



PAYMENTS FOR SCENIC BEAUTY

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Introduction

The National Trust is a private charity in Britain that protects 704 miles of coastline of special scenic beauty by making conservation payments to local landowners. The trust is funded through donations and annual fees from more than 3.4 million members (www.nationaltrust.org.uk). Similarly, Swiss government and governments of several other European countries make payments to landowners for protecting pastoral landscapes that attract international tourists. As global tourism continues to grow, increasing numbers of tourists demand to see areas of rare natural beauty, translating into payments for land users who manage these lands.

Although payments for scenic beauty are older than payment schemes for most other environmental services, scenic beauty itself is hard to define. Carbon sequestration, watershed protection, and biodiversity conservation have some objective criteria that can be used to measure the level of the service. For instance, biodiversity can be measured by the number of endemic species in an area, while carbon sequestration is measured in terms of tons of carbon dioxide absorbed per annum. Scenic beauty, on the other hand, is more subjective, with different people valuing different attributes. It often encompasses a range of environmental services for consumptive (hunting, fishing) or non-consumptive (bird watching, boating) use.

Alternative approaches to protect scenic beauty

A common model for the provision of scenic beauty is through creation of a national system of parks or other protected areas by the government. The funding comes from budgetary allocations or by charging access fees (entrance fees, hunting licenses). Land stewards responsible for managing these lands get a share in the access fees or wider development support in terms of improvement in local infrastructure.

Governments have other measures at their disposal where they do not possess or cannot appropriate the land to create a national park. In many European countries, zoning is a key provision that protects scarce but pristine countryside and picturesque villages and cities. Many American cities also have historic preservation statutes that limit the changes that residents and businesses can make to the appearance of a given locale. In addition, some states ban roadside billboards and provide advertisement of local businesses with smaller signs with less obstruction of the natural scenery.

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In some cases the market itself provides sufficient incentive for landowners to protect scenic beauty. This is because real estate appreciates by virtue of being adjacent to a scenic area or a beautiful water body. Several hedonic pricing studies have shown that proximity to natural amenities tends to increase the market value of a land. Thus, real estate markets provide a direct incentive to landowners to invest in conservation activities on their land.

The market can promote scenic beauty because tourists travel to beautiful places. Historically, tourists' willingness to pay for recreation and aesthetic beauty has been mostly captured by the middlemen in the supply chain, such as tour operators and the hospitality industry. If these businesses own substantial portions of land in the area in question they will have a strong incentive to protect it. For example, in South Africa there are several privately held game reserves located adjacent to national parks. In industrialized countries there are often private campgrounds next to national parks. However, businesses in the tourist industry do not normally control all the land in the area. Threats to local scenic beauty, coupled with expansion of nature-based tourism, have led to arrangements whereby businesses in the tourism industry share revenue with other local landowners.

Summary

Among the approaches discussed in this brief, only the payments that landowners receive for protecting scenic beauty can be categorized as PES. The brief began with such an arrangement funded by governments and ended with similar approaches funded privately. For governments, such an approach may be attractive where they cannot appropriate land for protected areas or where they cannot muster sufficient political support for zoning restrictions. For private interests the same holds true. They would prefer to ensure protection of scenic beauty through assistance by the government (e.g., zoning regulations), but if that is not possible, they may offer payments if doing so results in increased revenues beyond the cost of the payments.

Further reading

Landell-Mills N and Porras I. 2002. *Markets for Landscape Beauty, Chapter 6, Silver Bullet or Fools Gold*. International Institute for Environment and Development, London.

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