



Payment for Ecosystem Services: An Incentive-Based Approach

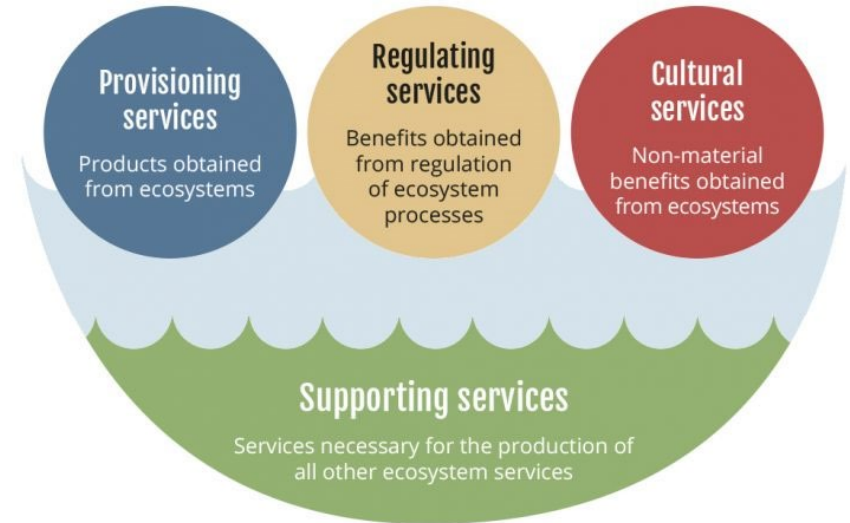
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Water Resources Council
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Cornell Cooperative Extension
Tompkins County

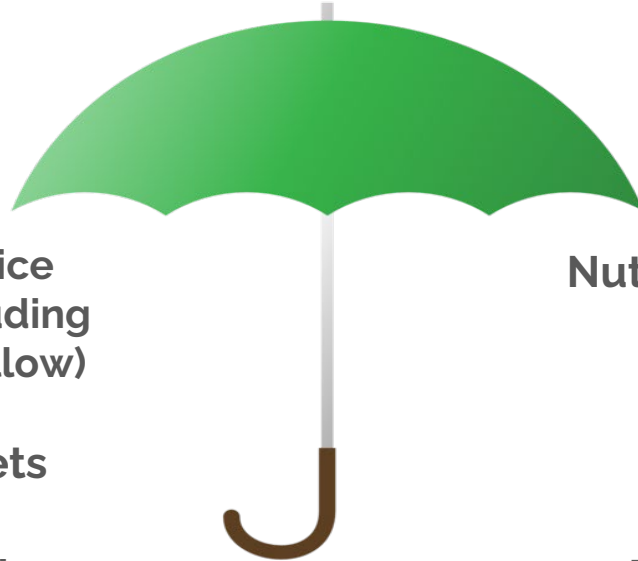
What are Ecosystem Services (ES)?

ECOSYSTEM SERVICES



Source: [BONUS BASMATI \(Baltic Sea Maritime Spatial Planning for Sustainable Ecosystem Services\)](#)

What are Payment for Ecosystem Service (PES) Programs?



Pay-for-Practice Programs (including leaving land fallow)

Nutrient Reduction Programs

Private Carbon Markets

Tourism-Derived Payment Programs

Municipal Programs

Payment Programs for Multiple ES

Statewide Programs

Public-Private Partnerships



Pay-for-Practice Programs

Pro: Systems in place to make these payments, existing PES programs have taken this approach.

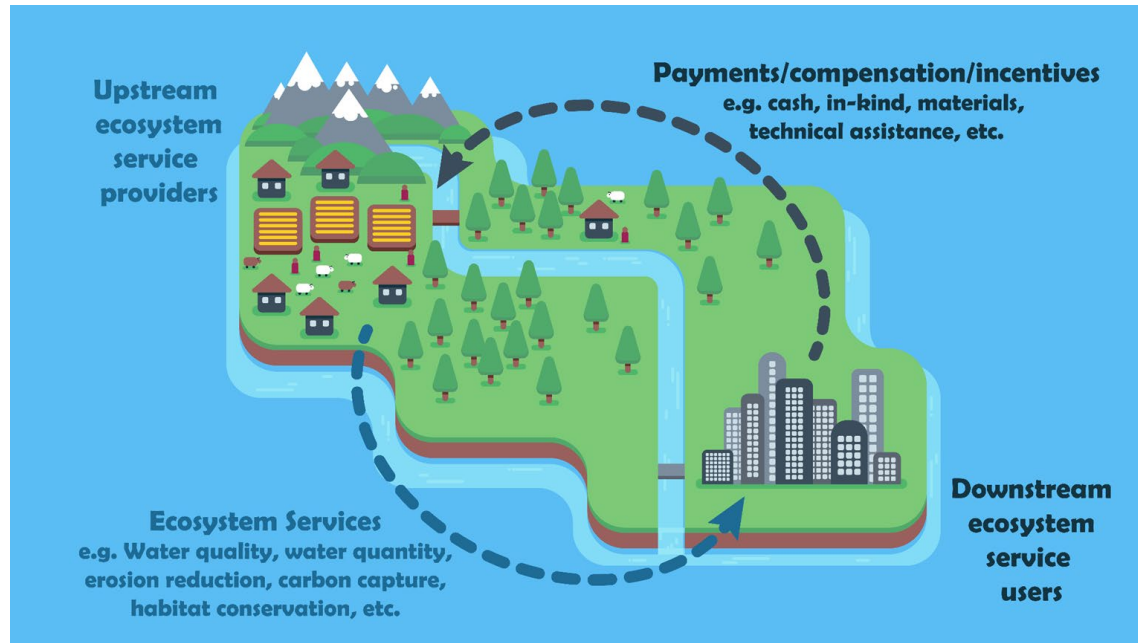
Con: Restricts farmers to certain practices/systems.


Pay-for-Performance Programs

Pro: Farmers choose practices/systems that work best for their operation, we know the benefit that is actually being compensated.

Con: Methods to quantify outcomes in a feasible and verifiable way still need fine-tuning.

PES Programs





Examples of Watershed PES Programs

- **Municipal Level**

AFT's Upper Scioto PES Pilot

- **State Level**

Vermont Pay-for-Phosphorus Program

- **Private Sector**

Soil & Water Outcomes Fund



PES in New York State

- NYS Climate Action Council's Final Scoping Plan
- Tompkins County Food Systems Plan
- Finger Lakes PES Pilot Program



NYS Climate Action Council's Final Scoping Plan

AF 15. Establish a Payment for Ecosystem Services Program

Currently, farmers and forest landowners do not capture direct financial benefits from generating ecosystem services through their existing land management techniques. Agricultural and forested lands implementing conservation BMPs provide countless environmental benefits for surrounding communities including improved water quality, climate mitigation, carbon sequestration, increased biodiversity, and pollinator services. Establishing a payment for ecosystem services mechanism to provide a new structure for establishing and maintaining practice systems that reduce GHG emissions and sequester carbon in addition to providing other environmental benefits would provide additional incentives to farmers and forest landowners. A payment for ecosystem services program can be designed through existing programs and frameworks to address multiple services and evolve with changing needs and priorities of the State. This strategy supports the implementation of other strategies in this sector that rely on increased adoption of regenerative agricultural practices. See pg. 302 of the [Final Scoping Plan](#).



Tompkins County Food Systems Plan

Community Recommendation: *Promote farmer participation in programs that provide payments for ecosystem services.*

Payment for ecosystem service (PES) programs provide incentives that support the financial viability of farms, mitigate climate change by reducing carbon, nitrous oxide and methane emissions, retain water and reduce runoff and promote soil health. Practices can include cover cropping, no-till or reduced tillage or larger investments in systems such as management-intensive grazing, alley cropping and silvopasture. These practices also have the potential to increase crop yield and quality. CCE Tompkins has convened a work team to identify needs and secure funding with the intent of developing a regionally-focused PES program that will specifically center the experiences of BIPOC and beginning farmers in the design and piloting of the program. Collaborating to help identify and secure funding sources, whereby available revenue streams for specific ecosystem services are combined, will be crucial to realizing the climate and equity benefits of a PES program. *See pg.23 of the TC Food Systems Plan.*

Finger Lakes PES Pilot Program

Two-year pilot program (2022-2023) with six farms participating

- **Focusing** on BIPOC (Black, Indigenous, Farmers of Color) and beginning farmers
- **Testing** methods to quantify ecosystem services on individual farms
- **Collaborating** with the pilot farmers to develop a fair and equitable payment system





Program Funding

Current Funding:

- Park Foundation
- Edwards Mother Earth Foundation (EMEF)
- NY State 224 Funding

Long-term Funding Opportunities:

- Municipal & State funding
- Federal grants
- Local, sustainably minded organizations
- Private sector



Questions?

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