

European Results-based Payments Network



Workshop on results-based payments Caernarfon 12-13/03/2024

Introduction to Results-based Payments

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Ariennir gan Lywodraeth Cymru Funded by Welsh Government Google Earth Challenges when designing an effective land management policy

- (Not just about getting £XX money out the door to NN farmers)
- How to have a meaningful impact at farm level at the scale required
- How to work out fair, effective payments (remembering WTO) or politicallyacceptable regulation
- How to build in (or work past) constraints of budget, capacity
- How to ensure 'computer says yes'
- How to monitor progress towards objectives
- These are common challenges they apply whatever the approach used



You don't have access to the ideal solution

- Site specific support
- Continuous dialogue with farmer
- Infinitely adaptable at the outset to land, livestock, farmer, vegetation, particular special features, likely costs
- Infinitely adaptable going forward to circumstances of farmer, weather, disease, outcomes generated
- Completely flexible as regards budgetary commitments
- (Notice WTO rules are not on this list!)
- Even the best management agreement with the most flexible and aspirational project officer and land agent is not like this; AECM definitely aren't
- Incentive to be as simple as possible; important not to be *too* simple

Traditional prescriptive approach



- Decide beforehand what an imaginary farmer should do on an imaginary piece of land in a representative season to give the best chance of delivering a result
- Draw up a) a set of rules based on that, with specific dates, livestock numbers
- Or draw up b) a specific set of outcomes (veg. heights....) which must be delivered
- Farmer autonomy limited in case a) to decision to participate; in case b), somewhat more freedom
- But in every case, set up a black/white scenario
- Usually involves (implicitly at least) a surrogate variable which is related by a logic chain to the policy target
- Monitoring meant to feed back timeously to scheme amendment process

The critique

- It puts a lot of store on prior knowledge
- It depends a lot on uniformity across the landscape of potential participants, in weather etc. over time
- It is inflexible
- It has a very weak feedback loop, whether to the farmer or to scheme design
- It gives very little value to farmer experience, skills (or desire to achieve something!)
- Often seen as needing only low levels of 'advisory' support just need to understand rules
- Often demoralising, or something you 'work around' or 'sacrifice' fields to
- Even at best, it recognises just success/failure, not progress
- Results sometimes very good (often where there's significant advisory input), but often poor
- Monitoring/evaluation rarely effective in generating improvements; fixed rules in guidance material etc. costly & potentially confusing to change
- BUT good for ticking the boxes if those boxes are participants and hectares entered
- AND 'easy' to control and audit all about catching rule-breakers
- AND that means that farmers usually 'know where they are'
- AND predicting budget is no bother (area x payment rate!)



The results-based alternative



- Acknowledge complexity from the start more than one way to be 'excellent, good, moderate'; spectrum of quality, not black-and-white cutoff
- Incentivise use of farmers' skill, experience to improve things
- Scorecards with number of variables, both positive (species diversity and abundance; vegetation structure...) and negative (erosion, alien species, eutrophication...)
- Payments increase with scores
- Scoring done as often as you need to reflect expected speed of change in target/surrogate metrics
- Set procedures to make it as repeatable and auditable as possible
- Implies certain level of understanding, and therefore advisory support & training

Common Standards Monitoring of Annex 1 habitats

Vegetation composition — frequency of bryophytes and lichens.	(1) At least 1 species of moss or liverwort or non-crustose lichen should be present Qualifiers: Exclude Polytrichum spp. and Campylopus spp.					
Vegetation composition — cover and frequency of dwarf-shrubs.	 Cover: (1) For herb-rich heaths (H7, H10d, H16a), 50-75 % of vegetation cover should made up of indicator species from Table 1. (2) For all other types of heath, at least 50% of vegetation cover should be made up of indicator species from Table 1. (3) At least 25% of dwarf-shrub cover should be made up of Group (i) indicators from Table 1. (4) Less than 50% of dwarf shrub cover should be made up of Group (ii) indicators from Table 1. (5) For all types of heath at least two indicator species should be present from Group (i) in Table 1. This is not applicable to heath in sensitive areas which may go through prolonged phases of Calluna dominance. 					
	Table 1 Indicator SpeciesGroup (i)Group (ii)Arctostaphylos spp.Genista anglicaBetula nanaMyrica galeCalluna vulgarisSalix repensErica spp.Ulex galliiEmpetrum nigrumRacomitrium lanuginosumVaccinium spp.Vaccinium spp.					
Vegetation composition — cover of other species	 (1) Less than 1% of vegetation cover should be made up of non-native species. (2) Less than 10% of the vegetation cover should be made up of bracken. (3) Less than 20% of the vegetation cover should be made up of scattered native trees and scrub. Qualifiers: For target (3) exclude Betula nana and Myrica gale. (4) Less than 1% of the vegetation cover should consist of invasive "weedy" species (collectively Cirsium arvense, Cirsium vulgare, large docks (excluding Rumex acetosa) , Ranunculus repens, or Urtica dioica). (5) Less than 10% of the vegetation cover should consist of Juncus effusus. 					



'Subalpine dwarf dry-shrub heath'

Common Standards Monitoring of Annex 1 habitats

Vegetation structure — disturbance	(1) There should be no signs of burning inside the boundaries of the sensitive areas defined in Table 2. Qualifiers: For target (1) failure of this target should also be recorded if any evidence of this is found while walking between sample locations.
	(2) On the remainder of the feature, outside areas identified in (1), all growth phases of heather should occur throughout the area. At least 10% of the heather should be in the late mature growth phase.
Vegetation structure — indicators of heavy	(1) Less than 33% of the last complete growing season's shoots of dwarf-shrub species (collectively but excluding Betula nana and Myrica gale) should shows signs of browsing.
browsing.	(2) In pioneer stage regrowth, or where there is Betula nana or Myrica gale (at any stage of regrowth), less than 66% of the last complete growing season's shoots of the dwarf-shrubs (collectively) should show signs of browsing.
	Qualifiers: For target (2) exclude "pioneer" areas created by temporary heavy browsing and trampling in the same year as when the monitoring is being undertaken.
Physical structure — indicators of ground disturbance due to herbivore and human activity.	 (1) Less than 10% of the ground cover should be made up of disturbed bare ground*. Qualifiers: For target (1) exclude recently burnt ground.

'Subalpine dwarf dry-shrub heath'



Common Standards Monitoring of Annex 1 habitats

- 'Subalpine dry dwarf-shrub heath'; for a block to be in Favourable condition
 - It has to pass 16 criteria; failing on one is a Fail
 - Each criterion has a Pass/Fail threshold value can be close or miles away
 - 90% of monitoring points have to Pass
- Unfavourable condition can mean
 - 100% of points fail miserably on 100% of criteria
 - 89% of points pass and the rest fail just one criterion very narrowly
- (A system which just says to land managers that they've failed and nothing about progress or where improvement is possible is a BONKERS system, but it's the way we operate it)
- Arguably, a system which doesn't communicate any of this in practice but just sets minimum and maximum stocking rates and dates on which they change is destined to fail
- A results-based approach would set those criteria into a framework and reward perhaps getting close to thresholds, definitely no. of criteria passed and % points passing

<u>A.4</u>	What is the	e cover of dwarf shru	ubs <mark>(heathers, crow</mark>	berry, bilberry, co	wberry, western go	orse) present with	in 10m of the	assessment point?			
	Not present	Present but less than 20%, poor age structure	Present but less than 20%, good age structure	20-70% and poor age structure	20-70% cover and good age structure	>70% and good age structure	>70% and poor age structure	>50% western gorse irrespective of age structure			
	0	0.5	1	1	1.5	1	0.5	-4			
	A B		С	D	E F		G	Н			
						Choose answer:		Score:	0		
<u>A.s</u> (lir are	A.5 If >20% cover, how diverse are the dwarf shrubs? How many of (ling heather, bell heather, cross-leaved heath, bilberry, crowberry, cowberry, Western gorse) are present within 10m of the assessment point										
	2 or fewer	3	4	5 or more]						
	0	0.5	1	1.5							
	A	В	С	D		Choose answer:		Score:	0		
A6. What is the cover of live Sphagnum mosses											
	<20%	>20%									
	0	0.5									
								1			
	А	В				Choose answer:		Score:	0		



When can it be used?

- Benefits for farmer engagement & empowerment might make it the go-to; question is to what extent practicalities allow that, or could be changed to allow that
- Not obviously (just) a 'jewels-in-the-crown' approach in principle; in practice constraints of capacity or politics or who's been interested have tended to make it so
- An obvious choice where describing a simple black-and-white is difficult (hedgerows?)
- An obvious choice for complex mosaics where a single (effective) prescription is almost impossible to imagine (uplands...)
- Some cases where it's really difficult to think how it could work might these be cases where similar issues face traditional approaches (but these not fully thought through)? (River SAC in intensive landscapes?)
- But... some cases very sensitive to 'wrong' choices where its use might be risky



- Needs early and late cover
- Very sensitive to nest destruction in midsummer
 - Very sensitive to being trapped and killed by mowers
 - A possible approach:
 - Results-based payments for early/late cover
 - Results-based payments for other aspects of habitat (e.g. species-richness of fields)
 - Prescriptive rule for any mowing covering both earliest date and method (inside-out)
 - Capital works for creation and/or fencing off of early cover
 - Advisory support esp. for early cover



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- But... some cases very sensitive to 'wrong' choices where its use might be risky
- And.. prescriptive may be only fair payment method if current condition is poor and change is known to be slow
- Always just one of the tools in the box usually needs suite of complementary actions, incl. 'capital works'

Results-based schemes

- Ideally needs to be adaptable and flexible
 - Not common in government departments but key to farmer buy-in
- Solutions focused
 - Sustainable upland farming was focus of the Hen Harrier Programme <u>https://www.henharrierprogramme.ie</u>
 - Sustainable HNV farming is focus of ACRES Co-Operation <u>https://www.gov.ie/en/service/f5a48-agri-climate-rural-environment-scheme-acres</u>
 - More intensively farmed land can be the focus too https://www.thebrideproject.ie/

Farmer is a central focus of the design

• No red tape, simple application process, accessible plans, local Project Officer support



Results-based schemes

- Payment contingent on the delivery of something tangible
- Ecosystems approach
 - If habitat is in good condition, it is providing the associated ecosystem services
 - Measure this through the structure and components of plant communities and other habitat features
- •The assessed features must be obvious throughout the assessment season.
 - Jun 1st to Aug 31st for most grazed habitats in Ireland
- •Features that contribute to ecological integrity -gains points
- Damaging activities or serious pressures reduce the available points





March 2021 ADRS Toward Scenore They Field . AgriGnap photo taken:





Scorecard layout

All scorecards have an Ecological Integrity section This section will primarily gain marks for the farmer

Grassland fields

- number of positive indicators
- abundance of positive indicators
- vegetation structure

Peatland fields

- number of positive indicators
- abundance of mosses and lichens in particular
- vegetation structure of the peatland habitats





Scorecard layout

Some cards have a Hydrological Integrity section if the wetness of the habitat is integral to its health

- Peatland
- Low input grassland on peat
- Scrub/woodland

This section also gains marks on the scorecard

Wetter is better





Ecological Integrity

This section gains most marks for the field, typically around 90%

Weightings for sections important

E.g. Weighting for Positive indicators and Abundance is 50% of marks on Grassland card but only 20% on Rough grazing card

A Ecologica	l integrity		Total score A (sum of A1 to A6) /90	A Ecological integ	grity			Total score A: /90	
A1 What is the number of positive indicators in Low: 0-4 the field? Tick all positive indicators present below. Medium: 5-6 Medium: 5-6			Low: 0-5 0 High: 9-12 20 Medium: 5-8 10 Very high: 13+ 25	A1 What is the number of positive indicators in the field? Tick all positive indicators present below. Low: 0-4 0 Moderate: 5-8 5 High: 9 Note all positive indicators present as you waik a 'V' through the field.					
Positive indica toto: those present Bedstraws & Site Bird's-those therein Causeline Shirth Causeline Shirth Forget.me.nots Heathers Kidney vertch Kidney vertch Kidney vertch	ators: Lady's smock (Curecofiewey) tchworts Lassor speerwort il Euson speerwort S Marsh (Common S Marsh (Common S Marsh (Common S Marsh (Common Marsh prengwort Marsh prengwort Marsh thistle Meedowsweet Meedow thistle Meedow thistle	Orchids Orchys duity Orchys duity Purple lossestrife Ragged robin Southists (3e+/1-6); & finit) Southists (3e+/1-6); Southeal & Bugle Somal (Common & Sheep 2) Small rudnes (Spring Wood'safes, Heart)	Sphagnum & Branched mosses Termentil (Common & English) Umbols lenge (and/or Common Vetmon Common Regimed) Umbols small (Pignut Yender Wild conot) Vetches & Vetchings Violats (all cococc); Herabell Wild Thyme Vallow Companies (Cath ee: Percenter, Percenter, Percenter, Pignis Vallow ratels (Pignet) Vallow ratels (Pignet)	Positive indicators: Incernate Associations Bedstraws & Stitchworts Bird's-fact-befoil Carline thistle Cowslips & Primrose Eyebrights Forget me-nots Heathers Kidnuy votch Konpweeds	Ledy's (Cucic Lesser Lousen & Mers Marsh Marsh Marsh Marsh Mead Mead	s smock conforway r speanwort iworts (Common sh) n cinquafoil a marigold n pennywort thistle iowowest iow thistle	Orchids Ox-aya dalay Purplo loceastrife Ragged robin Sobious (Dawh-bit & faite) Sodges Solf-heal & Bugle Sorrel (Common & Sheeo 1) Sheeo 11	Sphegnum & Branchod mossas. Tormantil (Common & English) Umbels large (Angelice, Veicrian, Common frogivect) Umbels small (Pignut, Yengar, Wild Cenot) Violets (ell spoces); Herebell Wild Thyme Yallow Compositios (Cet 5 est; Herebell Wild Thyme Yallow Compositios (Cet 5 est; Herebell Herebell & Graft is beend - not Cenotellon) Yallow Flag Inis	
A2 What is	Cover a the eroportion of the field teleficility of cositive indicators present: all Lewer Nono present or you can take several stage without encountering any positive indicators at all.			Lady's mantle	Mints /	(el)	Woodryshes, Heath)	Yellow rattle (Hay (ettle)	
the cover of all positive				A2 What is the cover of	f all	Low: Only a couple of individual plants present or you can take several steps			
indicators	Moderate: You encounter a positive	Anderate: You encounter a positive indicator with ellery few steps taken. 10			i abovej	without encountering any positive indicators at all			
(listed soove) throughout the	High: You encounter positive indicat	on with every step token.	20 -	Cover is the proportion of the f	elo taken	Moderate: You encounter a positive indicator with every few steps taken			
entire field?	Very hight tou encounter multiple of	fferent positive indicators with	h every step taken (and in between steps) 25	up by eit positive indicators present.		High: You encounter positive indicators with every step taken. 10			



Ecological Integrity

But the weighting for Vegetation Structure is 25% on the Grassland card compared to 40% on the Rough grazing card

This reflects the objective of the different scorecards i.e. biodiversity and pollinators for grassland but small bird and mammal habitat and raptor prey source for rough grazing

Can be designed to target any ecosystem service





Scorecard layout

All scorecards have a Threats and pressures section

This assesses active threats to the ecological integrity such as the presence of invasive alien plants, threats to water quality or damaging activities such as dumping

This section has zero values unless the threat or pressure is present except for bare soil which gains 10 marks

Turbary on peatland is an exception that also gains 10 marks if absent



Threats and pressures



These can be weighted to provide key indications of what you want to avoid happening in a field

Is burning an issue? Make the reduction in score for any burning significant

Is bare soil an issue? Consider making the absence of bare soil a positive AND making it's presence a serious reduction

This can be tailored depending on the threats faced in a region/country



ACRES Scorecards

Each field score and how it was arrived at is important

They point to the farmer how to improve if they wish

If the vegetation structure is moderate due to grazing pressure, consider whether fields can be rested more before the next assessment

If non-native invasives are present then recommend contacting an advisor to discuss how best to remove them to help improve the score

If there are issues due to dumping or supplementary feeding, discuss possible solutions with an advisor and implementation team

First years scores are a baseline. Ideally, we want to see scores and their associated payments increasing

Shows increased delivery of ecosystem services for taxpayer investment



ACRES Scorecard

The scorecards are designed to be straightforward to use

There is a detailed Guidance document available to assist with using them in the field

There are also tip sheets that help identify the key features to keep an eye on in the field

Google ACRES Scorecard Guidance to find copies of these



Actions

Actions-field-level and landscape-level

Actions should help improve the scores in fields or have significant landscape effect

E.g. Improved grazing management through fencing, gates and water delivery infrastructure

Planting buffer strips to benefit water quality

Co-funding amount will vary

If it's 100% beneficial then it will be 100% funded

If there are co-benefits for farming e.g. water delivery systems, fencing, gates etc then there will be a co-pay



Actions

Supporting actions that help improve management of livestock to improve habitat quality

• Gates, fencing, water troughs, piping, solar-powered electric fencing etc

Actions that benefit the environmental target

Wild bird cover, pond creation, drain blocking

Landscape-level actions

- Drain blocking, implementing fire resilience plans, conifer tree removal
- Bespoke depending on the local issues and required solutions

Again, these can be tailored to assist farmers with key issues faced in a region/country



Implementing a Results-based scheme

- 1. Be ambitious
- Irish pilot that led to national roll-out had 1600 farmers
- Need a pilot at scale to be really confident of a national roll-out
- 2. Large-scale implementation relies on tech solutions
 - Mapping system for farms
 - App for recording field scores and sending them back to a database
 - Customer Relationship Management (CRM) with Application Programming Interface (API)
- 3. Clear understanding of responsibilities and flow of information
- Government, Private company/other agency, Advisory, Farmer
- 4. Provide information and training for relevant stakeholders
- Staff delivering the programme, advisors assessing the fields and applying for actions, farmers who are delivering product



Implementing a Results-based scheme

- 5. Review process so that issues can be identified and resolved as early as possible
- Needs to happen after year one and probably again after year 3
- 6. Don't be afraid of concurrent action
- Launch scheme while developing and testing scorecards or writing specifications for actions. Just do it!

In our example, the large-scale pilot was a European Innovation Partnership (EIP). Govt tender, private company delivered with lots of flexibility throughout. Private company works with advisors and farmers and makes payments

Current national scheme has 20,000 farmers. Govt scheme with private company delivering the resultsbased co-operation measure. Govt communicates with advisors and farmers and private company AND private company communicates with govt, advisors and farmers

Different approaches will suit different regions/countries



Implementing a results-based scheme

Easy to understand for farmers

Easy to understand for advisors and other stakeholders

Provides clear direction on where issues are and actions and funds to solve them

Provides baseline data and a simple mechanisms

Auditing is simple on a national and EU level



Challenges

Biggest challenge is addressing the risk of zero payment for farmers

A results-based system makes forecasting payments very hard

If the farmers in areas that the scheme is designed for aren't receiving payment then it's been designed wrong

Farmers with no/low habitat payments could have a bigger budget available for actions

Once you have people in they respond very well to it

Worth the effort





You want to deliver policy objectives – no impact is not an option

You have to apply the same critiques to prescription and regulation

Results-based payments are NEVER stand-alone, even if we forget to say so occasionally (are there many examples of successful stand-alone prescriptions?)

Noone's saying 'apply it just like [country]' – it's about seeing opportunities, identifying challenges and discussing how to address them