

## Working Document

# Background briefing: result-based payment schemes (RBPS)

## 1.1 Introduction

This short briefing provides:

- an introduction to the concept of result-based payment schemes and an overview of how they have been used to pay farmers and other land managers for biodiversity achievements since 1990, using RDP and other sources of public funding;
- an introduction to DG Environment's RBPS pilot projects which are running from 2014 to 2018, with financial support for the European Parliament; and
- suggestions for additional research by the TG which could help to identify opportunities and challenges to using RBPS for soil and water objectives.

## 1.2 What are RBPS and how have they been used?

In the context of EU rural development policy, a result-based payment is most easily understood as a different model of agri-environment scheme, most easily defined by making a clear distinction between:

- schemes where the payment relates to the achievement of a defined environmental result, which we call **results-based payment schemes (RBPS)**; and
- schemes where the payment relates to specified management actions carried out by the farmer or land manager, which we call **management-based payment (MBP) schemes**.

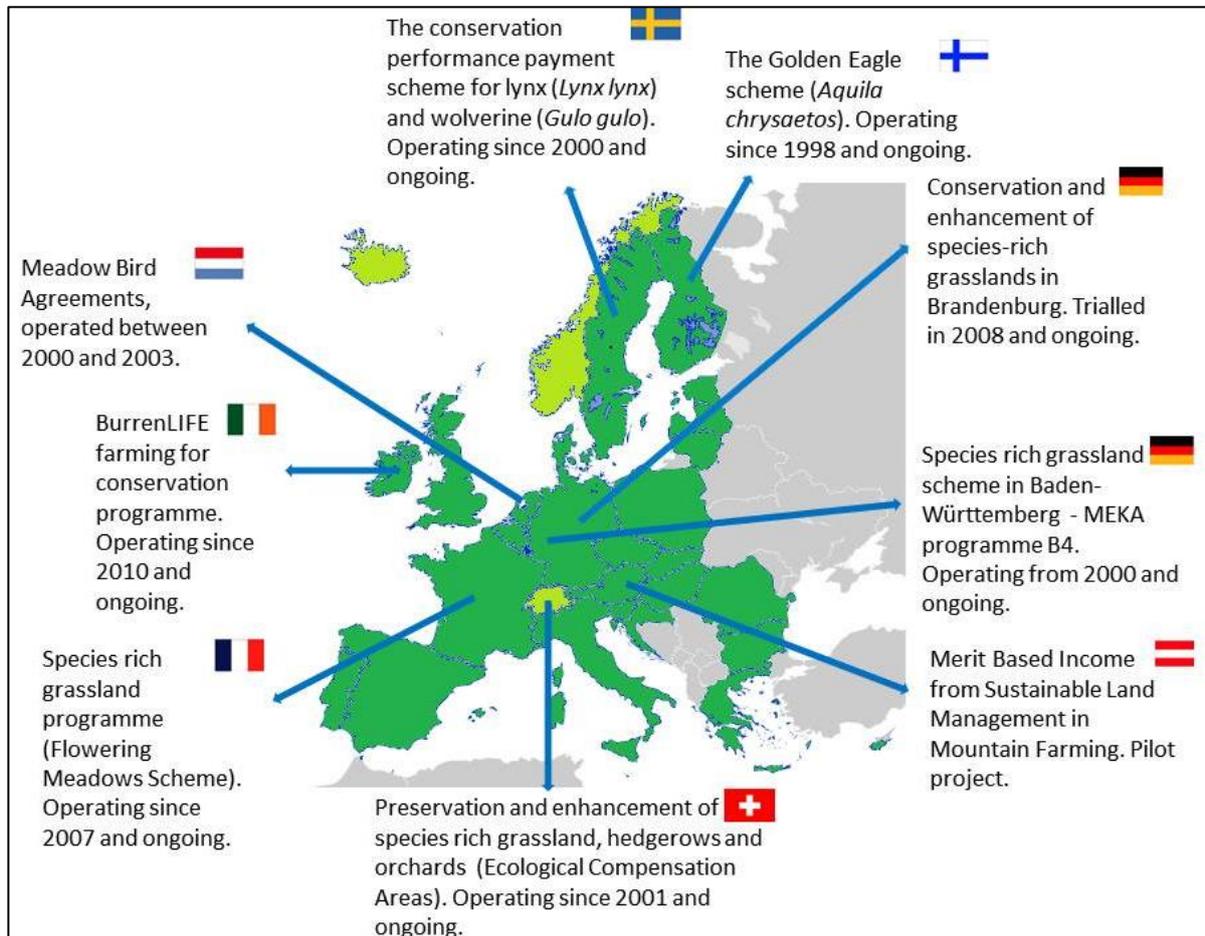
The key point about RBPS is that the *payments depend solely on the presence of measurable indicators of the environmental result*, and that each scheme has its own detailed objectives, indicators and methodology for measuring them. There are no 'management prescriptions' to comply with, and the farmer is free to decide how best to manage the land to achieve the result. One way of visualising RBPS is to think of the environmental results as another farm 'crop', where payment depends on meeting defined requirements for quality and quantity (just as it does for vegetables, wheat, milk and other farm products).

Many people are not aware that RBPS payments have existed in the EU and Switzerland for more than 20 years, some as standalone schemes, others operated as 'top-ups' to conventional management based schemes. A recent European Commission study<sup>1</sup> found that more than 30 schemes had been in

---

<sup>1</sup> Allen B, Hart K, Radley G, Tucker G, Keenleyside C, Oppermann R, Underwood E, Menadue H, Poux X, Beaufoy G, Herzon I, Povellato A, Vanni F, Pražan J, Hudson T, Yellachich N (2014) Biodiversity protection through results based remuneration of ecological achievement. Report Prepared for the European Commission, DG Environment, Contract No ENV.B.2/ETU/2013/0046, Institute for European Environmental Policy, London <http://ec.europa.eu/environment/nature/rbaps/handbook/docs/rbaps-report.pdf> (accessed 5 Dec 2017).

operation or were planned, each with its own very specific objective and target area. Many were aimed at the conservation of valuable species-rich farmland habitats, others took innovative approaches to old problems (e.g. protecting rare carnivores from persecution by reindeer herders in the far north, and using sheep to reduce the risk of wildfires in Spain). Financial support came from a range of sources, including Rural Development Programmes 2007-13 and 2014-20, LIFE Nature, state-aid and private funding. The diversity of RBPS use is illustrated by the examples in the map below.



More details of these and other RBPS can be found on the European Commission’s website, including a **searchable inventory of schemes** identified as part of the study, **videos** from the field, and **policy and practice notes**<sup>2</sup>.

The example below illustrates the essential difference between RBPS and the more familiar management-based schemes (MBPS) in terms of how and what the paying agency inspector checks (‘controls’) to verify that the farmer has complied with the requirements of the scheme and can be paid.

<sup>2</sup> [http://ec.europa.eu/environment/nature/rbaps/index\\_en.htm](http://ec.europa.eu/environment/nature/rbaps/index_en.htm) (accessed 5 Dec 2017)

## Examples of payment controls for RBPS and MBPS schemes for species-rich grassland

RBPS – species rich hay meadow	MBPS – species rich hay meadow
<p>Walk diagonally across the field:</p> <ul style="list-style-type: none"> <li>dividing this transect into 100m or 50m sections</li> <li>in every section check 2m each side for presence of indicator species (from a list of 24 -36 flowering plants typical of that habitat)</li> <li>in every section of the transect, there must be at least 4 species from the list (for better quality habitats the requirement may be 6 or 8 spp).</li> </ul>  <p>The diagram shows a field with a diagonal transect marked in red. Below it, a grid of 12 photos shows various flowering plants, each labeled with a number and a species name in German, such as '2 Rotklee', '3 Blauer Kornblume', etc.</p>	<p>Using farm records, field inspection and remote sensing, check that:</p> <ul style="list-style-type: none"> <li>the field has not been ploughed or reseeded</li> <li>stock were excluded for a (specified) number of weeks in the spring</li> <li>applications of farmyard manure were no more than (specified) t/ha</li> <li>if permitted, applications of mineral fertiliser and lime were within limits specified in the contract</li> <li>the field was mown once only, after 15 June</li> <li>hay was removed.</li> </ul> <p><i>[Note: for the 2014-20 RDPs, Commission guidance<sup>3</sup> discourages MS from specifying levels of stocking, fertiliser rates (unless these are zero) and mowing dates in agri-environment-climate contracts, which makes it more challenging to design MBPS for low-intensity grassland management.]</i></p>

Some of the advantages of RBPS compared to management-based schemes with similar objectives are described below.

### Advantages of RBPS compared to management-based schemes with similar objectives<sup>4</sup>

A well-designed results-based scheme can offer several advantages for both the farmer and the managing authority. For example:

- there is a much clearer link between payments and biodiversity achievement;
- contracts with farmers simply specify the results required, rather than defining in detail the farm practices that should be carried out;
- the 'production' of biodiversity becomes an integral part of the farming system;
- farmers can use their farming skills, professional judgement and local knowledge, rather than just follow instructions;
- farmers take 'ownership of' the biodiversity results, and this can lead to improved public recognition of farmers' role in supporting biodiversity;

<sup>3</sup> EC (2014).

<sup>4</sup> From Keenleyside et al (2014).

- results-based schemes can more easily meet the strengthened EU requirements for verification of agri-environment-climate payments in 2014-20; and
- they are easier to target because farmers select only the land where the biodiversity results are achievable.

### 1.2.1 *Why are suitable result indicators so important?*

The payment to the farmer is based entirely on the result indicators, which are a proxy for the biodiversity objective. Most schemes in Europe have used plant or animal species as indicators but a few have used other attributes of well managed farmland habitats<sup>5</sup>. Simple, reliable and unambiguous methods of indicator measurement are very important as a sound basis for the financial control of the scheme by the paying agency, and for building confidence amongst farmers. Encouraging farmers to measure result indicators themselves helps them in making the day- to-day decisions that will affect biodiversity results.

The success of results-based schemes depends on well-chosen indicators that are:

- representative of the target habitat or species;
- present consistently in target farmland habitats in the area;
- easily identified by farmers and by representatives of the paying agency;
- measurable using a simple methodology;
- sensitive to changes in agricultural management but otherwise stable over time;
- unlikely to be influenced by external factors beyond the control of the land manager;
- and not achieved easily by means other than agricultural management.

### 1.3 **RBPS pilot projects 2014-18**

With the financial support from the European Parliament, the European Commission launched pilot on-farm projects in Romania, Ireland, Spain (Navarra) and the UK (England) on results-based payment schemes for the enhancement of biodiversity over the course of 2014 and 2015. The aim is to:

- provide better understanding of the key aspects of RBPS, including scheme design, implementation, control and verification of results, and cost-effectiveness; and to
- investigate their potential to deliver on biodiversity as well as opportunities for wider application, particularly in the context of RDPs.

The pilot schemes in Romania and Spain are being run by partnerships led by NGOs, and in England by the government conservation agency working with a National Park Authority. In Romania and Ireland, the objective is the conservation of Natura 2000 grassland habitats and the species that depend on them. The Navarra scheme is set in a mosaic habitat of traditionally managed arable and permanent crops (vines, olives and almonds). One of the two pilots in England is set in an intensive arable area, using RBPS to establish pollinator strips and areas of wild bird food<sup>6</sup>. The pilot schemes come to an end

---

<sup>5</sup> For example, see details of the Burren Farming Conservation Programme at:

[http://ec.europa.eu/environment/nature/rbaps/fiche/burren-farming-conservation-programme-bfcp\\_en.htm](http://ec.europa.eu/environment/nature/rbaps/fiche/burren-farming-conservation-programme-bfcp_en.htm)

<sup>6</sup> More information can be found on the pilot websites: Ireland and Spain <https://rbaps.eu>; Romania <http://www.fundatia-adept.org/?content=rbaps>; UK <https://www.gov.uk/government/publications/results-based-agri-environment-payment-scheme-rbaps-pilot-study-in-england>.

in 2018 and the mid-term results were reviewed at a conference earlier this year, which included presentations from farmers taking part in RBPS for the first time<sup>7</sup>.

#### 1.4 Opportunities and challenges to using RBPS for soil and water objectives

After decades of experience with management-based agri-environment payments, RBPS is a radical shift in approach not just for farmers, but also managing authorities and paying agencies. This means that designing and introducing RBPS requires time, scientific data and the technical expertise and capacity to analyse it. Involvement of the farmers at the design stage, and advisory support during implementation for both farmers and delivery staff is also important.

There are some circumstances where a RBPS is simply not feasible. These include where the impact of the farmers' action on the objective takes a long time to be measurable, where there is a lack of scientific information, expertise or data to define and test suitable indicators, or other reasons which mean that it is simply not possible to meet best practice criteria for indicators (see 1.2.1 above).

It is particularly important that farmers are able to understand the underlying objectives of the scheme (not just the indicators) and are convinced that their efforts will result in measurable benefits on their land. This is significant, because the farmer bears the financial risk of failure to achieve the indicators, and consequent penalties. In this context, RBPS schemes that aim to improve water quality pose a particular challenge, because the impact of land management to **reduce diffuse pollution** from run-off may only be apparent lower down the catchment and even there may be indistinguishable from pollution arising on other farms. This suggests that a catchment scale group approach would be required to achieve measurable indicators. **Water conservation** on the farm, for example by raising the seasonal water table in wetlands (including peat soils), may be less of a challenge for the RBPS approach, but could also require joint action by neighbouring land managers.

An RBAPS approach to **soil quality** (for example by improving soil organic matter) is one opportunity where the environmental objective also brings clear benefits for the farmer, in securing medium to long term soil function and fertility – needs that are not always given due recognition in farm business planning.

Many current approaches to reducing the risk of **soil erosion** simply address the consequences of the problem (e.g. buffer strips to 'catch' the soil before it enters a watercourse), but a more rational objective would be to maintain the soil in situ, continuing to function as an irreplaceable factor of agricultural and forest productivity. Again, there are clear benefits for the farmer, but identifying suitable indicators could be a challenge.

So far there have been no RBPS which specifically address soil and water objectives, although of course all schemes which maintain or improve semi-natural farmland habitats will have secondary benefits for soil and water. The improved delivery of a range of soil and water objectives is relevant to several RDP priorities and focus areas. It would be interesting to explore to what extent an RBPS approach is appropriate to deliver these priorities, and also to meet the major challenge of influencing farmers' attitudes to long-term sustainable management of their land, and particularly of soil.

---

<sup>7</sup> The conference presentations and webcast are available at:  
[http://ec.europa.eu/environment/nature/rbaps/index\\_en.htm](http://ec.europa.eu/environment/nature/rbaps/index_en.htm)

**References and further reading:**

Allen B, Hart K, Radley G, Tucker G, Keenleyside C, Oppermann R, Underwood E, Menadue H, Poux X, Beaufoy G, Herzon I, Povellato A, Vanni F, Pražan J, Hudson T, Yellachich N (2014) Biodiversity protection through results based remuneration of ecological achievement. Report Prepared for the European Commission, DG Environment, Contract No ENV.B.2/ETU/2013/0046, Institute for European Environmental Policy, London

Keenleyside C, Radley G, Tucker G, Underwood E, Hart K, Allen B and Menadue H (2014) Results-based Payments for Biodiversity Guidance Handbook: Designing and implementing results-based agri-environment schemes 2014-20. Prepared for the European Commission, DG Environment, Contract No ENV.B.2/ETU/2013/0046, Institute for European Environmental Policy, London.

EC (2014) Guidance Document – Technical elements of agri-environment-climate measure in the programming period 2014-20. Version November 2014. Unpublished.