

Economics and Environmental Policy Research Network

Research Symposium

October 29th – 30th, 2018

Session Notes for Panel II: Economic Incentives for Protected Areas and Biodiversity Conservation on Private Lands

1. Context of Discussion

This session sought to explore the key research gaps and policy needs facing conservation and species at risk efforts on private lands.

Key themes discussed in the session included:

- There is not a good understanding of the risk of land conversion resulting in habitat loss. There is not a good understanding of the additionality of easements (i.e. would the land have changed use in the absence of easements). While such monitoring will become easier ex-post with remote sensing imagery, a better focus is needed on ex-ante risk of land conversion and related targeting of land protection to the areas of high land conversion risk.
- While a multitude of different conservation programs have been trialed in Canada over the years, there remains limited evidence on how these different types of programs have succeeded over time. While there is much work on the adoption of programs, there is room for a more thorough look at how these programs resulted in actual behavior change and what their outcomes were in terms of meeting stated objectives. At present, there is no (or little) ex-post evaluation of policies, such as where environmental policies are evaluated in terms of their level of success or failure. Typically, most current policy evaluation measures the level of funding or activity rather than measuring outcomes on the environment.
- There is limited data in terms of how easements or land restrictions have affected property prices in Canada in terms of developing a causal relationship to help drive policy choices.
- It was emphasized that it is crucial to not just focus on the economic incentives governing private land conservation, but to recognize the importance of understanding the role of non-economic incentives in private land conservation, such as social norms and personal norms. These norms are believed to interact with economic incentives in very complex ways that require much further study. We need to improve our understanding on the role of non-economic incentives in private land conservation, such as social norms and unwritten rules of appropriate behavior. For example, what are the specific social norms for being a private land owner in different settings: What am I entitled to? What responsibilities do I have? What is my obligation to the natural world in terms of duty of care or stewardship? What is my role in terms of preventing extinction?
- There is a need for greater collaboration across multiple stakeholders, policy makers, and landowner associations, breaking down silos across various actors. This could entail collectively setting clear goals and prioritizing deliverables in terms of social, environmental and economic

outcomes. This is likely to be quite challenging, especially in terms of prioritizing beneficial policies, when different actors have different objectives and even private landowners might have different perspectives. Additionally, the farming community will need to be partners in policy development, including developing a better understanding of the preferences and priorities for individual communities.

- Canada's federation makes provincial and federal collaboration key to action on the environment, When action is needed, federal and provincial jurisdiction should lead to clearly defined roles and responsibilities. There is a need for the federal government to look closely at what type of economic instruments they have the legal authority to use to reach environmental objectives on private lands. These provincial/federal relations and collaboration were raised as challenges encountered when trying to address existing research gaps.
- The issue of communication of environmental issues to farmers was highlighted, with there being a need to better target environmental messaging to resonate with the farming community. This is amplified by the general unfamiliarity of economists and policy-makers with the agriculture sector, and the non-confidence or trust issues that this can cause. There may be the need to better train students and practitioners to better understand agriculture and forestry more broadly (e.g., terms, practices, business models, etc.) before designing related policies and other measures.
- Another point that was raised is the need for better data on land cover dynamics in Canada. It was suggested that this data may exist, but it is difficult to access by the general public and researchers. Suggestions included better compilation of data, better access to information, and doing more micro-data integration. It was also suggested that there might be potential for increased collaboration with other disciplines (e.g. with geographers).
- Furthermore, there is a need for more holistic or integrated policy packages which would maximize benefits for a broader suite of objectives. For example, both environmental and economic objectives should be looked at in parallel - as should environmental considerations such as biodiversity and water & watershed objectives.
- Finally, there is room for additional research exploring the impacts of the shift in consumer's preferences towards more sustainable and healthy options. This includes developing common definitions such as: What does "environmentally friendly foods" actually mean? How do we brand or label for biodiversity considerations? What kind of labelling regime will support shifting preferences?

2. Research Questions Identified

- The biggest gap is understanding the role of non-economic incentives, and their interaction with economic incentives (e.g. norms), with the **interaction between norms and economic incentives requires much further study. In the absence of field experiment, is there an option of staggering the roll-out of policies to allow for control groups for ex-post policy evaluation?**

What are the expected interactions between economic incentives and social norms in Canada? How can we support the spread of helpful norms for conservation behavior?

- **What are better partnership models that allow coordination across government departments, federal and provincial actors, researchers and stakeholders?**

- **How can we better evaluate and monitor the outcome of related policies in terms of environmental impacts and outcomes?**
- While there is a large literature documenting the adoption of different incentive programs, **how do incentives and/or payments actually change behavior in a sustained way? Are these programs achieving their stated environmental targets?**
- **How can we better model risk of habitat loss/conversion in order to target conservation efforts such as easements, and ensure additionality?**
- **What type of data would facilitate policy design as well as the tracking and monitoring of progress? How can access to this data be improved?**
- **How can we ensure that the whole ecosystem is considered in policy design, including a more holistic approach to identifying related costs and benefits?**
- **How can we better integrate potential trade-offs between social, economic and environmental goals within policy design and prioritization?**
- **What are the impacts of the shift in consumer's preferences towards more sustainable and healthy options?**