



Institute^{for}
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Policy

Operational aspects of RBAPS

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Exploring the options

Advantages of results-based schemes:

- clear link between results and payment
- biodiversity objectives more easily achieved
- rewards farmers' skills and farmers take 'ownership' of biodiversity 'production'
- public recognition of farmers' role
- easily meet EU requirements for verification
- cost-effective targeting by farmers themselves

BUT to succeed results-based schemes require:

- simple, reliable result indicators
- environmental information and expertise available
- willing farmers

Refer to biodiversity conservation priorities for farmland

(national and regional obligations for Natura areas, objectives for other protected areas, biodiversity action plan targets, SWOT analysis and chosen priorities for the RDP)



Assemble information on these habitats and species and their dependence on agricultural management



Define clear conservation objectives for an agri-environment-climate scheme



Is it possible to define results indicators for each objective?

NO →

YES ↓

Does the result indicator meet all of the best practice criteria?

NO →

YES ↓

A results-based approach is possible, consider feasibility



Is a suitable funding source available?

YES ↓

Is this within the RDP?

YES ↓

CONSIDER OTHER APPROACHES

Check if proposed scheme meets EAFRD funding requirements (whether co-financed by EAFRD or not)

YES

Is there sufficient ecological and agricultural knowledge, data and institutional capacity to design, implement, support, monitor and evaluate a results-based scheme?

NO

Could knowledge and capacity be increased sufficiently with increased funding?

NO

YES

What is the expected attitude of the target farming community to results-based payments?

NEGATIVE

POSITIVE

Are landscape-scale interventions required to achieve the biodiversity objectives?

YES

Will it be possible to secure sufficient cooperation amongst farmers in the targeted landscape?

NO

NO

Design results-based scheme in consultation with stakeholders

YES

IMPLEMENT, EVALUATE AND REVIEW

CONSIDER OTHER APPROACHES

Designing the scheme

- a key decision is relationship with other agri-environment schemes on the same land:
 - a standalone results-based scheme?
 - a results-based scheme underpinned by a separate management-based scheme on the same land?
- many existing species-rich meadow RBAPS schemes are additional to basic MBPS



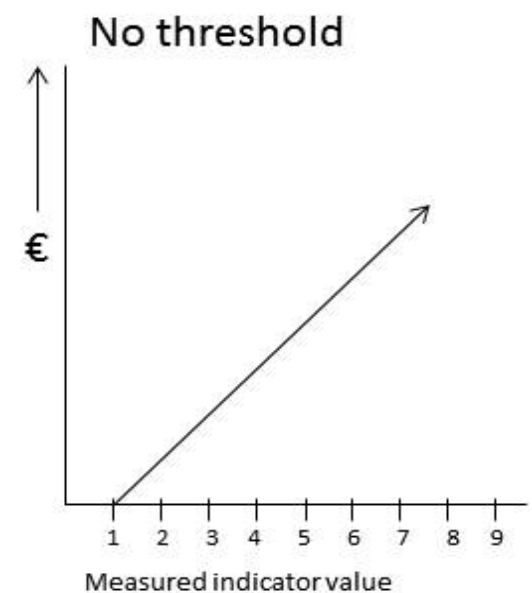
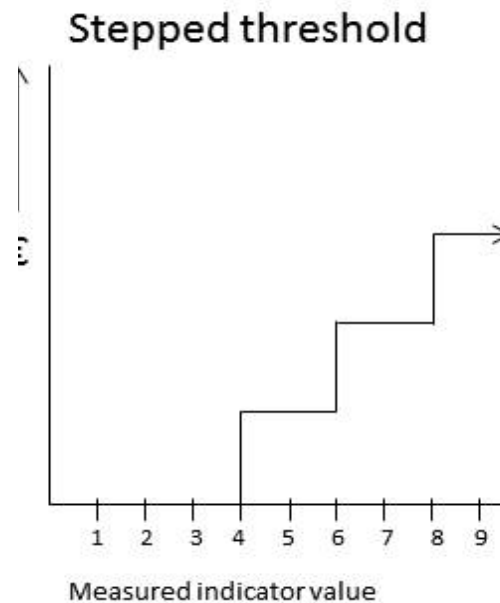
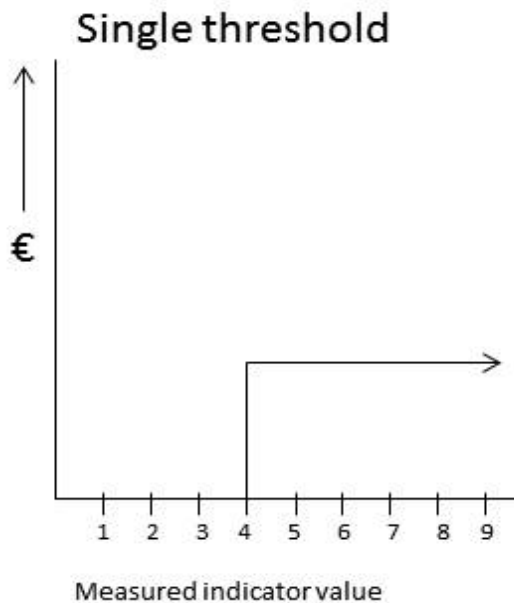
Calculating the payment

- Payment calculations for RBAPS are based on the costs of implementing **the typical farming practices required to achieve the result indicators**
- the payment calculation can cover:
 - the **opportunity cost** of maintaining current farming practices where these already provide the biodiversity results the opportunity costs of alternative uses for land or labour are *particularly important where there is risk of agricultural abandonment or intensification*;
 - the **income foregone** by following practices that limit agricultural production; and
 - **additional cost** of specific biodiversity management.
- + justified transaction costs (+20% or 30%) reflects additional responsibility of achieving results

Setting the indicator threshold for payment

Where should the indicator threshold(s) for payment be set ?

- too high many farmers will be unable to reach it
- too low there is a risk of high quality habitats deteriorating



Verification and control

- the RBAPS contract specifies the result indicators and how these are measured in the field (***not*** the management to achieve them)
- key difference from management-based schemes is that *the paying agency verifies **only** the result indicators (**not** the agricultural management)*
- if a results-based scheme is underpinned by a separate management-based scheme on the same land there will be two distinct contracts
- farmers can be provided with management guidelines and advice, but not as part of their contract

Staff and budget resources

- compared to a management-based scheme with similar objectives:
 - the total budget may be smaller (because paying farmers for results is more cost-effective) and
 - staff resources may be a higher proportion of the total budget
- requires well trained staff able to communicate effectively with farmers about the biodiversity objectives

Farmer support services

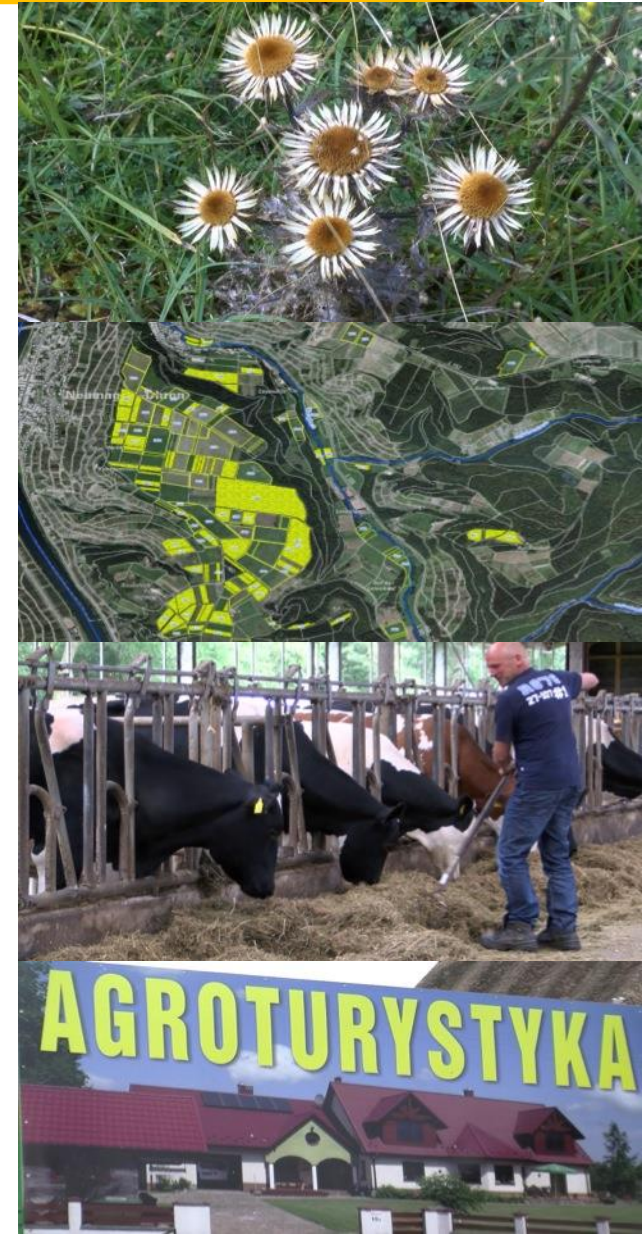
- Farm advisory services should specifically build on farmers' knowledge and focus training on:
 - the rationale of the scheme
 - the biodiversity objectives and the reason for using result indicators
 - identifying the result indicators on the farm
 - advice on how to achieve the intended results
 - importance of timing management for optimum biodiversity impact
 - best practices
 - methodology and protocols for measuring indicators on the farm

Regular reviews

- providing farmers and other stakeholders with yearly feedback on results maintains interest and enthusiasm
- a regular internal process of monitoring and review helps to avoid problems
- evidence of cost-effective achievement of *biodiversity objectives* (not just result indicators) is important for future programming

How can we make results-based schemes work?

- for improved delivery of EU and national biodiversity objectives from farmland
- for effective and accountable use of public money to procure public goods
- for farmers and their local communities



Will it work for biodiversity?

- is the results based approach better for some biodiversity objectives than for others?
- in designing indicators of biodiversity objectives that farmers can achieve, is there a risk of unintended effects on habitats and species?
- if farmers 'cheat' by choosing other ways of achieving the results, how much does this matter?



Will farmers join a results-based scheme?

- will farmers see biodiversity as a new 'crop'?
- will the increased risk and management responsibility be reflected in payments?
- will farmers or their trusted advisers have the technical skills for biodiversity management?
- what will be their motivation to join?



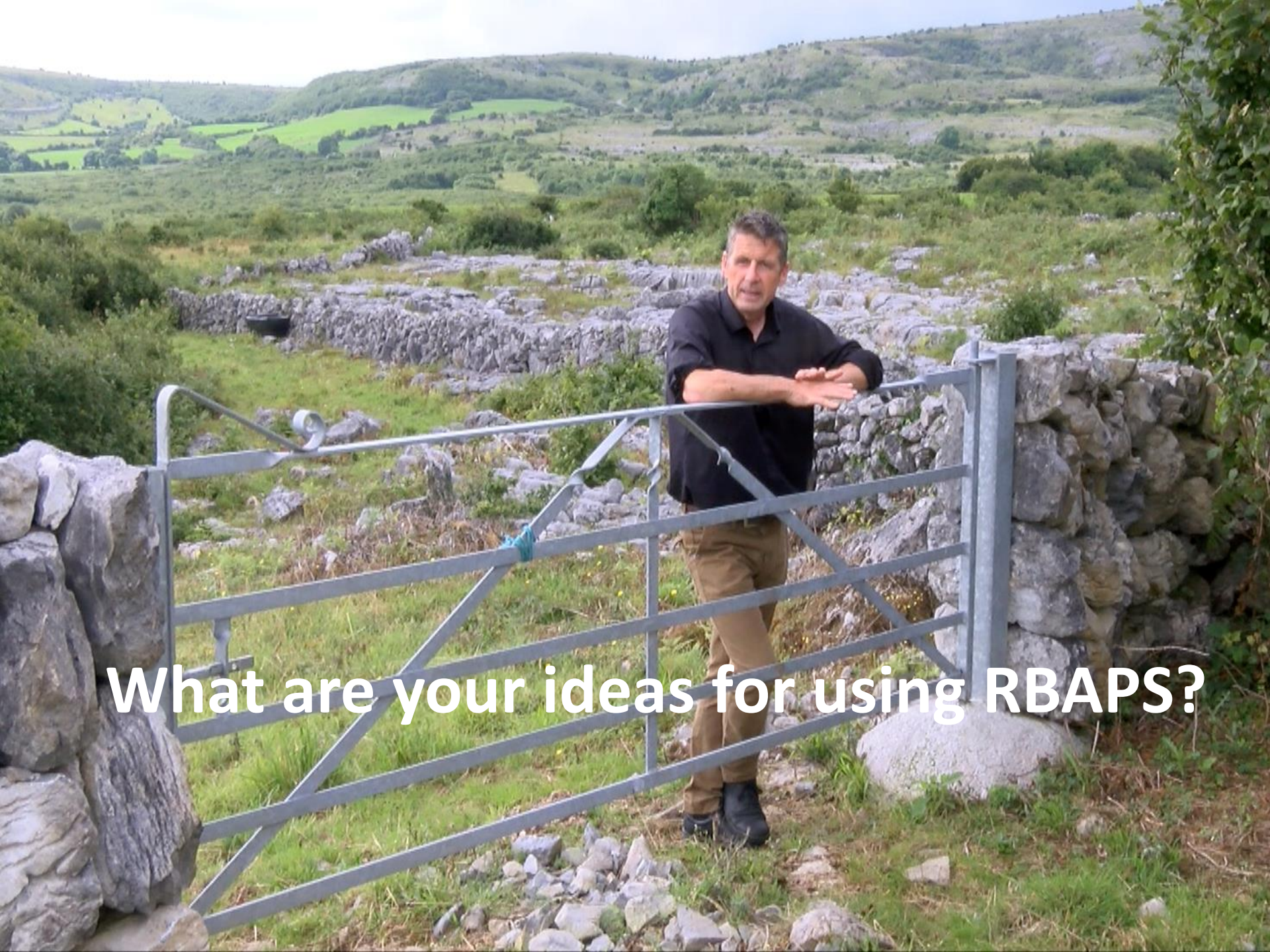
Will it meet EAFRD requirements 2014-20?

- could results-based schemes be a more effective way of ensuring that EAFRD expenditure is strongly controlled?
- separate payment *calculations* from payment *verification and controls*
- are transaction costs justified for results-based schemes?
- will the EAFRD options for group agri-environment-climate contracts, co-operation and auctions have a role in results-based schemes?



Finally – how will we know if RBAPS has worked?

- what does number of hectares, farmers and euros really show?
- can we gather the evidence to evaluate:
 - the biodiversity *impact* of a results-based scheme and how this compares with the impact of management-based schemes that have similar objectives
 - the *environmental* cost-effectiveness of implementing a results-based scheme
 - farmers' reasons for joining (or not) and the effect of on their business
- but how to find the budget for such evaluation?



What are your ideas for using RBAPS?