

The ALUS Approach to Promoting Stewardship

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ALUS
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1. What is ALUS
2. ALUS Program Model
3. Program Principles
4. Funding Model - Why PES?
5. ALUS Farmer Attitudes
6. ALUS Canada Perspective and Requests



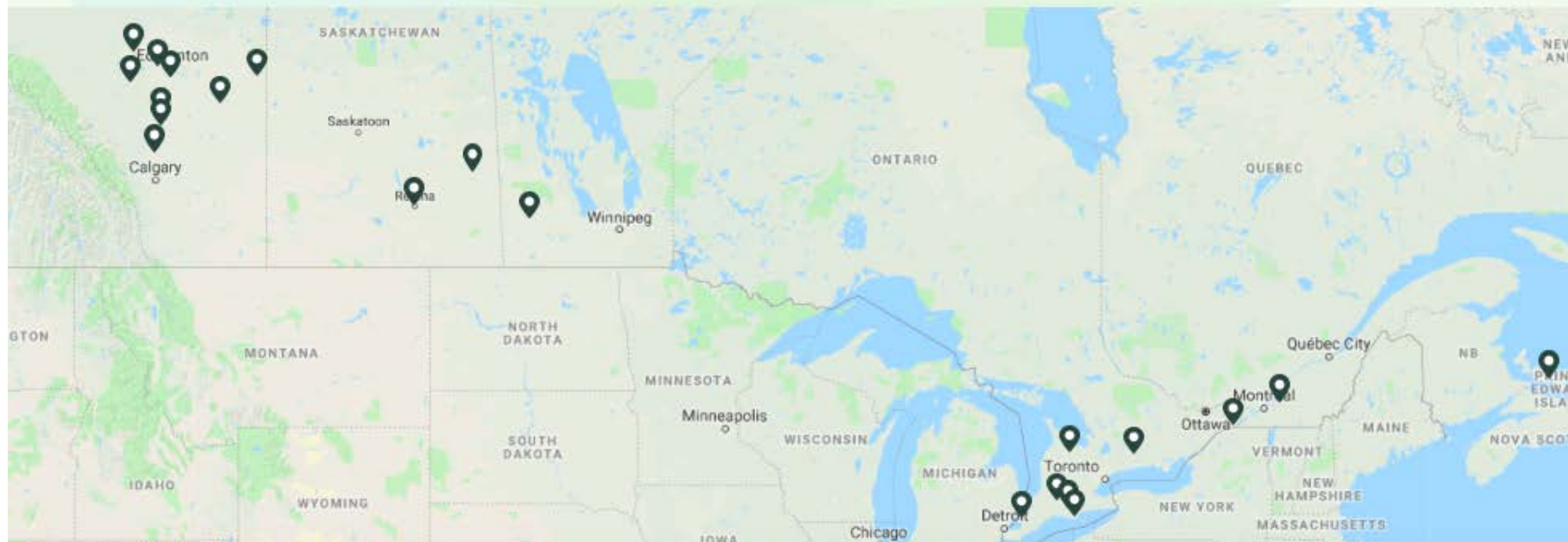
ALUS Canada

- Federally-registered charity
- Farmers' stewardship program
- Work with community partners to deliver ALUS in 25 communities across Canada



COMMUNITIES

ALUS Canada is proud to be a community-developed, farmer-delivered program. With an ever-expanding number of ALUS chapters across the nation, ALUS forms a mosaic of strong and unique programs, each one determining its own priorities while upholding a shared set of national principles.



The ALUS Canada Model

- Farmers dedicate select acres of land for restoration, enhancement and conservation
- Local decision-making is key to program administration
- ALUS is a Payment for Ecosystem Services (PES) program
- Contracts define projects, timeframe and management



ALUS Canada Principles

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Mission:

To sustain agriculture,
wildlife and natural
spaces for all
Canadians—one acre at
a time.



1. Community-Developed

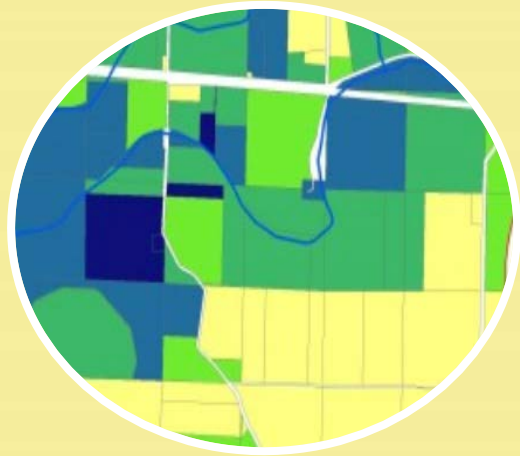
Developed by local communities to be flexible, and respect local agriculture and environmental priorities.



2. Farmer-Delivered

Farmers and ranchers are in the best position to deliver nature's benefits on their land.

ALUS Canada Principles



3. Targeted

Select marginal or ecologically sensitive parcels of land are managed in a different manner to produce nature's benefits.



4. Market-driven

Benefits from nature produced by project activities have economic value.



5. Voluntary

Farmers and ranchers choose to participate and have flexible agreements that suit their operation.

ALUS Canada Principles



6. Integrated
Delivery will complement existing conservation programs including federal and provincial government policy frameworks.



7. Accountable
Projects are independently monitored and third-party verified.



8. Science-based
Social, economic and environmental sciences guide program development and implementation.

STATUS AND TRENDS OF PAYMENT FOR ECOSYSTEM SERVICES (PES)

- *55 active programs = \$36–42 billion USD in annual transactions*
- *Recent development in environmental policy*
- *Different practices at local, regional and national levels*
- *Supports positive externalities generated by natural systems through landowner incentives*
- *PES captures only a fraction of the values provided by natural systems*

James Salzman et al: The global status and trends of Payments for Ecosystem Services

ANALYSIS

<https://doi.org/10.1038/s41893-018-0033-0>

nature
sustainability

The global status and trends of Payments for Ecosystem Services

James Salzman^{1,2*}, Genevieve Bennett³, Nathaniel Carroll³, Allie Goldstein³ and Michael Jenkins³

Recent decades have witnessed a considerable increase in Payments for Ecosystem Services (PES)—programmes that exchange value for land management practices intended to provide or ensure ecosystem services—with over 550 active programmes around the globe and an estimated US\$36–42 billion in annual transactions. PES represent a recent policy instrument with often very different programmes operating at local, regional and national levels. Despite the growth of these programmes, comprehensive and reliable data have proven difficult to find. This Analysis provides an assessment of the trends and current status of PES mechanisms—user-financed, government-financed and compliance—across the domains of water, biodiversity, and forest and land-use carbon around the world. We report the various dimensions of growth over the past decade (number of programmes, geographical spread, dollar value) to understand better the range of PES mechanisms over time and to examine which factors have contributed to or hindered growth. Four key features stand out for scaling up PES: motivated buyers, motivated sellers, metrics and low-transaction-cost institutions.

Just two decades ago, Payments for Ecosystem Services (PES) was an obscure term, with only three PES journal references in 1995 (according to a Google Scholar search, see details in Methods). There are now over 550 PES programmes around the world, with combined annual payments over US\$36 billion. PES has been featured on the cover of *The Economist* magazine and become a central

practices intended to provide or ensure ecosystem services. Researchers have also proposed different categorizations for the various types of PES^{1–6}. Building on a framework developed previously⁷, we group PES mechanisms into three broad categories:

- User-financed PES. Users of ecosystem services agree to com-

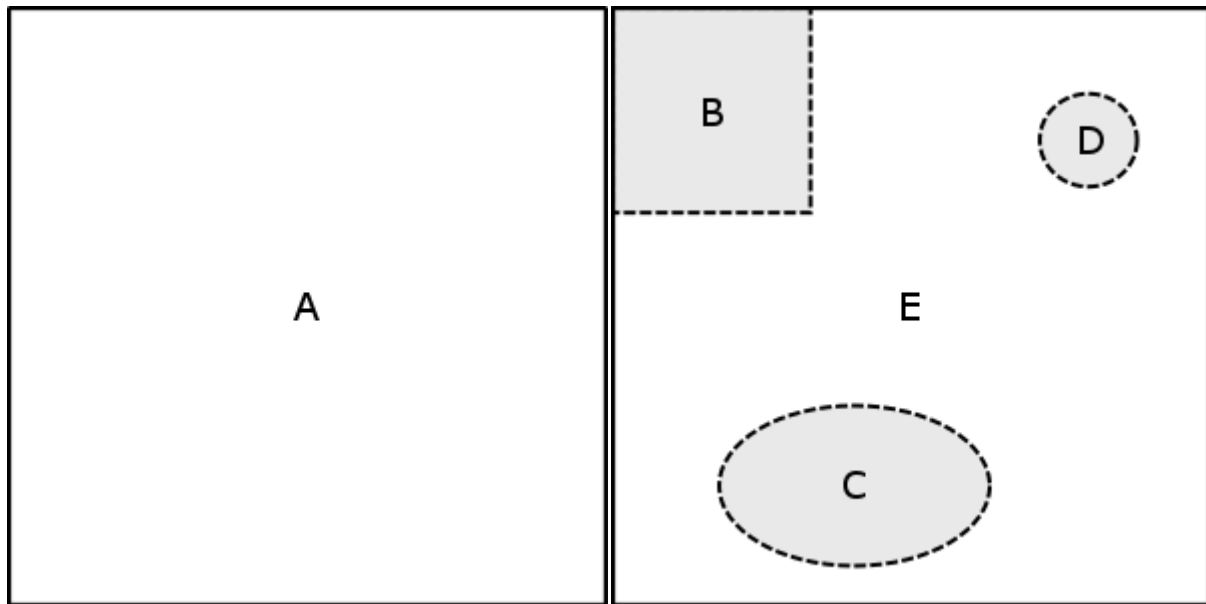


WHY PES FOR ALUS?

- 2005-2008 MB pilot, led by farmers and Keystone Agricultural Producers
- Awareness of USDA, EU CAP and other PES programs
- Neutrality of transactions – PES/P4P



HYPOTHETICAL FARM MODEL

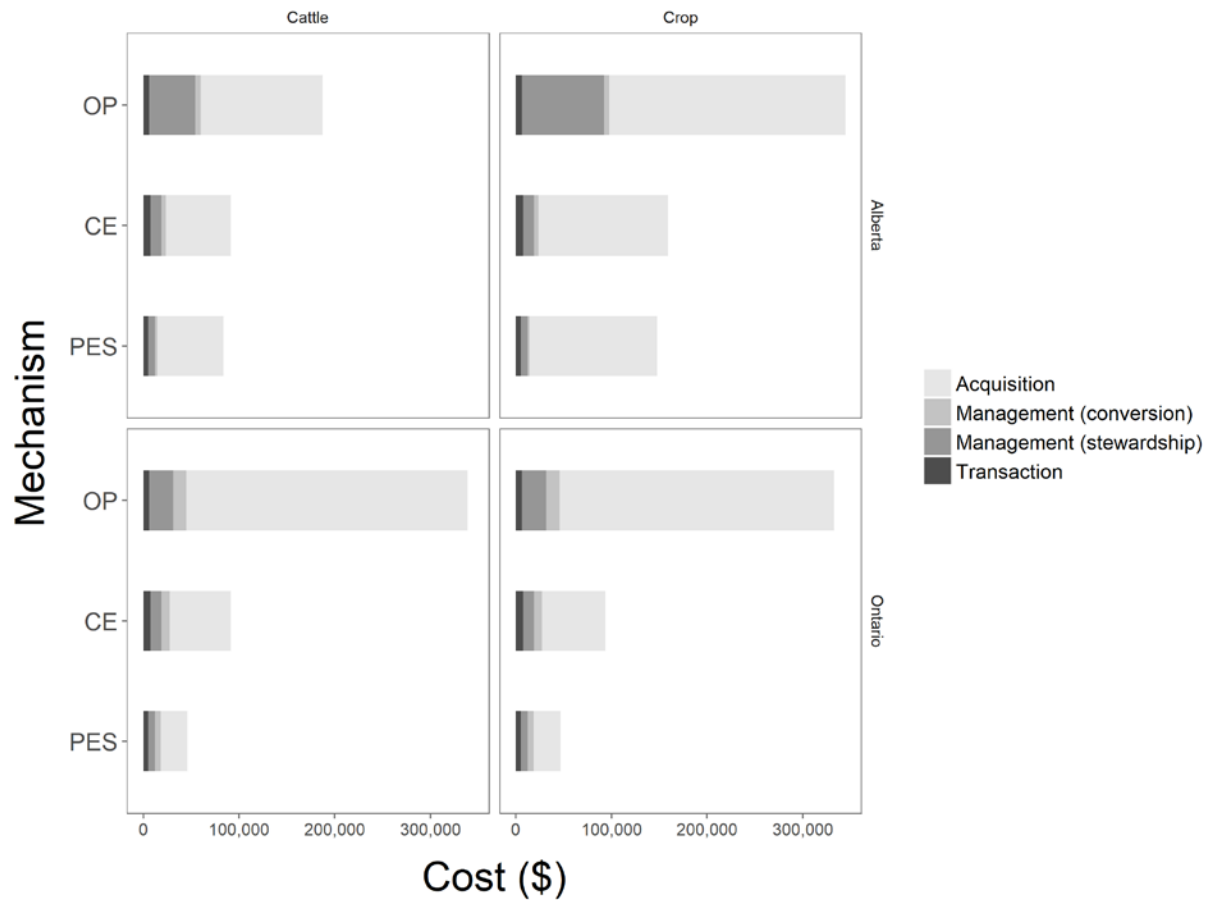


Baseline: fully cropped or
pasture

Farm with hypothetical ES-producing
projects: grassland (B), forest (C), and
wetland (D)



COST BREAKDOWN BY MECHANISM, PROVINCE, FARM TYPE





**ALUS Partnership Advisory Committees
2019 - 24 Communities/PACs**



ALUS Participant Growth
2009 – 3 farmers
2019 – over 600 farmers
(not including PEI)

STUDY OF PEI STAKEHOLDER PERSPECTIVES ON ALUS

- Goal: to assess perceptions of sustainable agriculture on PEI and the role of the ALUS program in making advances towards achieving this vision

An Analysis of Stakeholder Perspectives on the PEI ALUS
Program: How far have we come and where are we going?

Vijay Kolinjivadi
Institute of Temperate Forest Sciences
Université du Québec en Outaouais (UQO)

Final Report: August, 2018



Canada
Social Sciences and Humanities
Research Council of Canada

MOTIVATIONS FOR JOINING THE PEI ALUS PROGRAM

- 76% - a 'social license to operate' (following best practices to avoid fish kills)
- 62% - timing (after regulation) and incentive nature of the program
- 41% - the financial incentive
- 35% - long-term vision for thinking and looking after the soils
- 24% - chance to add to past improvements
- 11% improved knowledge about soil retention efforts

An Analysis of Stakeholder Perspectives on the PEI ALUS Program. Vijay Kolimjivadi et al. University of Quebec



PEI IMPLEMENTATION COMMITTEE

- Original driver that regulation not enough to protect and manage wildlife habitat, soils and waterways
- Concept included the development of “environmental commodities” for businesses and farmers to be compensated for sustainable practices
- Idea was not to reduce cropland but to prioritize productive land for farming and other land for environmental projects
- Tension between industrialization of farming and tighter profit margins and desire for sustainable operations and environmental protection
- Some see ALUS as a (still valuable) ‘band-aid’ that doesn’t deal with root causes and trends (e.g. leakage)



PEI STUDY CONCLUSIONS

- ALUS has changed attitudes of farmers – as an extra “push” to take action and recognition for efforts
- ALUS does not resolve the conflict between industrialization (farm consolidation/small profit yields/land conversion) and environmental restoration.
- ALUS is one of many strategies needed for sustainability.
- It is desirable to increase targeting of watersheds and outcomes
- Integration with other farmer-led initiatives around soil protection and sustainability?



ALUS CANADA PERSPECTIVE

- ALUS "normalizes" environmental restoration (farmer to farmer knowledge-sharing, expectations around performance)
- Incentivisation programs work: transactional nature, recognition for doing good
- Farmers deserve an opportunity to be part of creating solutions
- Community involvement and decision-making responsibility critical to success – recognizes local priorities and farmer/community creativity



REQUESTS TO HELP MOVE FORWARD: RESEARCH AND POLICY/PROGRAM CHANGE

- More public investment in water, wildlife and climate monitoring and research including establishing baselines to measure change
- Regional protocols for carbon sequestration
- Opening existing environmental/sustainability funding programs to a variety of restoration/conservation mechanisms
- Creation of a national natural infrastructure program and integration into INFC green infrastructure programs
- Resources for rural municipalities and NGOs to work collaboratively with others on watershed scale for climate resiliency

**WE CAN'T SOLVE
PROBLEMS
BY USING THE SAME
KIND OF THINKING
WE USED WHEN WE
CREATED THEM**

Albert Einstein



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