Case Study

Payment for Ecosystem Service (PES) Schemes

Lake District, Cumbria
Research demonstrates that Visitor Giving is most successful when visitors can contribute towards specific projects that deliver tangible benefits to society. Many environmental projects do this, whilst achieving wider social benefits, for example helping tackle climate change or providing clean drinking water.

The benefits that nature provides to society are sometimes termed “ecosystem services” and there are a growing number of schemes that enable businesses to pay for projects that maintain or enhance these services. These are called “Payment for Ecosystem Service” (PES) schemes.

This case study describes research investigating whether PES can provide a mechanism for new investment from businesses and visitors in environmental projects through Visitor Giving schemes. The project identified all Visitor Giving schemes operating in the UK, described how they operate and the payment mechanisms they currently use. It then considered the potential for PES to elicit donations at visitor destinations, through interviews with scheme operators and a small sample of visitors and businesses in the Lake District National Park.

The project investigated the potential for mobile digital technologies to reduce the costs associated with administering Visitor Giving schemes and enable payments for specific ecosystem services from visitors, linked to the locations they visit. A suite of apps was developed, as well as a user guide for developers to integrate payment functionality into location-based visitor destination apps. Finally, to disseminate findings and continue sharing good practice on PES for Visitor Giving, a proposal was developed for a Visitor Giving Learning Network. As part of this, a series of help-sheets were produced on Visitor Giving and made available on the VisitEngland website.

Approach

Research was funded by Defra as one of its Payment for Ecosystem Service Pilots. Apps were developed with co-funding from Community Interest Company, Project Maya. The project was led by Professor Mark Reed at Birmingham City University, in collaboration with Nurture Lakeland, URS Ltd and Project Maya CIC. Apps were developed by Audio Trails Ltd. and Changing Horizon Ltd.

£24k total project budget, including a £5,000 contribution from Project Maya CIC

The research was overseen by an advisory group with representatives from VisitEngland, National Parks UK, Campaign for National Parks, Harper Adams University and the IUCN UK Peatland Programme.

The project began with a literature review compiling a catalogue of 32 Visitor Giving schemes across the UK. 22 of which were currently active, 8 were proposed or under development, one had since shut down and one was unclear if it was still operating. International Visitor Giving schemes were also identified. Published evidence from these projects, plus a wider peer-review and assessment of grey literature was used to build-up a picture of the typical design and operation of Visitor Giving schemes and likely barriers and opportunities for PES. This review was complemented by interviews with many of the UK schemes, together with a small survey of visitors and businesses in the Lake District National Park.
Results

Results showed that concerns about Visitor Giving displacing local spending elsewhere were unfounded. Visitors surveyed expressed a preference for projects that provided ecosystem services and that could quantify the level of benefits their donations would provide. Despite the potential to elicit donations that pay for ecosystem services, very few Visitor Giving schemes in the UK currently perform this role. The few schemes that did support PES projects focused on local, highly visible and tangible ecosystem services e.g. climate regulation from tree planting.

The project sought to explore the potential for mobile digital technologies to reduce the costs associated with administering Visitor Giving schemes and elicit payments for specific ecosystem services from visitors, linked to the locations they visit. Two apps for iPhone were developed to target walkers and cyclists visiting the Eden Valley in the Lake District and an app for iPhone, Android phones and iPad were created for walkers in the South Pennines. Although there is insufficient data to analyse the usage of the apps at present, the theory is that by learning about the ecosystem services provided by the landscapes they visit and the projects that can protect and enhance these services, users are more likely to make donations on-site.

Finally, to disseminate findings from this research and to continue sharing experience and good practice on PES for Visitor Giving beyond the lifespan of this project, a proposal has been developed for a Visitor Giving Learning Network. As part of this, a series of help-sheets were produced on Visitor Giving, which are available on the VisitEngland website.
Challenges and Lessons Learnt

There is evidence that PES projects fit well with the aims and payment mechanisms of existing Visitor Giving schemes. There is interest in PES projects from Visitor Giving scheme operators and visitors; and a perception that integrating PES projects into existing Visitor Giving schemes may elicit increases in donations and improve awareness of the societal benefits of local conservation projects. Smart phone apps incorporating PES projects were successfully developed for Visitor Giving schemes, although technical difficulties prevented integration of payment functionality to one app.

Some of the key challenges identified by Visitor Giving scheme operators included:

- High administrative costs associated with staffing, recruiting and retaining business participants
- Securing sufficient funding to ensure the long-term financial sustainability of the Visitor Giving schemes
- Cost of developing and implementing new technologies (e.g. touch screens), particularly where there is uncertainty that use of these technologies will recover the costs and result in additional income
- Insufficient resources to invest in growing schemes, keeping up-to-date with emerging technologies and conducting research into ways to improve the efficiency and reach of schemes
- Often a lack of strong brand or clear identity that links business participants and donors with the local environment and the specific projects they support
- Poor network coverage in some areas limits opportunities for developing applications that rely on mobile reception for downloads and donations

A number of enablers were also identified that could facilitate the use of PES in Visitor Giving schemes:

- There was increasing interest amongst local businesses in supporting environmental / social initiatives to project an image of responsibility and sustainability, but more effective partnerships between businesses and conservation interests were needed to establish clearly identified projects and objectives
- Flexibility is required to allow businesses and donors to choose the specific projects they wish to support, but also to maintain their motivation to donate over time by regularly offering new and exciting initiatives
- Making better use of business clusters to spread awareness of Visitor Giving
- A shift to online social media has facilitated a substantial decrease in marketing costs for many Visitor Giving schemes and also allowed visitors to keep abreast with the latest projects and see how their money is being spent. This increases the transparency and legitimacy of Visitor Giving and also encourages repeated giving
- Visitor Giving scheme accreditation to promote collaboration (rather than competition for donations) and a common message to ensure that all schemes operate to a similar high standard and that the reputation across the board is not tarnished by a small number of badly-run schemes or perceived as a ‘visitor tax’
- Development and facilitation of access to shared resources for learning about and implementing new technologies (e.g. mobile and web-giving)
- Establishment of collaborative funding opportunities, e.g. seed funding for new Visitor Giving schemes
Top Tips

1. Target requests for donations clearly towards specific projects and demonstrate how donations will lead to specific, measurable benefits

2. Where schemes offer multiple investment options, take care to target each clearly towards specific visitor profiles, making it obvious to visitors exactly how their investment will benefit specific projects of particular relevance to their interests

3. Where possible offer a range of different payment mechanisms to suit the needs of different types of visitor, for example smart phone apps, donation boxes and opt-in levies on accommodation

4. Marketing Visitor Giving schemes effectively is essential to their success. Although this can represent a significant additional cost, a number of Visitor Giving schemes reported declining costs as they moved to online and social media based marketing

5. To elicit repeat donations from regular visitors it may be beneficial to rotate the projects a business supports within a Visitor Giving scheme

6. Keep running costs to a minimum e.g. using smart phone apps and existing staff within an organisation

7. Use positive language e.g. visitor giving, visitor gifting and investment, rather than language with more negative connotations e.g. visitor payback, or language that may imply that levies are a “bed tax” or some other form of stealth tax

8. Provide immediate feedback about the effects an individual donation will have and demonstrate the benefits of donations from previous visitors, making it clear that others are donating

9. Prioritise local projects and seek funding from visitors only when they visit the area close to the initiative

10. Prioritise “feel good” projects for funding where benefits of donations are both clear and motivational

11. Provide opportunities to donate immediately on-site, rather than later

12. Decouple from Governmental organisations (e.g. local authorities) and channel payments via independent charities, trusts, partnerships or other not-for-profit organisations (e.g. Community Interest Companies)
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