

PESFOR-W Action Plan

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PESFOR-W User Manual

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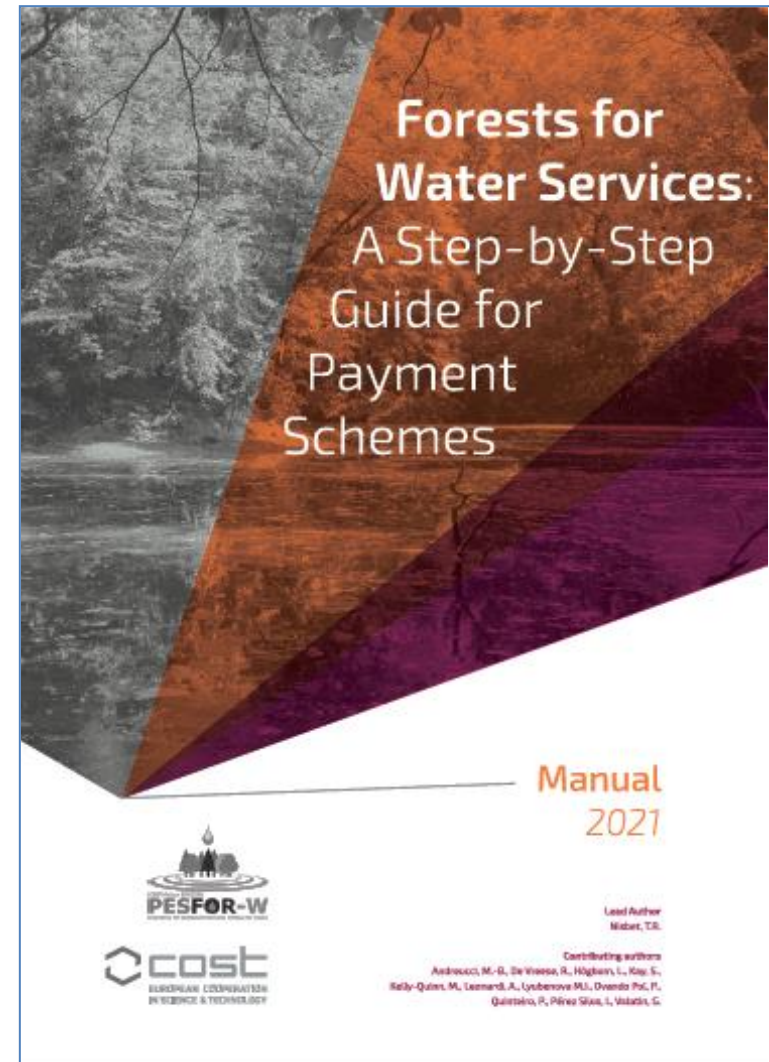
Uppsala Science Park
Uppsala
Sweden



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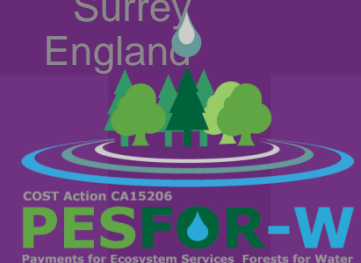
- 550 copies of User Manual being printed in English, for circulation via FR (250), EFI (250) and Padova (50);
- 25 copies to be printed in Polish;
- 50 copies to be printed in Ukrainian;
- Other versions being translated into Spanish (done), German, French, Slovenian and Italian, but only to be provided as pdf.



PESFOR-W Action Plan: overcoming barriers to development of woodlands for water PES schemes

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COST Innovators' Grant application (Nov 2021- Oct 2022):

- Stakeholder events to consider barriers to wider PES uptake & identify solutions to overcome them:
- Lack of adequate financial incentives for landowners to plant woodland in target locations;
- Lack of adequate governance frameworks for W-for-W PES schemes;
- Lack of adequate monitoring tools and evaluation frameworks;
- Lack of awareness of woodland water benefits and of environmental effectiveness;
- insufficient information on cost-effectiveness, including on water-related and other associated benefits that woodlands provide (synergies & trade-offs)

Level:	UN/International	EU	National	Regional	Local	PESFOR-I
	River Commissions					
Water Systems	Whole River System/Riparian Regions				Hydrological Response Units	
	River Basin District					
Barriers:			Tributary Basin District			
			Headwater Catchments			
Lack of adequate financial incentives for landowners to plant woodland in target locations	B, G, P, R	B, G, P, R	B, G, P, R	B, G, R	B, G, R	✓
Lack of adequate governance frameworks	B, D, I, P, R	B, D, I, P, R	B, D, G, I, P, R	B, D, G, I, R	B, D, G, I, R, S	✓
Lack of adequate monitoring tools and evaluation frameworks	B, I, P, R, S	B, I, P, R, S	B, I, P, R, S	B, I, R, S	B, I, R, S	✓
Lack of awareness of woodland water benefits and of environmental effectiveness	I, P, R	I, P, R	I, P, R	I, R	I, R	✓
Insufficient information on cost-effectiveness, including on the value of water and other benefits woodlands provide	I, P, R	I, P, R	I, P, R	I, R	I, R	✓
Non-pecuniary barriers	B, D, P, R	B, D, P, R	B, D, P, R	B, D, G, R	B, D, G, R, S	

Stakeholders: B: Beneficiaries & Buyers; D: Designers; G: General Public; I: Intermediaries; P: Policy Makers; R: Regulatory bodies; S: Suppliers



PESFOR-W Action Plan on Woodlands for Water PES: financial incentives & cost-effectiveness

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Action to increase incentives & avoid perverse subsidies:

- **Governments, public & private investors:**
 - financial investment in natural capital is small both in absolute terms (~US\$78 to US\$143 billion per year - equivalent to around 0.1% of global nominal GDP), & relative to what is required to prevent further declines in the stock of natural assets

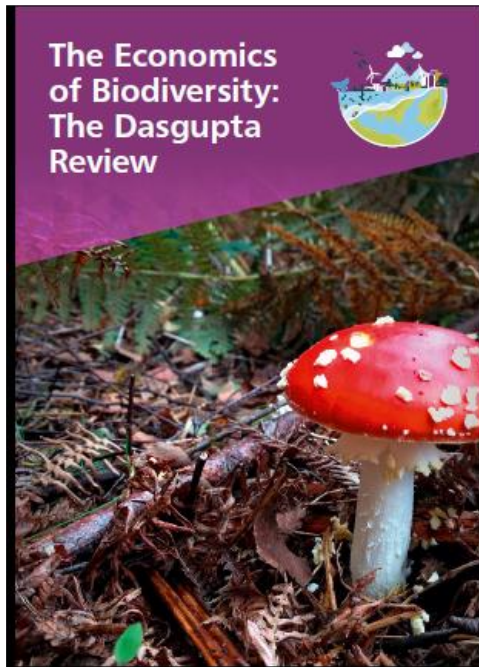
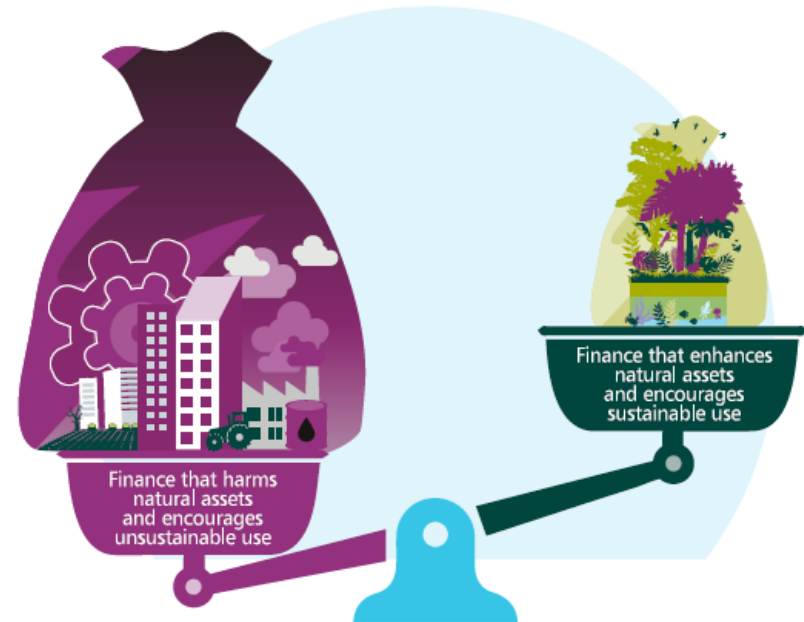


Figure 20.1 Balance of Nature Positive and Negative Financial Flows



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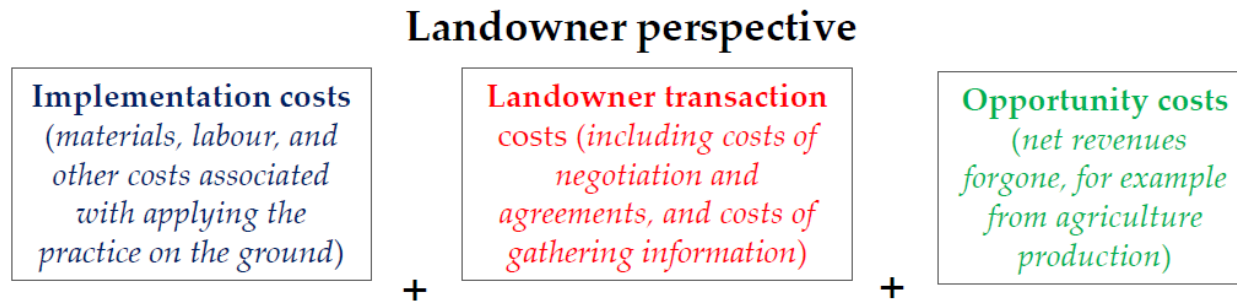
There is also an urgent need to tackle perverse subsidies, which in total are equivalent to some 5-7% of global GDP

Action to improve information on cost-effectiveness of woodland for water quality:



- **International, EU institutions and national governments:**
 - Harmonising methods to quantify cost-effectiveness of woodlands for water PES schemes, including co-benefits;
 - Commissioning more studies on the cost-effectiveness of woodlands for water

What elements should we account for in estimating costs?



PESFOR-W Action Plan on Woodlands for Water PES: governance frameworks

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PES in European countries: weak enabling conditions ?

1. Multiple threat to water resources → preconditions for policy interventions

Legal institutional context:

2. all countries have a Water Act → water embedded in a strong regulatory framework: *little room for bottom-up initiatives to emerge ?*
3. water owned by local or private in only 9 cases and forests dominantly private only in 9 cases: *little room for local small initiatives to emerge ?*

Policy context ("payment culture")

4. ES policy agenda reported in all countries except one, but
5. PES are core in 13 cases, mentioned in 6 cases, partially present in 1 case and absent in 7 cases

Is there a need for PES or are there other ways to tackle water issues ?

PESFOR-W Action Plan on Woodlands for Water PES: monitoring

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- **Lack of adequate monitoring tools and evaluation frameworks**
- A PES set-up needs monitoring and evaluation schemes
- Role for EU institutions, national governments and water regulators in fostering standardisation of approaches to monitoring and evaluation of woodlands for water PES schemes



PESFOR-W Action Plan on Woodlands for Water PES: environmental effectiveness

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- Variable nature of the environmental effectiveness of woodland, depending on local site, design and management factors;
- Lack of data to quantify the effect of woodland design and management factors across different typologies;
- Complexity of models to predict environmental effectiveness and need for expertise to apply them;
- Deficiencies of models, reducing confidence in predictions;
- Uncertainty over lag times for effectiveness;
- Uncertainty over potential negative impacts on water resources and how to estimate these.

PESFOR-W Action Plan on Woodlands for Water PES: non-pecuniary barriers

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Non-pecuniary barriers

EU institutions and national governments should consider ways to simplify regulatory procedures to reduce transactions costs for participants in woodlands for water PES schemes

Legal Basis is a European Parliament resolution on a strategy for the simplification of the regulatory environment - > P6_TA(2006)0205 *“Strategy for simplification of the regulatory environment”*

The European Parliament

- strongly supports the process of simplification of the Union's regulatory environment, as well as the objective of ensuring that the regulatory environment is appropriate, simple and effective.
- considers that legislation should be to make simpler and more effective, and thus more "user-oriented".
- is convinced that simplification must take account equally of economic, social, environmental and health aspects.
- considers, that a Community act must be put in place of national regulations to prevent Member States from regulating matters that have been deregulated at Community level

Simplifying regulatory procedures, thus reducing transactions costs for water PES schemes can be achieved by a combination of regulatory, practical and technical approaches

- assessing the feasibility of PES schemes by involvement of administrations, actors and other stakeholders.
- considering legal, fiscal and regulatory issues for payments for ecosystem services and exploring possibilities for minimizing those.
- monitoring water quality impacts by pollutants and natural circumstances, such as landscape morphology, land-use types and distribution.
- developing technical specifications in response to impacts on water quality / good state of water bodies.
- exploring potential win-win solutions with additional benefits from ecosystem services, thus increasing cost-effectiveness of PES
- showing best-practice possibilities, formalizing a further strategy, well-balanced between potential triggers, beneficiaries and executors for implementing and promoting ecosystem services “forests for water” and defining roles and responsibilities