



Result-based payment schemes for soil and water management

Factsheet

The ENRD Contact Point Thematic Group (TG) on the '[Sustainable Management of water and soils](#)' aims to promote better soil and water management through improved design and implementation of the 2014-2020 Rural Development Programmes (RDPs). The TG ran between September 2017 and July 2018 and is based on stakeholder engagement, including managing authorities, paying agencies, farm advisors, NGOs and farmer groups. The TG members selected three approaches to be examined in the context of soil and water management: result-based payments schemes (RBPS), co-operative and multi-actor approaches (MAA) and nutrient management plans (NMP).

A **result-based payment scheme** (RBPS) is an agri-environment or similar scheme in which the payment depends on achieving a threshold value of one or more environmental indicators (the 'result indicators'), which are clearly linked to specific environmental objectives. In most cases, the result indicators are verified each year by the farmer and controlled by the paying agency, using the same methodology. The farmer is free to choose how to achieve that result. A well-designed RBPS would be **environmentally cost-effective** as the aid would be paid against the delivery of results. Farmers are encouraged to take ownership of improving soil and water management on their land and, through advisory support, have a **better understanding of the long-term benefits** for business productivity and resource management. RBPS can more easily **meet the strengthened EU requirements** for verification of agri-environment-climate payments related to fertiliser use in 2014-20 schemes¹. **Choosing the right result indicators** is a critical part in developing an effective RBPS. The diagram on the right outlines the process of assessing the feasibility of using RBPS for soil and water.

RBPS are increasingly being used as an alternative or addition to management-based agri-environment-climate schemes. 'Hybrid' schemes have both result-based and management-based requirements, and are well-suited to soil and water objectives, which can take a long time to achieve. Hybrid schemes offer a

controllable, management-based component, which enables farmers to be supported each year, alongside a results-based incentive to encourage effective delivery of the desired outcome.



¹ For details see DG AGRI *Guidance document: technical elements of agri-environment-climate measure in the programming period 2014-20 (version November 2014)*. Brussels.

Recommendations of the TG to improve soil and water management through RBPS

Payments, verification and controls for hybrid schemes

1. In pursuing **hybrid schemes**, it is very important that farmers, advisors, paying agency inspectors and auditors are clear about which part of the payment is linked to implementing the management requirements and which part is linked to achieving the result indicators, and that the two parts of the payment are verified, controlled (and if necessary penalised) separately. Achievement of the result indicators should be verified at every inspection and may require the development of intermediate indicators in order to monitor progress.

Timescale required to achieve soil and water objectives

2. Recognition that achieving a real improvement in soil quality, particularly in levels of soil organic matter, may require **continuity of agri-environment-climate contracts** for periods longer than five years. The results of improved soil management are often not reliably measurable in the early years and take many years to achieve full effect. Longer contracts offer farmers a longer-term commitment to support for soil and water related management, and **a greater chance of achieving positive results**. However, for managing authorities to commit to longer contracts will require negotiating extended EU support for more than one programming period, in order to avoid the risk that EU priorities change in future and the Member State is left to honour the extended agreement through national funds. There is a precedent for much longer contracts in earlier CAP schemes where farmers were able to commit to annual payments for 20-year set-aside on arable land.
3. With any multi-annual contract there is the potential for a change in land owner or manager,

with that risk increasing proportionally to the contract length. One possible solution is **to link the results-based component of the scheme to a given parcel of land** to allow a continuation of positive management towards soil and water objectives even if ownership or management responsibility changes. Within the current EAFRD Regulation, Article 47(2) allows for the transfer of an agri-environment-climate contract upon change of owner/beneficiary.

Training, pilot schemes, sharing experience and best practice

4. Ensure that all agri-environment-climate contracts with a RBPS element include **compulsory training requirements** for participating farmers.
5. To ensure the **effectiveness of new soil and water RBPS**, pilot projects should be undertaken to determine **appropriate indicators and monitoring strategies** in advance of full-scale scheme implementation. Sharing the experience of **pilots** in different contexts and regions will provide valuable insights into the transferability of an RBPS approach across the Member States.
6. **Provide a forum for MS staff and experts** involved in the technical elements of design and measurement of results-based indicators for soil and water can **exchange best practice**.

Ensuring appropriate financing

7. **Provide guidance** on the use of packages of RDP measures to address soil and water objectives, comprising, for example, agri-environment-climate RBPS schemes, technical training and on-farm advice, and non-productive investment support.

Additional information

 Visit the ENRD thematic webpage on the [sustainable management of water and soils](#)