

Workshop on result-based agri-environment payments for biodiversity

Brussels, 14 April 2015

REPORT



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INTRODUCTION TO THE WORKSHOP

The aim of the workshop was to share knowledge, good practice and technical guidance, and to provide a platform for the exchange of views about result-based agri-environment payment schemes (RBAPS) and the collective implementation of agri-environment-climate schemes.

Introductory remarks

Markus Holzer
(Head of Unit - DG
AGRI – H5)

Martin Scheele
(Head of Unit - DG
AGRI – H1)

Key messages from the introductory remarks:

RBAPS is a very important issue for DG Agriculture in the light of the challenges faced by the agri-environment-climate measure, because the results-based approach offers an opportunity to:

- move closer to paying for biodiversity results
- address the potential challenge that agri-environment-climate payments are being used as a form of income support
- improve verifiability
- to simplify and achieve better targeting.

In discussing how to close the gap between theoretical approach and practical implementation the EC sees two difficulties to be addressed:

- the economic argument that it would be cheaper to pay directly for results by creating a competitive market, rather than using the EAFRD payment calculation, but this would not meet 'green box' requirements
- the need to build RBAPS into administrative practice.

RESULT-BASED AGRI-ENVIRONMENT SCHEMES

Presentation:

[Introduction to result-based agri-environment schemes](#)

Jérémie Crespin
(DG Environment)

The agri-environment-climate measure is crucial to integration of environment into agriculture. This measure accounts for 16.2% of EAFRD funding and there is scope for more ambitious agri-environment-climate schemes in 2014-20, following the introduction of Pillar 1 greening. RBAPS can solve some of the problems of 'classical' schemes, e.g. by improving environmental impact, reducing verifiability/error rate and giving farmers 'ownership' of results.

Key messages from the presentation:

European Parliament action on RBAPS, with € 2.5 million in the Commission budget, is a two-stage project:

- a newly completed study by IEEP and partners (*see related presentation*)
- just starting, two RBAPS biodiversity pilot projects that will run for four years in: Ireland and Spain (Navarra) led by EFNCP; and in Romania (Transylvania) led by Fundatia ADEPT.

A forthcoming OECD paper on payments and markets for biodiversity conservation in agriculture concludes that RBAPS:

- can improve environmental targeting and cost-effectiveness
- payment design should take into account increased risk for farmers
- effectiveness depends on availability and quality of indicators
- may perform best when targeted at specific, local environmental issues.

There is a need to:

- identify current 'classic' schemes which could evolve to RBAPS
- implement pilots, and expand RBAPS where these already exist
- make sure RBAPS is compatible with rural development policy
- test schemes aimed to improve water and soil quality
- use experiences to achieve further integration in the CAP post 2020

Presentation:

[Highlights from the DG Environment study on result-based agri-environment schemes](#)

Clunie Keenleyside
(IEEP)

RBAPS website:
http://ec.europa.eu/environment/nature/rbaps/index_en.htm

The presentation summarised key the findings of the 2014 RBAPS study and highlighted the materials for practitioners and researchers available on the EC website.

Key messages from the presentation:

- RBAPS allow farmers to choose how to manage their land, livestock and crops to achieve clearly defined biodiversity results.
- These schemes have existed in Europe for more than 20 years, and in 2014 there were more than 30 schemes in operation or planned, mostly funded by EAFRD 2007-13.
- The focus is on existing valuable habitats and species, including species-rich meadows, semi-natural grazed habitats, traditional orchards and vineyards, ground nesting birds and large carnivores.
- Biodiversity objectives and result indicators are described for schemes applied in Germany, France, Switzerland, Ireland, Austria, Sweden and Finland, illustrated with examples of farmer information materials.
- Key characteristics of the design and implementation of RBAPS schemes have been identified.
- The [Commission's RBAPS website](#) provides: a searchable inventory of RBAPS schemes up to 2013; videos from the field; the study report; guidance on the design and implementation of RBAPS in 2014-20 RDPs; conference presentations and expert articles.

Highlights from
discussion

Use of result-based schemes for delivering water and soil quality. The focus of the result-based schemes reviewed by the DG Environment study was on delivering biodiversity results in valued natural or semi-natural areas, where farmers use site-specific agricultural management practices. DG Environment suggested that the result-based approach might also suit the delivery of more 'entry-level' schemes to achieve water and soil quality, but this has not been tested. The major issues are the lack of a clear connection between the results and the farming practices on specific parcels (because nutrients and water move through the soil), and identifying the most appropriate result indicators. For example, in the case of soil quality the concentration of nutrients and organic matter might vary a lot in a given parcel so that their measurement might prove not to be a good indicator. Some more work needs to be carried out around identifying good result indicators and the imputation of indirect effects.

Use of result-based schemes for forest management. result-based schemes hold a great potential to be used in forest areas and agro-forestry systems. Participants were reminded that most of the funds for environmental management of forests come from the EAFRD.

Toolbox for farmers. One of the key aspects for the successful implementation of result-based schemes is for farmers to have a clear understanding of both the objectives of the scheme and the result indicators that are measured. Some schemes illustrated in the DG Environment study have provided quite good advice and information for farmers about result indicators and how to identify them. Because the payment is linked to the achievement of results, farmers are free to choose the most appropriate management with no additional limitations. The management practices likely to achieve the results may be indicated/suggested to them, but such advice may not always be necessary, if the practices are well established.

Involvement of local stakeholders and paying agencies in the conception of result-based schemes. Successful schemes involve all relevant stakeholders right from the very beginning. This requires quite intensive initial investment in training (e.g. for public administrators), but the effort pays off in terms of quality of results. In this respect, it was reminded that the legislative framework allows the paying agency to delegate some of its control functions to approved external bodies with specific expertise, for example in measuring biodiversity result indicators.

Evaluation. No thorough ex-post evaluation of biodiversity impacts has yet been carried out for the result-based schemes reviewed in the DG Environment report, but the take up of the schemes and the level of satisfaction of farmers have generally been seen as good.

Highlights from
discussion
(continued)

Trustful relationships between stakeholders. In some national or regional contexts issues and conflicts might arise between the stakeholders involved in the delivery of the schemes. Building trust (between ecologists, farmers and managing authorities) is considered an important factor of success, but often takes time.

Costs of implementation from starting design through implementation to final evaluation. There is no data available from the study on the costs of implementing result-based schemes. However, it is possible to say that the cost profile of a typical result-based scheme is different from that of a classic management-based scheme. This is mostly because a greater proportion of resources will be invested at the beginning, in choosing result indicators and training staff and farmers, and in on-going advice and 'hand-holding' support for farmers during implementation. However, the overall environmental cost-effectiveness of result-based schemes is expected to be higher as there should be no deadweight because farmers will only enter land in the scheme if they are confident that the results can be achieved.

THE DUTCH COLLECTIVE APPROACH TO AGRI-ENVIRONMENT-CLIMATE SCHEMES

Presentations:

[Collective implementation of the agri-environment-climate measure: the Dutch case](#)

Jan Gerrit Deelen
(Dutch Ministry of Economic Affairs)

[Results-based agri-environment payment experiences in the Netherlands,](#)

Dick Melman
(Alterra)

In the Netherlands there is a long experience of both RBAPS and collective agri-environment contracts, and from 2016 the national RDP will use the agri-environment-climate measure to create spatially targeted, high quality habitats for Natura 2000 species, using only contracts with collectives, not with individual farmers as in the past.

Key messages from the presentations:

- First developed RBAPS in the 1990s, for meadow birds and species-rich vegetation, as a preferred alternative to management-based agri-environment schemes.
- From 2000 these RBAPS schemes became part of the agri-environment programme and moved towards delivery through farmer cooperatives, but were stopped in 2003 for several reasons.
- RBAPS is still seen as potentially valuable in terms of effectiveness, flexibility and professionalism, and may be explored as an option within the new scheme.
- To be launched in 2016, the new scheme adapts the Dutch tradition of agricultural cooperatives to the delivery of biodiversity public goods, specifically habitats for rare species.
- All agri-environment-climate contracts will be with collectives (there are about 40) not with individuals. Each collective must be a professional, certified body, and has to prepare a regionally tailored six-year nature management plan based on detailed ecological assessment; this forms the basis of their agri-environment-climate contract.
- The collectives are responsible for ensuring that the prescribed habitat conditions are provided each year on a total area of farmland (within a min/max range). The collective identifies the land each year, using a real-time ICT connection to the paying agency, and handles the administration of payments to individual farmers.

OPERATING RESULT-BASED AGRI-ENVIRONMENT SCHEMES

Presentation:

[Operational aspects of result-based agri-environment schemes](#)

Clunie Keenleyside
(IEEP)

The presentation outlined the process of deciding if RBAPS is a suitable approach, the steps required in designing and operating a scheme, and provided a summary of the more detailed advice in the Guidance Handbook and Supplements. Finally it raised some questions about the future of RBAPS for the workshop participants to consider in the following discussion.

Key messages from the presentation:

- RBAPS have many clear advantages over management-based schemes but care is required when exploring the options (RBAPS are not suitable in the absence of simple, reliable result indicators, environmental information and expertise and willing farmers).
- A key decision is whether to run RBAPS as an entirely stand-alone scheme or as an add-on to a management-based scheme
- RBAPS can be set up and operated within 2014-20 RDP rules, paying attention to payment calculations, indicator thresholds for payments, verification and controls (which are *not* the same as those for management-based schemes), staff and budget resources required, the importance of farmers support services and the need for regular reviews.

Further reference:

[Guidance Handbook and Supplements on the European Commission website](#)

GROUP
DISCUSSION

The lively group discussions centred around three aspects of RBAPS design and implementation, from the viewpoint of Member States' managing authorities and paying agencies. **Opportunities and barriers** were discussed in detail, and the points raised under each topic included:

Opportunities &
barriers related to:

*Biodiversity
objectives and
result indicators*

*Payment
calculation and
targeting*

*Verification and
controls*

Biodiversity objectives and result indicators

- much better link (than in classic schemes) between the biodiversity objective and what the farmer does, and a more effective use of public funds
- opportunity for maintenance of current HNV farmland (and possibly use indicators for Natura 2000 reporting too)
- could also be used to enhance biodiversity on intensive farmland (and this would help to address the risk that focusing just on sophisticated biodiversity outcomes would antagonise other non-participating farmers)
- greater stakeholder engagement, building social capital, involving local communities and recognition of farmers' role in biodiversity management
- there is an opportunity to use the EAFRD knowledge transfer measure to engage with farmers and work with them on suitable indicators
- choosing the right indicators is very important but can be a challenge; a lack of environmental data, and of scientific expertise within managing authorities and paying agencies, could be barriers
- RBAPS encourages 'good behaviour' in biodiversity management by farmers
- scaled payments and indicators are an incentive for farmers to aim for the best possible results (but they may have to choose at the start of their contract period which level of indicator they are aiming for)
- co-operative action could be difficult to achieve because many farmers prefer to act alone
- evaluation of the biodiversity *impact* of an RBAPS scheme requires scientific expertise and resources

Payment calculation and targeting

- transition from management-based to results-based schemes is helped because the basis for the payment calculation remains the same and payment rates are simplified
- better biological data makes it easier to target payments
- introducing RBAPS as an 'add-on' to a management-based scheme might attract farmers (but administration and contractual commitments could be complicated, and would the total payments be higher?)
- although the 2014-20 RDPs have just been approved, there are opportunities to set up RBAPS pilots via modifications to the RDP, and it was suggested that develop guidance on pilot schemes might be developed under the EIP-AGRI
- the payment calculation is based on assumed management actions, but farmer is free to choose different/additional management: will payments reflect fairly the farmer's efforts to produce the results, and the additional risk, even if transaction costs are added? could there be a risk of 'cheating'?

Verification and controls

- need to build trust between the farmers and the advisory/inspection regime, and to actively manage change as RBAPS system is introduced
- fewer issues to control therefore on-farm controls could be cheaper, but will be concentrated within a specific time period; this may require increased capacity, especially if both types of scheme are running in parallel
- plant indicators are easier to control than indicators of migratory species
- are there potential problems with controlling the baseline requirements for agri-environment-climate contracts, when RBAPS are used?
- farmers will need to develop expertise to assess results for themselves: there will be an increased requirement for advisers and farmer guidance, but how will this be funded?
- is there a risk that the farmer will be penalised if the result is achieved in every year of the contract except the final year?

Requests for
further guidance
from the
Commission

During the group discussions Member State participants requested **further technical guidance** from DG Agriculture on setting up RBAPS under the 2014-20 rules, and asked specifically for guidance on and best-practice examples of:

- **RBAPS payment calculations** (with worked examples), and details of what may be covered by transaction costs
- **audit requirements**, level of control necessary, dealing with errors and reclaiming payments
- choosing **result indicators***
- **farmer guidance*** and communication with farmers
- level of detail required in RDPs

Participants also suggested that it would be helpful if Member States could **share their experiences of implementing results-based schemes in 2014-20**.

* These topics are covered in more detail in the two Supplements to the Guidance Handbook, [Result Indicators](#) and [Examples of Field Guidance for Farmers](#), which workshop participants had not seen.

CONCLUDING REMARKS

The 2014 legal framework for rural development is more focused on outcomes and results; the work supported by DG Environment with the encouragement of the European Parliament can definitely help moving towards more widespread use of RBAPS.

There is of course space for both management-based and results)based approaches, but result-based schemes recognise and use the **professional knowledge of land managers**, help to build up **partnerships with stakeholders** and are part of the 'cultural shift' in the role and expectation of agri-environment schemes. The EC hopes that Member States will use the opportunity to set up RBAPS pilots within the current programming period.