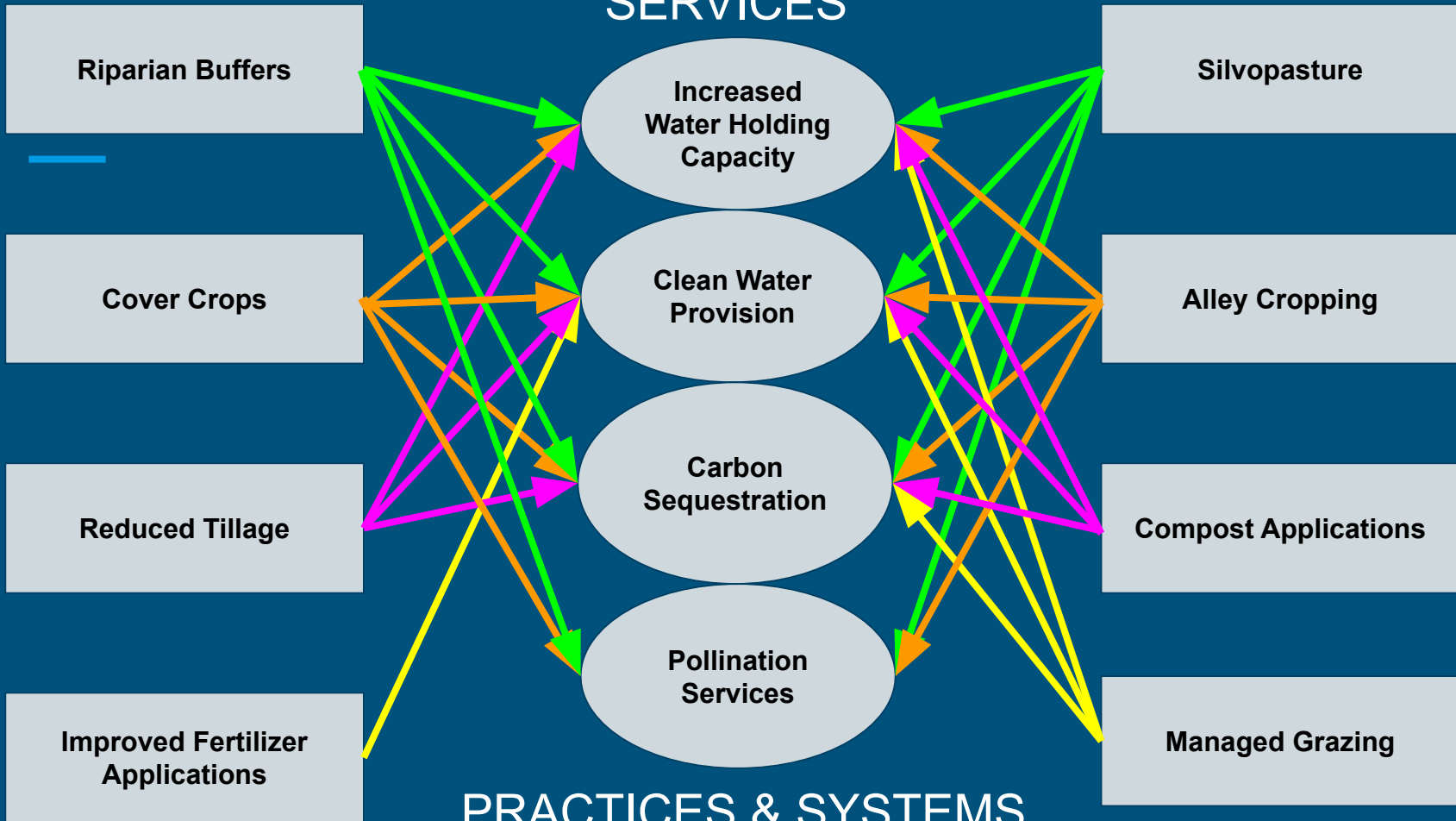
Goals and Expected Outcomes

- Inform audience about definitions and examples of PES
- Gauge interest in a pilot program in our area
- Gather questions and feedback about PES, in order to:
 - Clarify understanding about the pilot program
 - Inform design of the pilot program
 - Inform CCE's role in educating about/supporting existing programs
- Provide clear options for engagement

What are Payments-For-Ecosystem-Services (PES)?

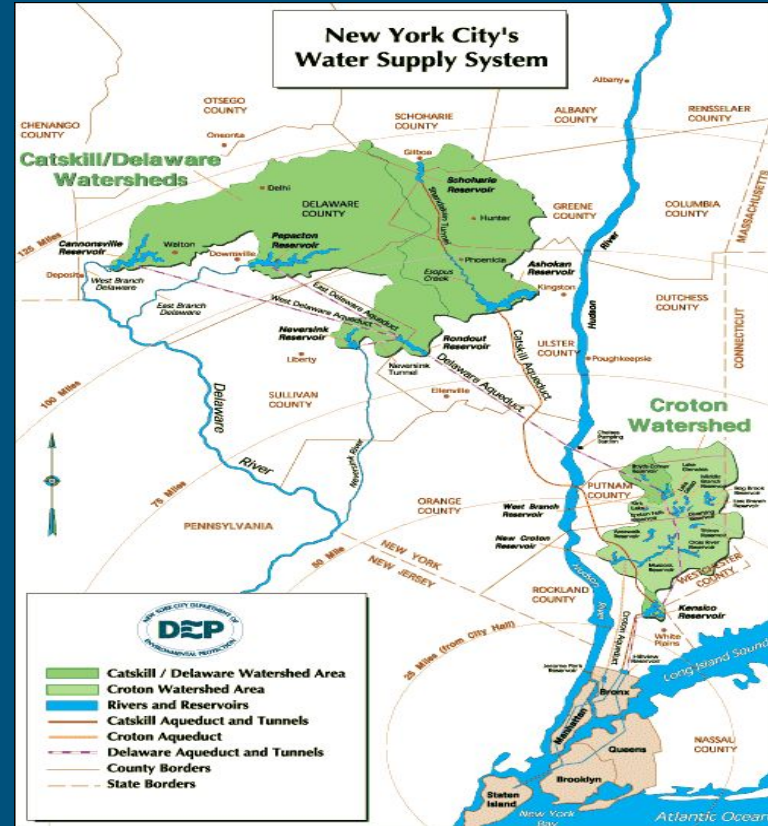


SERVICES



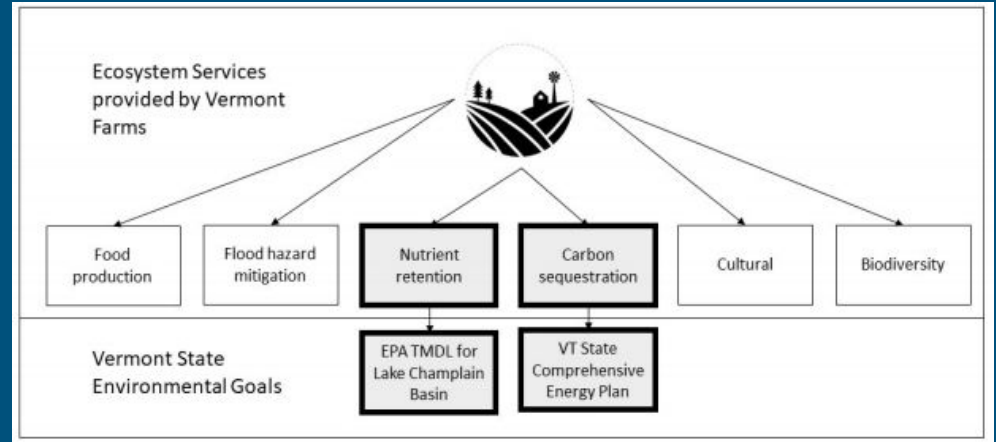
NYC-Catskill Watershed Collaboration

- Focus is placed on maintaining water quality
- Farmer driven - formed in response to stricter NYC water quality regulations
- Farmers develop a Whole Farm Plan with the help of the Watershed Agricultural Council (WAC)



Vermont PES Work Group

- Currently developing a statewide PES program.
- Aims to compensate farmers based on measurable performance gains, rather than practice.
- Focuses on non-point source pollution and carbon sequestration in soils.



Sourced from Soil Conservation Practice and Payment for Ecosystem Services Working Group Report prepared by the Vermont Agency of Agriculture, Food and Markets

Private Sector: Indigo Ag, Nori, ESMC

Indigo Ag

- Program focuses on grain crop production
- Payments are \$15-\$30 per acre annually to reduce on-farm emissions
- Farms need a minimum of 300 acres **OR** can form a unit with other farms

Nori

- Prioritizes farms with 1000+ acres
- Need to have adopted practices in the past 10 years (cover crops, conservation tillage, addition of organic matter)
- Farmers need to pay to be verified by a third party: can cost \$3,000-\$5,000
- Utilizes COMET Planner to determine carbon levels

Ecosystem Services Market Consortium (ESMC)

- Currently conducting pilot programs for a 2022 market launch
- Focuses on 4 main environmental qualities: added soil carbon, reduction in net greenhouse gas emissions, and increases in water quality and quantity
- Developing a toolkit/ methodology protocol to measure these 4 outcomes.

Comparison of Programs

Existing conservation programs:

Practice-based

- Certain payment amounts
- Simple to ensure compliance

Can be shorter timeframe

- Flexible for farmer

Established

- Predictable funding availability
- Explanations and resources about programs are readily available

State/federal funded

- Relatively large amounts of funding available

Both:

Link payments to environmental impacts

- Provide revenue stream to farmers
- Improve environmental performance

PES program:

Outcome-based

- Payment amounts vary based on performance
- Potential for higher profitability and/or greater environmental benefits

Under development

- Your input can directly shape the program

Builds local economic capacity

- Ensures that benefits accrue to local communities

Regionally-focused

- Responsive to local ecosystem concerns and priorities

Questions?

What kinds of questions, suggestions and ideas do you have?

- What else do you want to know about how a pilot program could work?
- What ecosystem services are most important to incentivize and compensate in our region?
- Do you have ideas or thoughts about financial mechanisms to power a pilot program?

Next Steps

Creating educational resources and support around existing PES programs.

Ensuring collaboration among existing conservation programs and PES pilot.

Designing the local PES pilot!

Interested in getting involved in the design of the pilot? Join us for upcoming discussions about:

1. *Financial mechanisms*
2. *Measurement protocols*
3. *Farm-level implementation*
4. *Other community-defined priorities*



Thank you!

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