

ABSTRACT

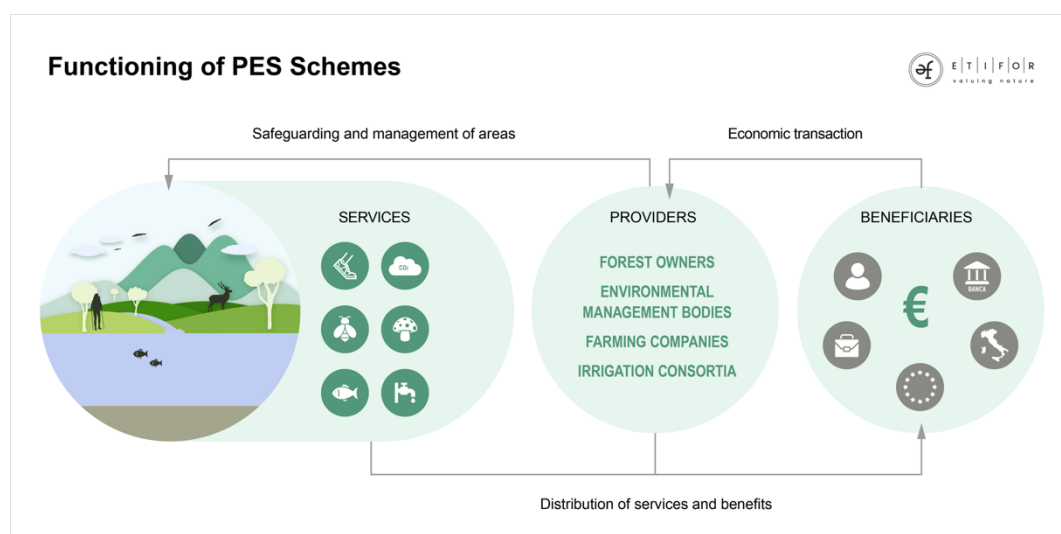
Improving the sustainability and scalability of Payments for Ecosystem Services (PES) in European forests: insights from the LIFE ProForPES Project

1. General introduction to the topic

Forests cover about 40% of Europe's land area and provide essential ecosystem services (ES) to address global challenges such as climate change, biodiversity loss, and social resilience. However, these services are often undervalued or poorly compensated. Innovative financial mechanisms, such as Payments for Ecosystem Services (PES), represent important tools for incentivising sustainable forest management, with benefits for both nature and communities. However, many PES initiatives face difficulties related to scalability, long-term adoption, and the fair distribution of benefits.

The **LIFE ProForPES project**, co-funded by the European Commission's LIFE Programme, addresses these challenges by holistically assessing European PES schemes to improve their implementation and sustainability. The project aligns with EU policies on climate adaptation, biodiversity conservation, and rural development, integrating the perspectives of various actors, including policymakers, NGOs, businesses, and civil society.

LIFE ProForPES is a three-year research project (2023–2025) involving universities and specialised companies with extensive experience in **ecosystem service payments**. The project is coordinated by the University of Padua (UNIPD) and includes the European Forest Institute (EFI), the Hochschule für Nachhaltige Entwicklung Eberswalde (HNEE) in Germany, Etifor | Valuing Nature, and the University of Natural Resources and Life Sciences, Vienna (BOKU).



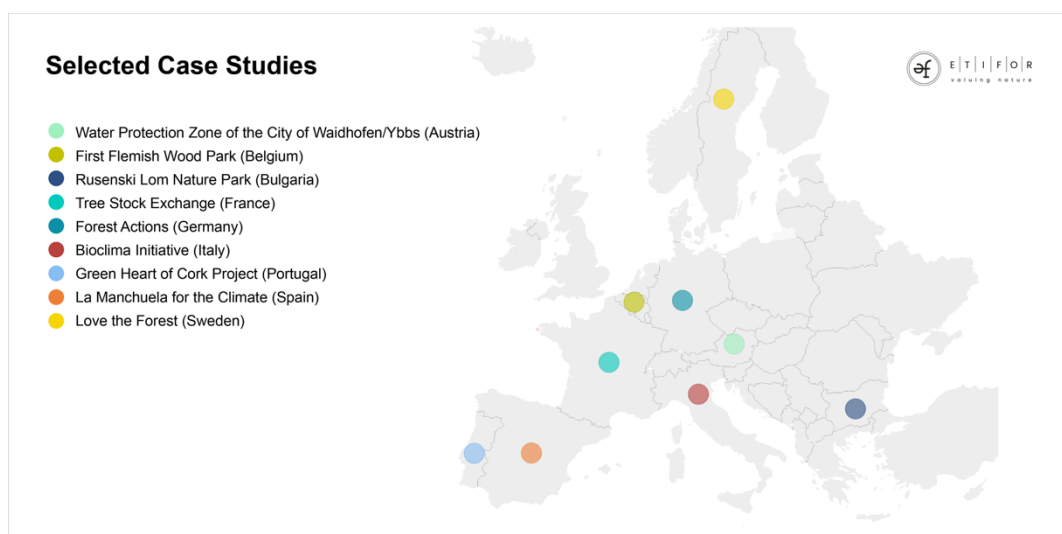
2. Key research results and project outputs

The core of the research is Work Package No. 2, led by Etifor, BOKU and EFI, which developed a **theoretical and methodological framework based on the Capital Asset Framework (CAF)**. The study includes a broad analysis of different types of PES across Europe, supported by surveys, interviews, and a SWOT analysis to assess PES regimes in depth.

Main Results:

- **General Analysis:** the **examination of over 100 case studies in Europe** (9 studied in detail in Austria, Belgium, Bulgaria, France, Germany, Italy, Portugal, Spain, and Sweden) highlighted the diversity of PES mechanisms, ranging from public-private partnerships to private collaborations. The analysis showed a predominant focus on regulating services such as water management, purification, and flood control. Most transactions are based on voluntary agreements between buyers and sellers.
- **Impact assessment:** PES schemes had positive effects on human, social, natural, financial, and institutional capital, improving community engagement, governance structures, and resource sustainability. However, challenges remain, including administrative complexity, limited impact on local well-being, financial constraints, and difficulties in stakeholder engagement.
- **Barriers and opportunities:** although each context has its own peculiarities, local governance models and collaborations with the private sector proved to be key enablers, while the complexity of EU funding and economic limitations represent significant obstacles to scalability. Effective implementation requires institutional support, stakeholder coordination, and overcoming economic and technological barriers. Opportunities arise from growing environmental awareness and education. Overall, the success of PES initiatives depends on long-term investment and improved governance.

These findings highlight the need for strategic reforms in funding models, participatory governance, and long-term monitoring to maximise the impact of PES schemes.



3. Perspectives and Next Steps

Evidence from the LIFE ProForPES project will contribute to formulating recommendations for EU funding policies and integrating PES into rural development programmes and biodiversity strategies. Future developments will focus on overcoming identified barriers, promoting innovative public-private partnerships, and exploring new applications of PES.

In the next phase of the project, UNIPD and HNEE will analyse the potential of EU financial programmes and the state aid framework to support and incentivise PES. At the same time, BOKU and EFI will develop detailed guidelines to integrate PES into these programmes, including best practices, scenario-based recommendations, and impact analysis to ensure sustainability and feasibility. These guidelines will be developed in collaboration with EU Directorates-General to ensure harmonised implementation across Member States.

Meanwhile, Etifor will focus on disseminating results through educational materials, seminars, workshops, and webinars, broadening the project's reach. Final outputs will be translated into German, Italian, and Spanish and distributed through partner university platforms to improve accessibility. Ultimately, these guidelines could be integrated into the LIFE programme proposal frameworks and supported by Short Scientific Missions for national application, ensuring replicability, sustainability, and long-term impact.

In spring 2026, a final workshop will be organised involving policymakers and key stakeholders to discuss PES integration into policies and the supply and demand of Forest Ecosystem Services.

Full reports available at <https://www.lifeproforpes.eu/#results>

4. Keywords

Forest Ecosystem Services (FES), Market-Based Instruments (MBI), Payments for Ecosystem Services (PES), sustainability, EU policies, rural development, biodiversity conservation, community engagement, public-private partnerships.

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