



# Payments for Ecosystem Services



LANDSCAPE INITIATIVE KNOWLEDGE EXCHANGE

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# Defining PES



***Voluntary, contingent transactions between at least one seller and one buyer over a well-defined Ecosystem Service, or a land use likely to secure that service***

- GEF 2009

•The seller must be able to make real and legal decisions about how to manage the ecosystem

Seller

•Either a measurable ecosystem service itself, or a specific management activity that is known or assumed to lead to the provision of the desired ecosystem service

Ecosystem Service/  
Product

Payment

**PES:**  
*Voluntary, contingent transactions between at least one seller and one buyer over a well-defined Ecosystem Service, or a land use likely to secure that service*

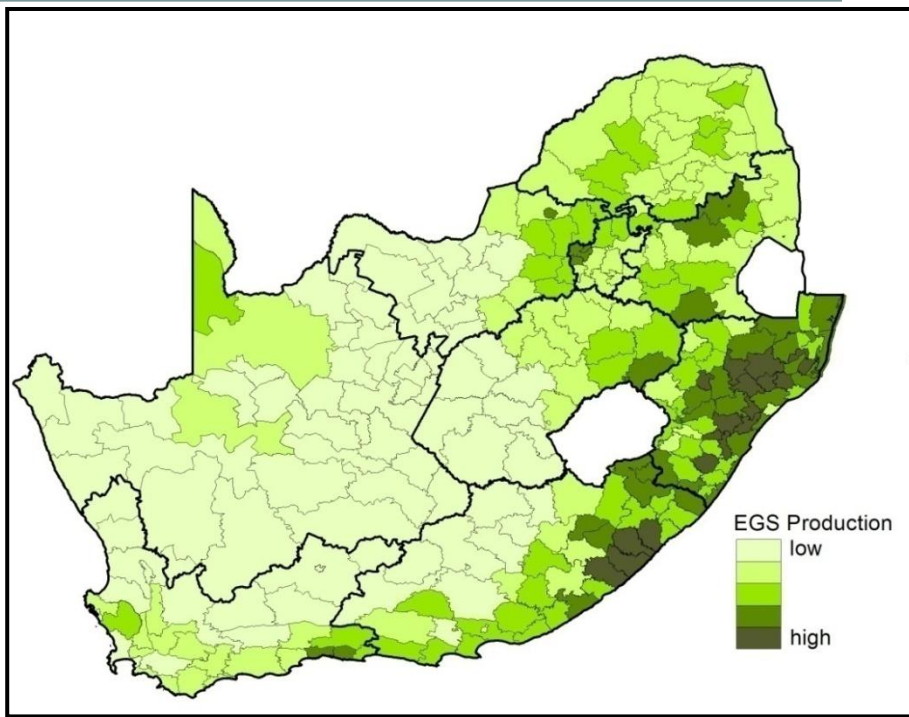
•Payments made directly or through intermediary to seller  
•Payments could be direct compensation through lump sum or continued payments, or contributions into fund into fund  
•Provision of the ecosystem service should be audited before payment is made

Buyer

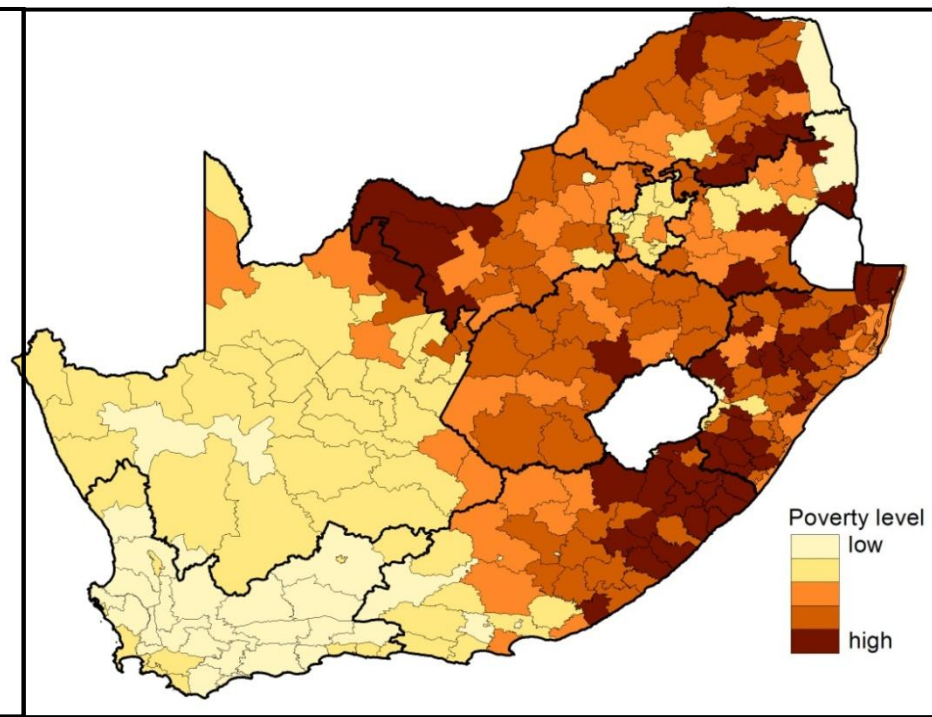
Buyers can be:  
•government or private  
•local, regional or global  
•The direct beneficiary of ES, or can buy the ES on behalf of beneficiary (e.g. government buyer)



- There is no market for many ES - PES attempts to address this by creating a model
- PES is just a model. Funds need to be put in to be taken out
- Bundling, layering, piggy-backing
- Pro-poor PES

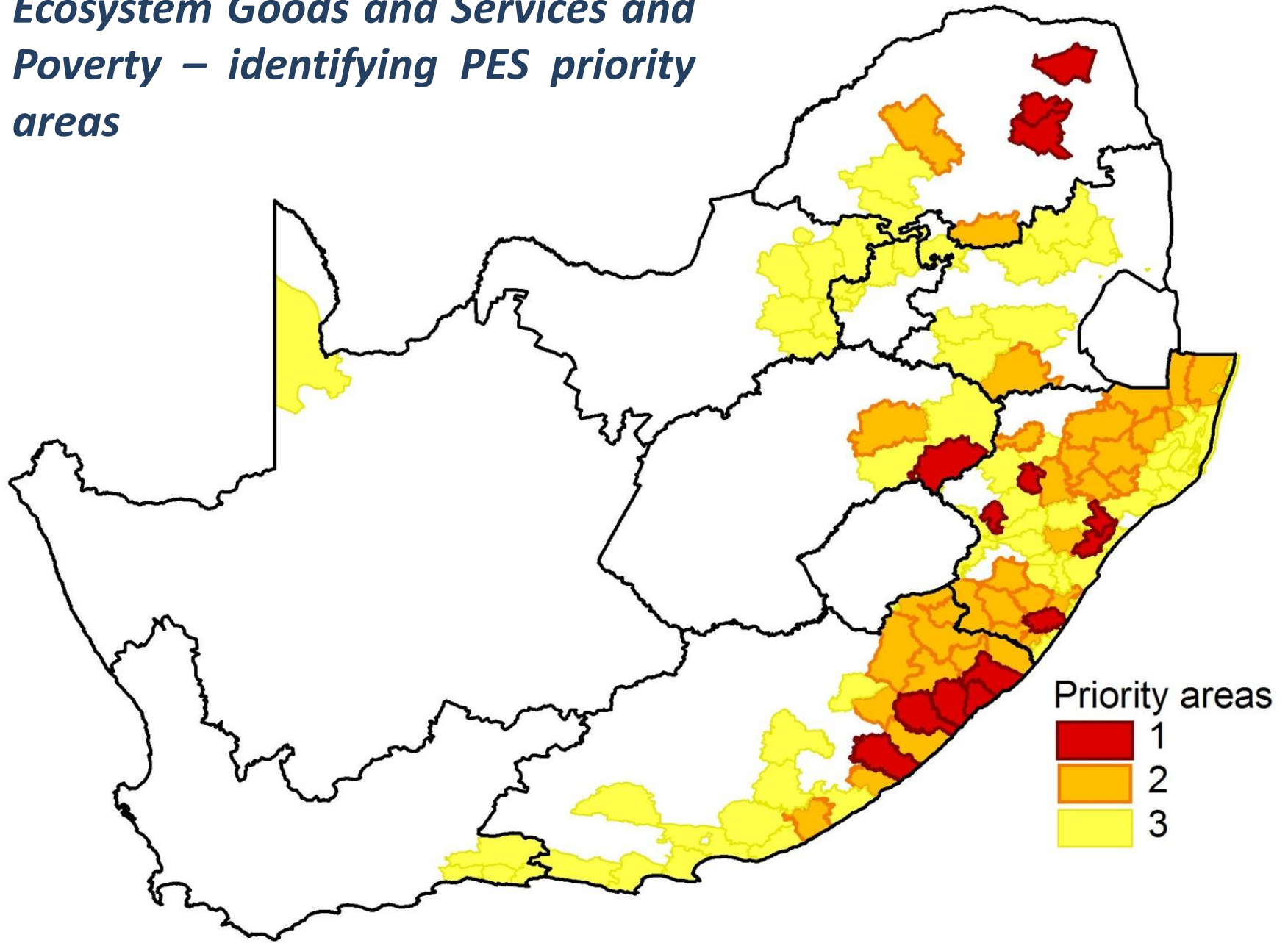


*Ecosystem goods and services  
(carbon, energy and water)*



*Poverty levels by local municipality*

***Ecosystem Goods and Services and  
Poverty – identifying PES priority  
areas***



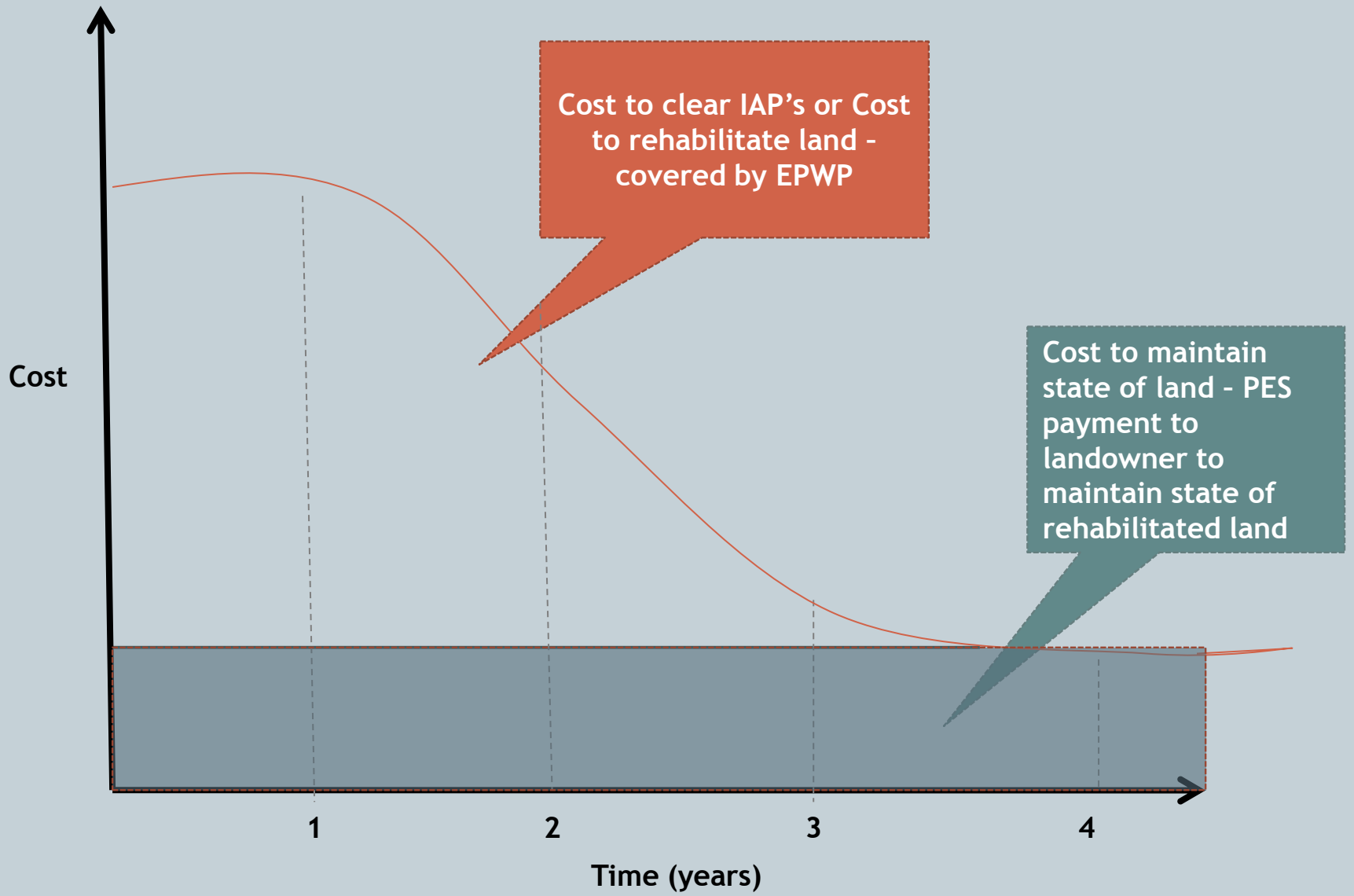
# PES and EPWP



- Conceived SA PES model: PES complements environmental EPWP

EPWP - rehabilitation/restoration

PES - maintenance



# National Projections in South Africa



(Blignaut *et al* 2008)

Land management/maintenance

Water

- At a national level, management/maintenance of land for water provision through a PES programme is estimated to provide 42,000 - 50,000 person years.

Carbon

- If the voluntary carbon market accepts soil carbon: An estimate of the size of this market - around R8,978 million per annum, providing 240,634 person years

# Scaling down...



- 10 of South Africa's critical water catchments, the economic value of water we are currently losing due to degraded land is between R526million and R2,6 billion per annum.
- Thukela basin: maintenance work could increase allocatable water in the basin by 23%. Decreased sediment yield in the basin would create a saving of R4.1 million.

# So what for CFR?



- Water quantity
- Water quality - costs, scale, management requirements, dilution effect?
- Carbon markets: Wetlands? Soil?
- Biodiversity

# References



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- GEF. Wunder, S. and Wertz-Kanounnikoff, S. (2009) *Payments for Environmental Service: Guidance Paper for the Scientific and Technical Advisory panel (STAP)*.
- Mander, M. Blignaut, J. Schultze, R. Horan, M. Dickens, C. van Niekerk, K. Mavundla, K.,. Mahlangu, I. Wilson, A. and McKenzie, M. (2008) *An Ecosystem Services Trading Model for the Mweni/Cathedral Peak and Eastern Cape Drakensberg Areas*