

Payments for Ecosystems practitioners group

Friday 27 th February 2015 at 10:00am	Welsh Government Office - Llandrindod Wells
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1. Welcome – Ann Humble

Ann welcomed everyone for attending the first group meeting, and gave a brief introduction about why the meeting had been called followed by a presentation on Payments for Ecosystems. (Presentation available on request)

Questions, answers and observations.

- *Concerns for guidance on how to move forward with Payment Ecosystem Services, brokerage etc.*
- *Noted that PES payments for land managers should be for work over & above regulations for preventing pollution.*

Action point – Ann Humble to make enquiries to ensure there is guidance and support available.

2. Attendees

As listed at Annex A

3. Pembrokeshire coastal forum: Cleddau Ecobank project Presentation by Paul Renfro

Paul highlighted the work undertaken to create an Ecosystem Enterprise Partnership framework between land managers, industry, commerce, and government to develop and pilot an Eco bank – a nutrient offsetting scheme for Milford Haven and Cleddau catchment area. (Presentation available on request).

- *How do you value something when it's not directly opposite the other? What happens at the end when all the farms e.g. in Pembrokeshire area have taken up Ecosystem Services?*

It was confirmed that the Natural Capital Committee based in Defra are investigating this scenario.

- *Previously, money has gone into catchment for phosphate removal and are working with farmers on this. Is there a possibility of having Phosphate Vulnerable Zones?*

Is Payment for Ecosystem Services something that should have been done? Regulation balance – Highlight Nitrate Vulnerable Zone regulations. Highlighted that there is a fine line between regulations to prevent pollution & PES.

- *Highlighted again that PES needs to be above & beyond the regs.*

4. Montgomeryshire Wildlife Trust: Pumlumon living landscapes – next steps Presented by Clive Falkner

The science-based Welsh Wildlife Trust project aims to offer a better way to manage uplands and create positive outcomes for both wildlife and people.

The method is to help local farmers, foresters and tourism businesses to do things a little differently. Over the last five years with the use of science and economic analysis it has demonstrated how large scale ecological restoration can bring economic, social and environmental benefits. (Presentation available on request)

- *20 years ago there was a decline in biodiversity in Pumlumon area, how have you funded the works and how much has it cost?*

The money was funded by Admiral Insurance, Waterloo Foundation and Heritage Lottery.

The money raised was used to simulate a payment scheme. For every £1 into the project £4 was paid out. The estimate cost was around £500,000.

- *Sequestration figures – Defra? Trading? What's the potential of tapping into the "Grey Market"?*

The Peatland Code tool is being used to help to develop a mechanism where carbon sequestration could be traded- £56/pt CO₂ (figures obtained from presentation) figure is very close to this.

- *There are commercial opportunities from Tourism to bring capital into the area e.g. In Scotland Photographers are charged to photograph Hen*

Harriers. In Pumlumon we could adopt a simple strategy charging photographers and wildlife enthusiasts to see the breeding Ospreys.

- *PES not just for wildlife management, can be beneficial for communities etc.*
- *Highlighted that there is a waiting list of farmers wishing to be involved in this project.*
- *Support from Welsh Government Nature Fund ?*

- *There is a need to work on how does the farming community access PES funding ?*

5. Coed Cymru: Nature funding in particular using the SCIMAP – Presented by David Jenkins

A project was completed to analyse the effects of rain water as it passes through the soil and how this affects the stream flows of Pontbren catchment and downstream. With the use of SCIMAP land owners / managers and farmers could be advised where best to plant trees to reduce overland flow and reduce diffuse pollution to protect water sources. (Presentation available on request).

- *Using the Nature Fund, 200 farmers were targeted using SCIMAP for evidence base. 150 plans have now been prepared with a 5 year plan.*
- *It was suggested that it might be a good idea to take this model forward into Rural Development Plan*
- *Streamside corridor restoration –fencing/planting up resulted in positive changes in 2-7 years at Pontbren.*
- *Overland flow highlighted as a problem in Wales & role trees have in increasing absorption.2/3 of overland flow not getting to drains in heavy rain. Leading to an increase in run off from fertilisers etc*
- *Alder noted as ideal in reducing flooding along watercourses.*
- *This pilot appears to be overlapping with Glastir advanced, what steps are being taken to avoid double funding?*

We are in discussions with Welsh Government Pillar 1 and Pillar 2 to ensure no double funding.

Action Point – AH to arrange cross-checking for dual-funding possibilities.

Wye Usk Foundation: The use of SCIMAP to improve the water quality in Lower Lugg and Wye – Presented by Dr Stephen-Marsh Smith

Stephen summarised the issues faced by the Lower Lugg and Wye catchments with Phosphates. The Nutrient Management Plan aims to encourage growth in the country while addressing this problem. With the use of SCIMAP and the Nutrient Management Plan stretches of the rivers have improved. (Presentation available on request).

- *Noted as simple to use & cost effective.*
- *Farm visits could call or on request*

- *Map & plan draws attention to high risk areas & can predict what actions are needed-provides evidence for work required with landowners.*
- *Suggestions given to farmer to change practice & reduce pollution.*

6. Landmark: Introduction to Landmark - Presented by Angus Middleton

Landmark specialise in identifying environmental and property risks into facts. With the use of data and technology they are able to offer intelligence and solutions to enable organisation / companies the opportunity to make informed decisions.

Landmark has data and science in place to address problems with habitats. A project is being run in conjunction with lead universities. The system that's been developed has varying categories whereby tailor making options to improve the habitat and environment. A pilot is now being set up to see if the system fits in with real life observations.

- *Montgomeryshire Wildlife trust (Clive Falkner) would like Angus' details to discuss networking.*
 - *Noted if companies have environmental problems often the most cost effective way to resolve them is through PES.*
 - *Starting up pilot project for commercial use- create new habitats etc.*
 - *If Nitrate Vulnerable Zones were introduced to the Cleddau – NRW have asked would this damage the businesses? We must find a balance.*
 - *Key word “Collaboration” - we must work together. How is it going to look in 30 years time?*
 - *ADAS are concerned that Landmark must make sure the new system does deliver in a farming environment and fits in with land managers.*
 - *Highlighted PES needs to be practical for farmers e.g. prevention of growing maize not appropriate for some farming systems.*
 - *Welsh Government are trying to avoid the offset route when looking at Payment for Ecosystem services.*
 - *Could this be used to resolve problems in corporate areas?*
- There is a lot of interest to use nature to protect infrastructure such as pipelines.*
- *How have you balanced the base line, do you look at the leakage and take into consideration people / land owners benefitting from other landowners*

perusing improved Ecosystems? How do you combat this – through the use of regulations?

- *Ann Humble definitions:*

The issue of leakage is where intensive or inappropriate land management is moved from a sensitive site due to scheme engagement only to be moved elsewhere on the holding or onto other holdings to cause issues elsewhere.

Free riding is where others benefit from ecosystems service improvement without contributing to the solution.

With some ecosystem services a high level of participation is required and regulation to prevent any non participants from undermining the scheme. Water quality schemes are particularly vulnerable to this.

- *90% People involved / on board with the project must equate to 90 % success rate which is more of a positive impact than no people involved with improving habitats and environment.*
- *Can you supply a long-term plan to farmers referring to CAP? CAP is changing in the next 10 years and Pillar 2 contracts are only 5 years.*
- *Farmers now view Ecosystem services as a business choice. If sufficient money is offered then the product will be adopted – “Simple trading.”*
- *Do you think corporate organisations are aware of the situation?
Show them the business cases and they will be aware.*
- *Farmers now have to look for alternative capital revenue to maintain their businesses. Looking at SCIMAP it seems to be encouraging polluters to continue polluting and use the grants obtained to clean up habitats to compensate their funding for running their businesses.*

With Landmark the idea is to at how people can be encouraged to increase business profitability by moving forward and being more sustainable.

Terms of reference

A couple of questions need to be asked:

- Is this a useful forum?

All agreed - yes.

- Do you feel it would be of benefit to meet again?

All agreed – yes

- Should anyone else be involved?

The following should be invited – Local authorities, Swansea University, Cardiff University, Bangor University, Visit Wales, IBERS, Snowdonia National Park and CADW.

- What is the desired outcome for holding these meetings?

All want to see Payments for Ecosystem Services established and running.

- Welsh Government are keen for Payment for Ecosystem Services to be established – use of business cases, development of policy, and use of steering groups would aid this.

- It was suggested that it might be useful to have an online forum.

Action Point – Ann Humble to arrange to look into what facility would be best to address the above request:

- **Sharepoint access using a password**
- **Go to people / Go to project**

Make sure that all people that have attended this meeting are included in Nia's distribution list.

- What's the provision with Rural Develop Planning (RDP)?

The funding is being moved from Glastir to Compensate.

- Have a meeting around September 2015 to coincide with RDP?

Next meeting to be arranged post RDP approval in May?

- Items to be discussed in next meeting

Address dual-funding

What lessons can be learnt from Nature Fund

- Would it be better to hold meetings more like workshops?

Both a meeting and workshops should be adopted as and when necessary.

- Roll out of Payment for Ecosystem Services is too slow. Farmers are keen to engage. We need a way to connect suppliers to users.

Perhaps a speed dating session would be a productive way of linking suppliers with users.

- *Farmer led PES sessions?*

- Woodland Carbon code has been operating for 8 – 9 years and has funded 70 new woodlands around the UK www.forestcarbon.co.uk. The code is being used as a leading example, by countries such as Turkey and Japan. They are now looking at developing similar standards. Trees help with climate mitigation using Carbon footprint as a selling tool, Carbon Footprint is a very good start to developing Payment of Ecosystem Services.

- European Investment Bank PES funding?

Action point- Nia Jackson-Jones to look into how EIB PES funding can be accessed?

End of meeting.

Annex A - Attendees	
Bill Macdonald	Welsh Government
Paul Renfro	Pembrokeshire Coastal Forum
Simon Neale	NRW
Alun Davies	NRW
Patrick Green	NRW
Sue Evans	Welsh Government
Keri Davies	Farmer
Clive Faulkner	Montgomeryshire Wildlife Trust
Alistair Sibley	Welsh Government
Victoria Davies	Welsh Government
Kate Snow	UU plc water company
Daniel Jones	Welsh Government
Phillipa Person	DC/WW
Angus Middleton	Landmark
Cate Barow	ADAS
Nia Jackson-Jones	Welsh Government
Ann Humble	Welsh Government
David Jenkins	Coed Cymru
Dafydd Jones	Farmer
Jo Hurst	DEE Valley group
Rob McCall	NRW
Jo Rees	Welsh Government
Bethan Webber	Welsh Government
Sarah Green	National Trust
Jonathan Cryer	RSPB
Paul Sinnadurai	Brecon Beacons National Park
Gareth Davies	Welsh Government
Stephen Marsh-Smith	Wye Usk Foundation
Ieuan Joyce	CMF
Stephen Prior	Forest Carbon
Simon Evans	Wye Usk Foundation
Silas Jones	Farmer
Bleddyn Jones	WG
Simon Kyte	NRW