

RECOMMENDATIONS FOR BETTER INTEGRATING PAYMENT SCHEMES FOR FOREST ECOSYSTEM SERVICES INTO EU POLICIES

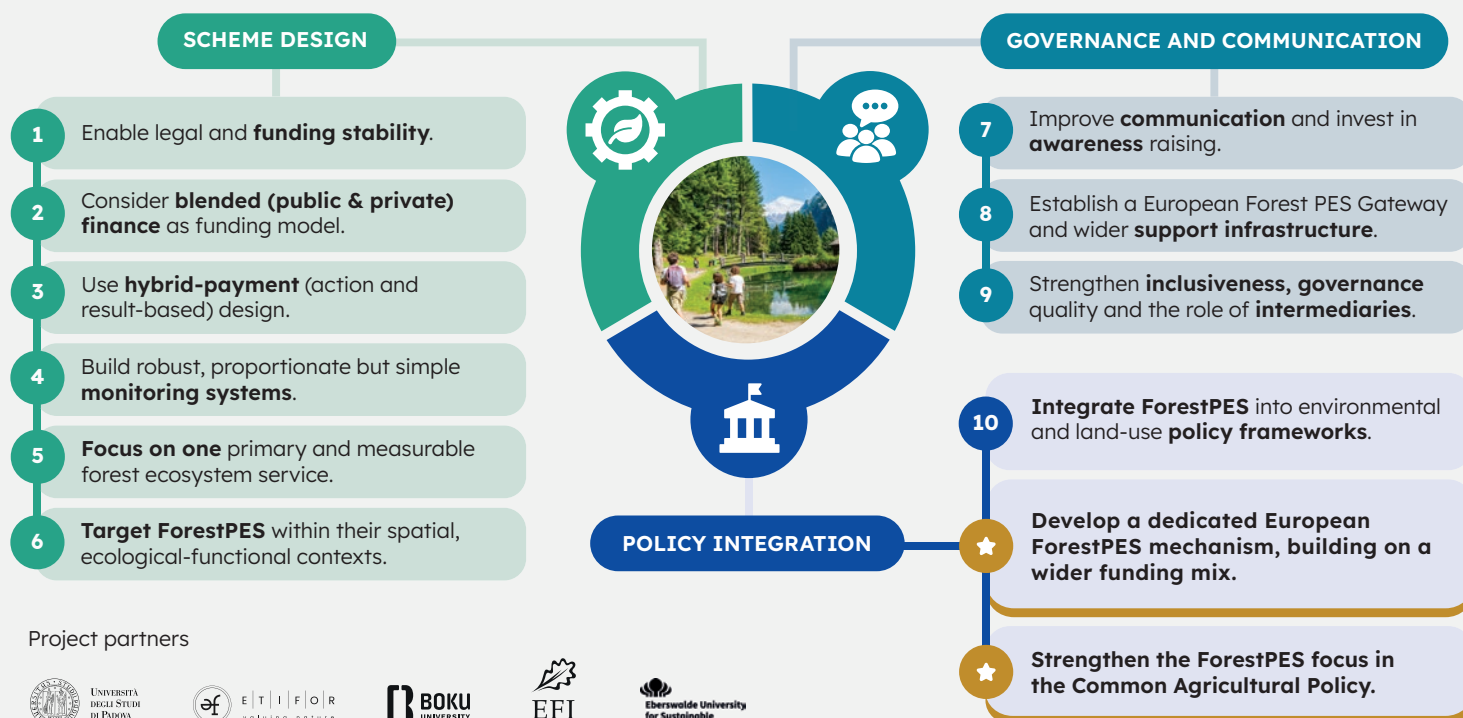
Sustainable forest management can involve additional costs or foregone income. Payments for Ecosystem Services (PES) are effective mechanisms to reward forest managers for delivering forest ecosystem services (FES). PES are defined as **voluntary, contractual transactions between ecosystem service providers** (i.e. forest owners and managers) **and ecosystem service buyers** (e.g. industries, drinking water companies, citizens).

Payments for Forest Ecosystem Services (ForestPES) are present across European policies, mainly in agriculture and rural development- and nature-related strategies and programmes. However, the uptake of ForestPES through financial programmes at European, national and regional level is scarce, because the programming authorities have included few ForestPES measures, because forest managers have only limitedly enrolled, and because ordinary cost-compensation payments may provide insufficient incentives.

TWO KEY PRIORITIES FOR FORESTPES

-  **Develop a dedicated European ForestPES framework, building on a wider funding mix.** A dedicated forest ecosystem-services PES framework could improve sectoral fit, visibility and administrative coherence, aligning with forest-specific timelines, dynamics, actors and monitoring needs. Such an enabling environment should allow for longer contract terms, combine results-based with action-based payments, build upon ecosystem service bundles and apply a landscape approach. A dedicated framework should complement, rather than replace, existing mechanisms.
-  **Strengthen the forestry focus in the Common Agricultural Policy (CAP).** To make the CAP more efficient for FES, there is a need for larger and more visible budgets, easier access for forest managers, more eligible forest management measures and greater use of hybrid payment models. In addition, CAP Strategic Plans should allow ForestPES to be used more explicitly as a delivery mechanism for biodiversity actions and outcomes. Locations outside formally recognised protected areas, where more additionality may be realised, should be included.

LIFE PROFORPES RECOMMENDATIONS TO STRENGTHEN THE DESIGN, GOVERNANCE AND POLICY INTEGRATION OF FOREST PES SCHEMES ACROSS EUROPE



Project partners

RECOMMENDATIONS FROM THE LIFE PROFORPES PROJECT

SCHEME DESIGN

GOVERNANCE AND COMMUNICATION

POLICY INTEGRATION

- 1. Enable legal and funding stability over ecologically meaningful timeframes.** Stability and predictability is important to encourage ecosystem service providers and ecosystem service buyers to enrol into a PES scheme. On the other hand, most service providers prefer shorter contract timeframes (of around 5 years), while longer contract timeframes in turn are more effective for biodiversity outcomes.
- 2. Consider blended finance as a complementary funding model.** Blended financing - combining public and private sources - is recommended. Public funding is often linked to credibility and stability, whilst private funding can increase flexibility, leverage innovation and enhance responsiveness to local demand.
- 3. Use hybrid (both action- and result-based) payment designs.** Action-based payments reward forest managers for management actions or foregone income, whilst result-based payments are based on the results achieved. Combining both approaches can support forest managers to bear any upfront costs, while incentivising permanence to maximise outcomes.
- 4. Build robust, proportionate but simple monitoring systems.** Monitoring, reporting and verification (MRV) show the impacts of ForestPES, but can be technically complex, time-consuming and resource-intensive. Therefore, MRV should be as straightforward as possible, using new technologies (e.g. AI, drones) where possible, and being aligned with other reporting duties (e.g. for forest management planning or the Water Framework Directive) to reduce administrative burden.
- 5. Focus on one measurable forest ecosystem service and recognise co-benefits.** Ecosystems provide multiple co-benefits, but PES schemes covering ecosystem service bundles are complex to operationalise. Therefore, we suggest that future programmes support ForestPES schemes that focus on one primary measurable ecosystem service, while explicitly recognising additional FES as co-benefits and providing incentives for co-delivering these, where feasible.
- 6. Target ForestPES within their spatial, ecological-functional contexts.** PES schemes that are spatially targeted are more effective. Future financial programmes should thus adopt a nuanced spatial targeting-based logic, focusing upon ecologically relevant locations, for example water catchment-based, at landscape scale or linked to community approaches.
- 7. Improve communication and invest in awareness raising.** To improve awareness on PES and sustainable forestry, and to increase the willingness to contribute, PES policies and schemes should tailor communication strategies to all actors involved, including decision-makers and the general public. They should use accessible language, facts, figures, storytelling and dashboards.
- 8. Establish a European ForestPES Gateway.** A multilingual, open and user-friendly ForestPES Gateway will enable capacity building and foster harmonisation by providing templates for PES setup, contracts, indicator framework and monitoring protocols. It can also include training and guidance material, curated case examples and communication resources.
- 9. Strengthen inclusiveness, good governance and enable intermediaries.** Schemes should strive towards fairness and equity in participation and benefit distribution, including towards vulnerable communities and small forest owners, as this increases trust and credibility. Intermediaries can play an important role in building trust, while redistributing overall costs through coordination and support.
- 10. Integrate ForestPES into environmental and land-use policy frameworks.** ProForPES highlights the need to coordinate ForestPES with EU policy initiatives such as the Carbon Removal Certification Framework (CRCF), Climate Adaptation Strategies, Natura 2000, water policy, cohesion and territorial funds. Better integration with other policy frameworks and between administrative levels reduces overlap and provides additional opportunities.

The LIFE ProForPES project aimed to develop recommendations for policy and developers of PES schemes to better integrate ForestPES into European, national and regional policies and financial programmes, based on a review of academic literature, case studies and stakeholder involvement.



More information: De Vreese et al. (2026). Guidelines and recommendations on incorporating PES in EU-supported financial programmes. ProForPES project Deliverable D4.2.
<https://zenodo.org/records/21276901>
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