

# Incentivizing Private Landowners to Invest in Ecosystem Restoration

Presented by



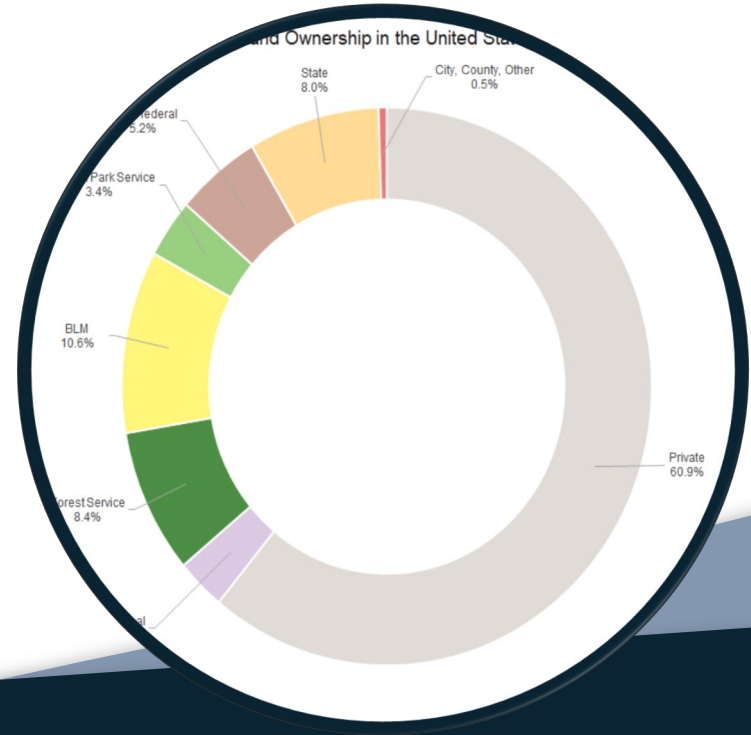
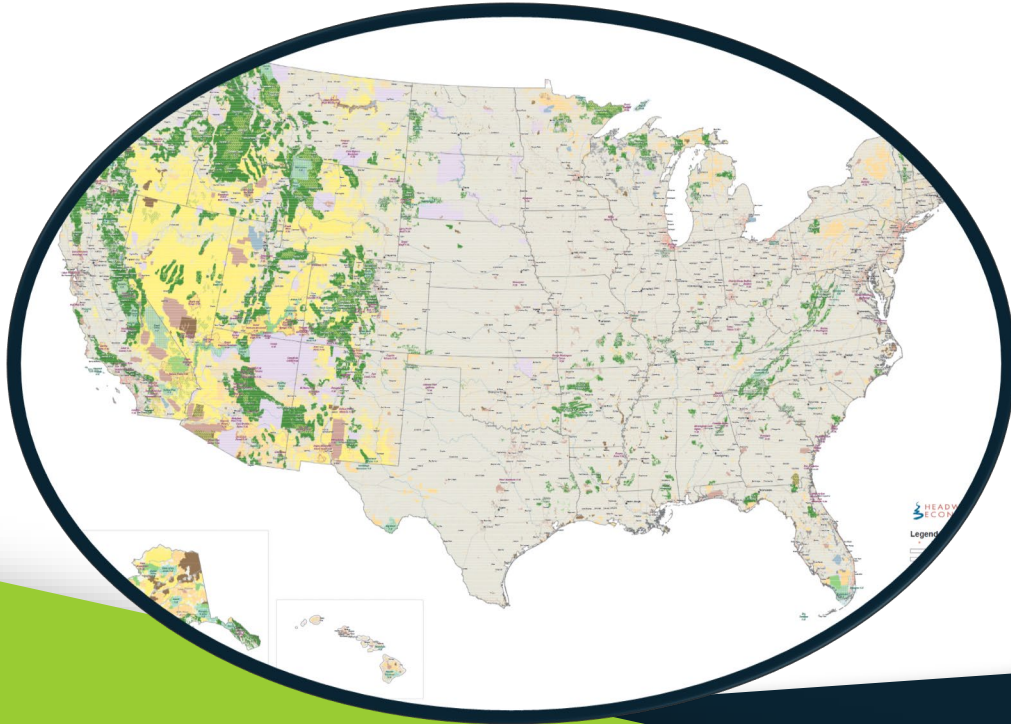
National Conference on Ecosystem Restoration, Albuquerque, NM  
2024

# Agenda

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- I. The Case for Incentives
- II. The Incentive Landscape
- III. Barriers and Constraints
- IV. Forest Carbon Incentives in WA-  
A Case Study

# Private Land Ownership in the United States



# The Incentive Landscape



# The Case for Incentives

“The right incentive mechanisms can encourage changes in land-use patterns that achieve habitat objectives at lower cost.”

Casey et al. 2006. Defenders of Wildlife: Incentives for Biodiversity Conservation: An Ecological and Economic Assessment



## Center for Conservation Incentives

The Center for Conservation Incentives at Environmental Defense launched with major support from the Doris Duke Charitable Foundation

# **Mechanisms for Increasing Biodiversity**

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- regulatory and economic disincentives,
- legal and statutory incentives,
- property rights innovations,
- market-oriented institutions,
- financial incentives,
- public tax incentives,
- educational, technical assistance,
- administrative and recognition incentives



**Table 2. Assessment Summary of Voluntary Stewardship Incentive Mechanisms**

Type of Incentive	Biological Effectiveness	Economic Efficiency	Economic Efficiency
		Cost-Effectiveness	Transaction Costs
<b>Institutional Innovation</b>			
Legal/Statutory			
Safe Harbor	+	+	3
Candidate Agreements	?	?	?
Regulatory Relief	?	?	?
<b>Property Rights</b>			
Conservation Easements	+*	+	3
Covenant and Deed Restrictions	?	?	?
Stewardship Exchange Agreements	?	?	?
<b>Market Oriented Institutions</b>			
User Fees	+	+*	1
Ecotourism	+	+	1
Ecolabeling	+*	+*	3
Mitigation Banking	+*	-	3
Conservation Banking	+	+	2
Tradable Development Rights	+	+*	3
<b>Financial Incentives</b>			
Compensation Programs	+*	+	2
Cost-share Incentives	+	+	1
Land Rentals	+*	-	1
Conservation Contracts	?	?	?

## Fast Forward to 2022

*"Incentivizing the production of ecosystem services is critical to promote specific land management behaviors that improve ecological performance and ultimately sustain an environment for present and future generations."*

Coleman and Machado, Ecosystem Services in Working Lands Practice and Policy of the U.S. Northeast: Successes, Challenges, and Opportunities for Producers and Extension, 2022.







## Conclusion 1

Producers and land managers operate according to the "safety-first" principle and are often risk-averse.

# Scaling-up conservation practices: how much can farmers afford?

Prairie strips have the potential to contribute a suite of ecosystem services. A new study from the MSU Kelleys Biological Station finds a large swath of corn cropland could be converted to prairie with appropriate payment.

## Conclusion 2

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Programs are structured to incentivize either a single ecosystem service or multiple layered services.



## Conclusion 3

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Very few programs reviewed in this assessment directly address resilience, and even fewer address resilience beyond the farm scale.

## Conclusion 4

Ecosystem service provisioning programs for young and beginner farmers... may not be enough to entice young people into working lands-related careers.





# Closer to Home

## ENVIRONMENT

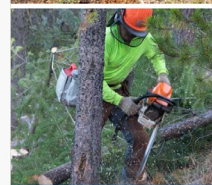
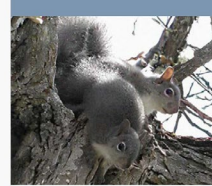
# Are WA forests worth more as carbon sponges or timber harvests?

'Working forests' like state-run T — but logging is deeply entrenched

## Washington's Small Forest Landowners in 2020

Status, trends and recommendations after 20 years of Forests & Fish

January 11, 2021



2023 FOREST ACTION PLAN ANNUAL REPORT

# Washington State and Private Forest Fact Sheet, 2024

## Forest Facts and Accomplishments

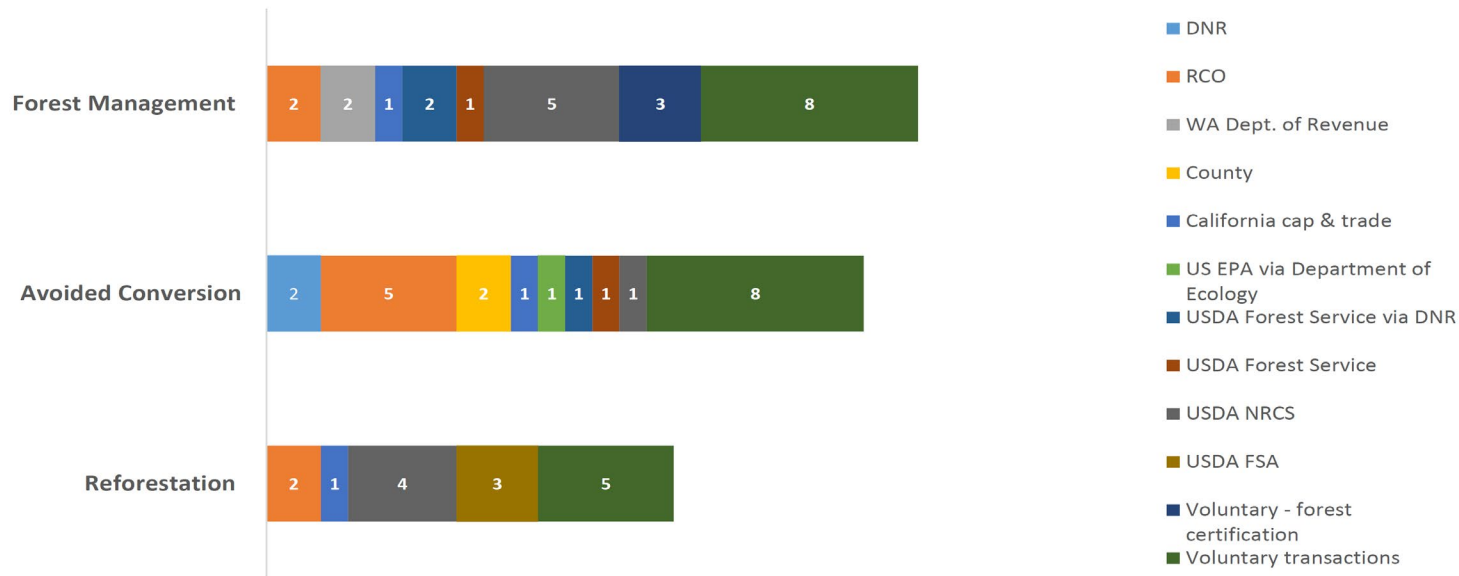
Selected Facts	Value	FY 2023 Accomplishments	Value
Population	7,705,281	Landowners Receiving Educational or Technical Assistance	11,340
Acres of Forest Land	22,063,697	Acres Covered by New or Revised Forest Stewardship Plans	751
Acres of Nonindustrial Private Forest Land	6,110,410	Acres in Important Forest Resource Areas Covered by New or Revised Stewardship Plans	137
Number of NIPF Landowners	51,006	Volunteer Fire Departments Assisted	0
Acres of Federal Land Under State Fire Protection	180,756	State Fire Communities Assisted	220
Acres of Private Land Under State Fire Protection	12,194,932	Coop Forest Health Acres Protected	1,000
Number of Rural Fire Departments	558	Forest Legacy Project Acquisitions	0
Cities and Towns	281	Communities Provided Urban Forestry Program Assistance	136
Forest Based Employment	28,970	Population Living in Communities Provided Urban Forestry Program Assistance	5,203,863
Economic Impact of Forestry (by rank)	3	Urban Forestry Volunteer Assistance	108,402
State Forestry Budget (All Sources)	145,877,000		

# Forest Carbon Incentives in Washington

Brian Kittler, Senior Director of Forest Restoration, American Forests, Washington Carbon Sequestration Advisory Group

May 2020,

## NUMBER OF INCENTIVES ARRAYED BY CARBON NEXUS



# BARRIERS AND LIMITATIONS BY CARBON NEXUS

Carbon nexus	Incentive type	Length of commitment	Potential Barriers and Limitations
Reforestation	Annual rental payment	10 - 15 yrs eligible for re-enrollment	Funding amount is limited; perceived opportunity cost; potentially temporary.
	Carbon offset	25 yrs; +30 yrs; +100 yrs	Lack of demand for ex ante crediting (changing? e.g. Climate Forward).
	Practice cost-share	1 - 5 yrs	Cost-share may not include financial and technical assistance to optimize survival.
Avoided conversion	Grants for easement & acq.	10 yrs; 30 yrs; 50 yrs; +100 yrs; Permanent	Land is expensive; term-easements via HFRP are new and lack funding; financing involves multiple sources.
	Carbon offset	100 years; Permanent	Land is expensive; limitations for landowners based on ownership type, parcel size, and forest condition (e.g. carbon stocking).
	TDR market	Permanent	Land is expensive
	Public debt for acq.	Permanent	Land is expensive
Forest management	Carbon offset	1 yr; 5 yrs; 20 years; 40 years; +100 yrs	High transaction costs; high opportunity costs; project lengths can be long; limitations for landowners based on ownership type, parcel size, and forest condition (e.g. carbon stocking).
	Practice cost-share	1 - 5 yrs; 10 yrs; 30 yrs	Technical assistance just beginning to address carbon sequestration; carbon sequestration-specific cost-share is just now available, e.g. in CSP and RCPP but it is not being utilized.





## Closing Observations

- uncertainty/risk
- piecemeal
- high transactions and opportunity costs
- not enough funding

# Contact

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**THANK YOU**