



Co-Design of innovative contract models for agri-environment and climate measures and the valorisation of environmental public goods

Factsheets on best practice examples

Milestone M 8 / 2.1

Main Author/s:	Birte Bredemeier (LUH), Sylvia Herrmann (LUH), Julia Rex (LUH)
Contributions from:	Rena Barghusen (ZALF), Lenny van Bussel (WUR), Lisa Deijl (BoerenNatuur), Sven Defrijn (ABC-Eco ²), Jennifer Dodsworth (UNIABDN), Céline Dutilly (CIRAD), Salomon Espinosa Diaz (UNIPi), Katrin Prager (UNIABDN), Claudia Sattler (ZALF), Katarzyna Zagorska (UW)
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EXECUTIVE SUMMARY

Milestone M8 / 2.1 reflects activities carried out in Task 2.1 of the project:

Factsheets on selected best practice examples representing existing contract approaches.

Within the overall Contracts2.0 project, WP2 has the main objective to review, categorise, and analyse existing examples of Payments for Ecosystem Services (PES) contracts, land tenure contracts and contracts associated with the value chain. Thereby, this milestone lays its focus on the review and compilation of best practice examples of existing approaches of the mentioned contract types. Section 2 of this document gives a brief overview of the collection and evaluation of cases and the criteria for selection as an example of best practice. The basic structure of the factsheets including the key design elements are explained in section 3. Section 4 contains the factsheets of 15 best practice examples.

Disclaimer

The compilation of the information provided in the factsheets has been done to our best knowledge and is subject to further analysis.

This compilation does not represent the position of the Commission and should not be taken as an indication that the Commission recommends any particular course of action.

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ABBREVIATIONS

AECM	Agri-environment climate measures
CIL	Contract Innovation Lab
ES	Ecosystem Services
PES	Payments for Ecosystem Services
WP	Work package

1 INTRODUCTION

Contracts2.0 sets out to develop novel contract-based approaches for agri-environmental and climate measures to incentivise farmers for the increased provision of environmental public goods and ecosystem services (ES) along with private goods. Within the overall Contracts2.0 project, WP2 has the main objective to review, categorise, and analyse existing examples of Payments for Ecosystem Services (PES) contracts (including agri-environment climate measures), land tenure contracts and contracts associated with the value chain. The aim of the ex-post analysis is to better understand the institutional solutions of contracts and to generate knowledge regarding their environmental effectiveness, economic viability and longevity. Thereby, this milestone lays its focus on the review and compilation of best practice examples of existing approaches of the three contract types. In the framework of Contracts2.0, such contract-based arrangements belong to the category of market-based approaches (see Deliverable D01 / 1.1).

2 METHODOLOGY: CASE COLLECTION AND EVALUATION

The present factsheets should showcase best practice examples from the different contractual approaches for a wider audience. For this purpose, contract examples from outside the project were collected conducting literature reviews, website searches and integrating expert knowledge from the consortium partners and their networks. Based on Deliverable D10 / 3.1, the Contract Innovation Labs (CILs) of Contracts2.0 with already existing and ongoing contracts were also included in the list of examples. Many of them have proven their value and can motivate practitioners to adopt new approaches.

The examples identified were analysed and evaluated in terms of their

- Contract-specific details (e.g. level of implementation, duration),
- Socio-economic context (e.g. actors, advice), and
- Environmental context (e.g. targeted landscape, targeted ES type).

An overview of criteria and indicators used is given in Appendix A1 to this document.

From the cases collected, a selection was made for the present factsheets. The main criteria for selecting a case for the factsheets were information completeness and the state of implementation of the contract. Since the factsheets are intended to provide a broader public with access to this topic, it should be possible to find easily accessible information on the approach. In order to facilitate learning processes, we considered only ongoing cases or finalised ones.

The resulting factsheets consist of 15 best practice examples from 6 European countries that cover all three contract types.

3 GENERAL STRUCTURE OF THE FACTSHEETS

The general structure of the factsheets is of the following arrangement (Figure 1). The length of the factsheets is limited to two pages per example. Key design elements are explained in the section below.

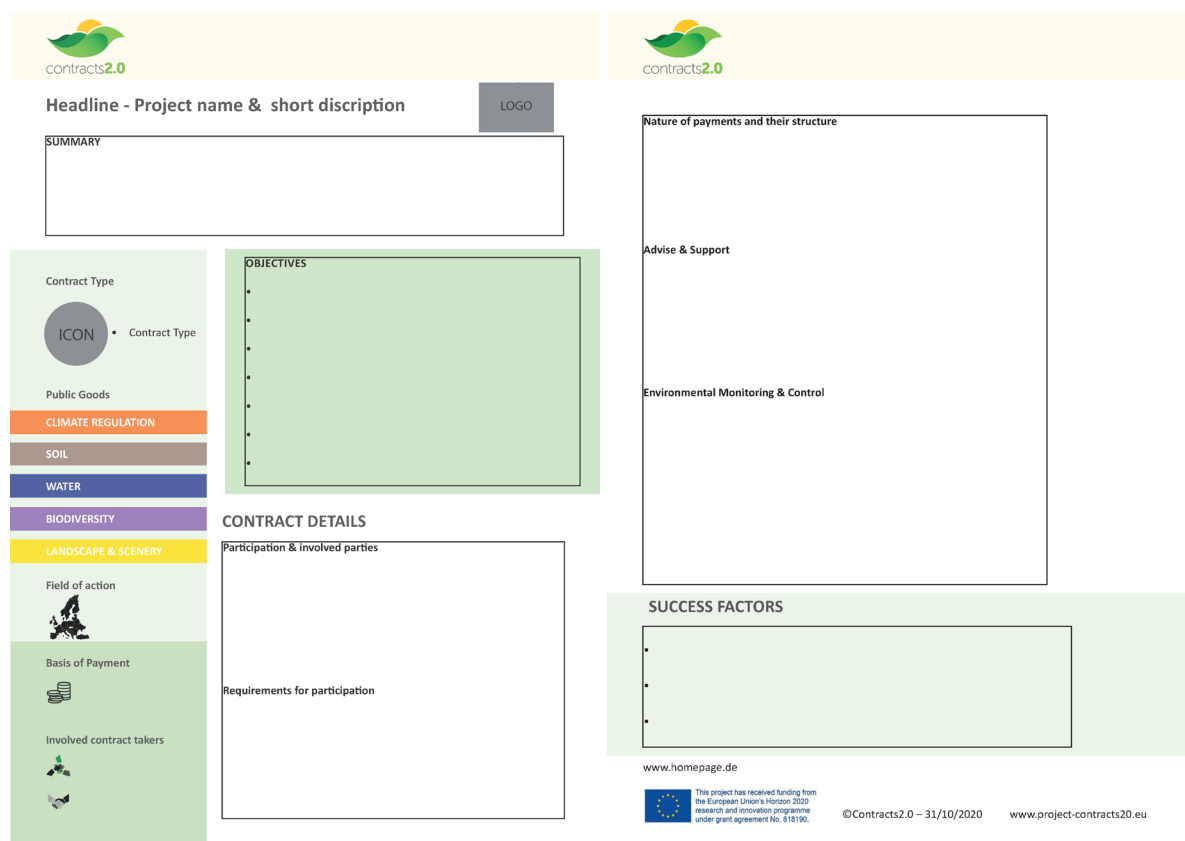


Figure 1 General structure of the factsheets

CONTRACT OBJECTIVES

Briefly summarises the overall objectives of a case.

CONTRACT TYPE

According to the conceptual framework of Contracts2.0 (see Deliverable D01 / 1.1), we focussed on three contract types:



Payments for Ecosystem Services (PES) contracts including agri-environment climate measures (AECM),



Land tenure contracts, and



Contracts associated with the value chain.

PES/AECM contracts are approaches under which farmers and/or land managers receive direct payments for the provision of ES and biodiversity. Under land tenure contracts they obtain economic benefits through e.g. the lease of benefits that enable the provision of ES and biodiversity. Under contracts associated with the value chain farmers and/or land managers receive economic benefits e.g. through higher product prices, longer-term contracts or support in other forms.

BASIS OF PAYMENT AND CONTRACT TAKERS INVOLVED

We further divided the three contract types according to the design features ‘basis of payment’ and ‘contract takers involved’.



The basis of payment for a contract might be result-based or action-based.

Result-based contracts provide payments or other benefits for the direct provision of ES or biodiversity which is determined by the fulfilment of a given outcome. In contrast, action-based contracts provide payments or benefits for the indirect provision of ES or biodiversity through an adapted management, which most probably has a positive effect on the goods mentioned.



The directly involved contract takers might be individuals or a group of farmers / land managers. Hence, the contract may be bilateral or collective.



TARGETED PUBLIC GOODS

Provides the reader with a clear overview of which public goods are directly protected or promoted with this approach (Figure 2).

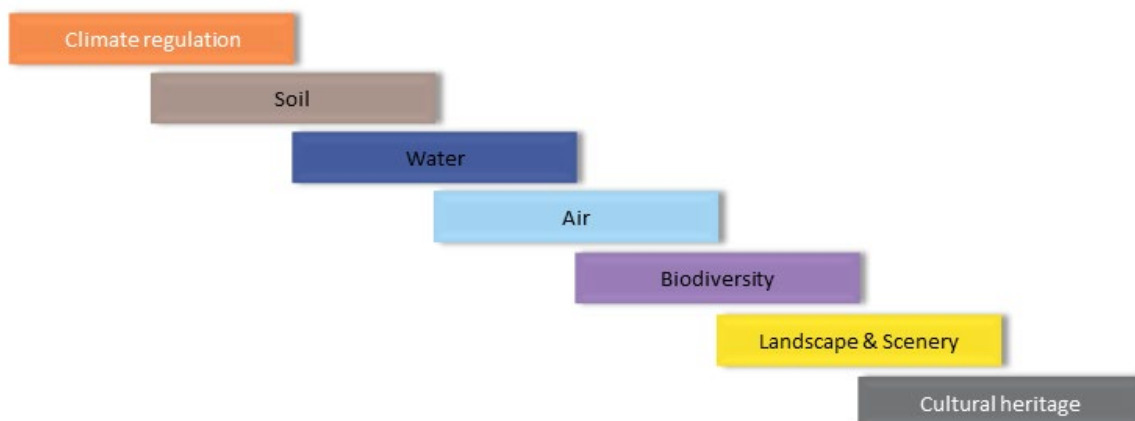


Figure 2 Selection of public goods, which are identified as an objective for support.

FIELD OF ACTION (LOCATION AND MARKET)

Informs about the region in which the example is located; describes how large the geographical area of influence of a certain contract agreement is; in the case of approaches associated with the value chain, it shows which markets are served.

CONTRACT DETAILS

This section provides the reader with information on the essential details of a case:

- Who are the actors, how are they connected?
- What are the conditions for participating in this case?
- In what form are payments or other supporting services made to farmers or land managers?
- What are the possibilities for obtaining advice, who will finance it?
- How are the conditions to be met and/or the results monitored?

SUCCESS FACTORS

Success factors are factors that contribute to the achievement of objectives of a case. They can be very different from case to case. For example, the motivation of the actors involved is a typical influencing factor that has a positive effect. Timing could be a success factor because the right actors come together at just the right moment. A success factor can also be that the implementation is made possible in a simple and unbureaucratic way.

4 FACTSHEETS ORDERED BY CONTRACT TYPE



- Beverhoutsveld (Belgium)
- Hautes-Pyrénées (France)
- Natuurrijk Limburg (The Netherlands)
- ANOG Oost-Groningen (The Netherlands)
- CSFF - The Countryside Stewardship Facilitation Fund (UK)
- RBAPS-Pilot Wensleydale (UK)
- Valdaso (Italy)
- AgoraNatura (Germany)
- Upstream Thinking (UK)



- BioBoden (Germany)
- Fairpachten (Germany)
- SCaMP (UK)



- HiPP (Germany)
- Neumarkter Lammsbräu (Germany)
- Vittel (France)

Collective agri-environmental scheme for species rich grassland in Beverhoutsveld - Belgium

SUMMARY Beverhoutsveld is a unique area, which has been used by farmers as common land for centuries. It is owned by the municipality of Beernem and is designated as a “valuable agricultural area” on the regional plans. In 1995, a nature development plan for Beverhoutsveld was approved by the council. Some plots have been taken out of lease to do nature development. These plots require specific management. Because the Beverhoutsveld is an agricultural area, it is evident that the farmers and horticulturists also participate in the management of these plots. In spring 2012, some farmers set up an agri-environmental management group, supported by Boerennatuur Vlaanderen. The municipality made an agreement with this management group to manage the plots against a fee. Together with this local group of farmers Boerennatuur Vlaanderen developed a result-based payments approach in which farmers are paid according to the botanical value of their grassland.

Contract Type



PES contracts including AECM

Public Goods

BIODIVERSITY

LANDSCAPE & SCENERY

Field of action



Basis of Payment



Result-based

Involved contract takers



Collective

OBJECTIVES

- Increase grassland biodiversity
- Support multifunctional, nature-inclusive agriculture
- Establish fair payments that lead to long-term results

CONTRACT DETAILS

Participation & involved parties One important actor is the municipality. They support local farmers in the project with their nature development plans, are the first point of contact for communication and maintain increased biodiversity. The second key actors are the farmers of the farm complex. They have the opportunity to play a role in nature conservation and receive a public reward (payment) for doing so. Moreover, they benefit from administrative support and ecological advice from the coordinator of the farmers’ group of Boerennatuur Vlaanderen.

Conditions of participation & management requirements The conditions for participation in the programme are the membership of the farmers’ group and compliance with the local protocol for the distribution of different plots of land among the farmers. A further condition is that a prescribed botanical grassland management is carried out to extensify the fields, i.e. mowing and removing the mowed grass to improve the botanical and floristic value of the fields. Furthermore, the continued participation in the activities of the farmers’ group, such as evaluation, adaptation of the management, communication about their management with the coordinator of Boerennatuur Vlaanderen is necessary.

Nature of cooperation & payments The contract is a written agreement with the municipality. Through a tender contract, which is renewed every 3 years, the municipality pays a fixed payment per hectare each year to the group of farmers. With the advice of Boerennatuur Vlaanderen three payment levels have been developed and agreed by the farmers. This money is distributed among the farmers on the basis of the level of botanical grassland development of the fields. The higher the biodiversity (species numbers) the higher the payment. These payment levels correspond both to the increase in the botanical grassland biodiversity and the decrease in the hay price for the yield of grassland as animal feed. The payments are funded locally by the municipality of Beernem who owns the land.

Advice & support The local advisor of Boerennatuur Vlaanderen meets regularly with the local farmers' group and discusses the evaluation results, the farmers' findings and experience as well as new initiatives and projects that could be implemented. The advisor also supports the participating farmers by taking over administrative tasks related to the contract and organising information meetings when necessary.

Environmental monitoring & control Every three years the fields are visited and scored for their botanical value by the local farm group advisor of Boerennatuur Vlaanderen together with a grassland specialist.

SUCCESS FACTORS

Results-based approach

- Stimulates the intrinsic motivation of farmers to establish a well-functioning management and to learn how to further improve their management
- Supports farmers in implementing the community's nature plans by enabling them to decide on measures themselves

Collective

- More opportunities for funding, joint projects, activities, communication and exchange

www.boerennatuur.be/beverhoutsveld/



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Traditional transhumance in Hautes-Pyrénées - France

SUMMARY In France, a large part of the pastureland in the highlands (summer pastures) is accessed by groups of farmers and managed by collective entities (pasture association or municipalities). Under the current CAP programme, these collective land managers may conclude AECM contracts of two forms: The first (SHP02) promotes the sustainable management of permanent grassland and pasture by supporting existing practices. The second („localised“ AECM) consists of more restrictive and targeted obligations in areas restricted to protected areas (wetlands, Natura 2000 sites, etc.). Today, 976 land managers in France have signed an AECM, 80 of which are located in Hautes-Pyrénées.

Contract Type



PES contracts including AECM

Public Goods

BIODIVERSITY

LANDSCAPE & SCENERY

CULTURAL HERITAGE

Field of action



Hautes-Pyrénées

Basis of Payment



- Action-based
- Result-based

Involved contract takers



Collective

OBJECTIVES

- Maintain and rehabilitate open landscapes by maintaining and promoting animal presence (transhumance) in summer pastures
- Maintain and promote the vegetation mosaic and promote the adaptation of the grazing conditions to the specificity of these environments, based on a pastoral management plan

CONTRACT DETAILS

Involved parties The parties involved are the regional authorities and the joint land managers, which are either (i) landowners such as municipalities, grazing associations, groups of municipalities owning undivided land and represented by a special organisation, later called Commission syndicale, or (ii) land users such as grazing groups bringing together livestock farmers using the same summer pastures.

The contract also consists of interlocking contractual arrangements with other pastoral actors. In fact, the AECM fits into a mix of existing institutional arrangements, which can take the form of formal contracts (i.e. with shepherds who will be responsible for the implementation of the management plan) or informal agreements (i.e. with livestock farmers on the dates of the ascent and descent of summer pastures).

Therefore, the contractor (collective land manager) must not be the executor of the contract.

Conditions of participation & payment Any entity who is legally constituted and managing common pastoral area is allowed to contract collective AECM, with the following additional conditions:

SHP02: common land managers have to meet a certain number of points that are awarded according to a number of criteria defined by the administrative authority. In the Hautes-Pyrénées, 11 criteria have been defined according to which 80% of the common land were retained.

Localised AECM: The contracted land must be localised in a protected area (Natura 2000, national park or reserves).

Since 2015, common land managers are no longer obliged to redistribute AECM amounts to individual farmers, so the funds are mainly invested to support collective management.

Management requirements, monitoring & control Prior to contract a (localised) AECM, common land managers need to organise an agri-environmental survey of their land in order to identify the content of the management plan. Thereafter, the main management requirements consist of maintaining a minimum (and maximum) grazing pressure on the land, avoiding all phytosanitary treatment, recording the interventions and finally testifying that the practices preserve the agro-ecological balance on the engaged surfaces (obligation of result defined by a scraping indicator).

Actions are therefore monitored by common land managers (records of the number of animals grazing in the different „quarters“ of land) and controlled by external dedicated agencies as for all other AECM.

SUCCESS FACTORS

- Two complementary measures supporting simultaneously the continuation of transhumance to maintain current land use and the change of grazing practices to better integrate biodiversity issues
- Measures based on adapted diagnosis
- Consultation and discussions with all actors involved (pastoral, environmental and territorial actors)
- Collective decision made on the use of AECM funds (redistribution to individual farmers / support collective management or investments).

Natuurrijk Limburg - Dutch farmers collective



SUMMARY Natuurrijk Limburg is one of the 40 Dutch farming collectives. They act as an intermediary between the provincial government and landowners, mostly farmers, for the subsidy programme Agrarisch Natuur- en Landschapsbeheer (ANLb = Agricultural Nature and Landscape Protection). Natuurrijk Limburg is the only collective in the province of Limburg and therefore has the largest area of land under its care of any Dutch collective. Natuurrijk Limburg enters into a collective agreement with the Province, which gives it the responsibility to take measures to protect nature on agricultural land in order to achieve the government's

objectives in the field of species protection. This in turn is done by concluding individual contracts with the farmers. Because the area that Natuurrijk Limburg is responsible for is so large, they have to deal with a lot of different landscapes, arable as well as dairy farming, and different types of soil.

Contract Type



PES contracts including AECM

Public Goods

CLIMATE REGULATION

SOIL

WATER

BIODIVERSITY

Field of action



Basis of Payment



Action-based

Involved contract takers



Collective

OBJECTIVES

- Optimize habitats for species in farmland protected by European and Dutch law

CONTRACT DETAILS

Participation, involved parties & conditions of participation This collective contract is part of the Dutch way of carrying out the subsidyscheme ANLb for species protection. In the Netherlands, it is only possible to participate in this scheme if you become a member of a collective. All the collectives are certified for the work they do and are associated in the national organization called BoerenNatuur. In this case it involves the government of the Province of Limburg, Natuurrijk Limburg and their member-farmers. Natuurrijk Limburg has 1,300 members who work on carrying out the scheme. In the Netherlands as a whole there are 10,000 farmers working on this. The collective can only make contracts with farmers within regions that the government has specified as "high potential areas".

The collective coordinates these contracts so that the measures on farmland are taken in optimal spatial and temporal relation to each other. In this way, the measures are not isolated but form a mosaic across the landscape which creates improved habitats for species.

Management requirements Natuurlijk Limburg and the farmers implement the measures which will help to achieve the province's biodiversity objectives. Natuurlijk Limburg can retain 15% of the transaction costs for hiring ecologically trained staff or for paying people to assist with the administrative burden. Each farmer can choose which different measures he wants to implement on his land. Natuurlijk Limburg advises the farmer on which measures suit his land and are related to what his neighbouring colleagues are doing. The agreed measures are recorded in a nationwide GIS-based IT system. This IT system serves as a live link to the Dutch Enterprise Agency, so that only areas actually farmed by the farmer can be registered. This IT system is maintained by BoerenNatuur. The measures are specified by concrete requirements.

Advice & support The farmer receives support in managing the land according to the mentioned requirements. This happens in the form of advice from an employee of the collective, or for example in knowledge exchange workshops that the collective organizes. BoerenNatuur also facilitates knowledge exchange between collectives.

Control & payment mechanisms The collective carries out controls to see if the requirements are met. If not, they can decide to give a fine or even end the contract with the farmer. When requirements are met, the farmer is paid. 50% of the funds in this scheme are made up of European Union subsidies under pillar II of the Common Agricultural Policy. The other 50% is paid by the Dutch provinces. The payment is based on the costs incurred, it is therefore a compensation, not a reward.

SUCCESS FACTORS

Organisation at local level

- Increased sense of responsibility for the measures and awareness of their impact on nature
- Pride and motivation to participate
- Accessibility to knowledge for farmers, but also for people outside the region

Collective approach

- Measures on a landscape scale which are more beneficial to the species than isolated individual measures
- High level of trust from national and provincial governments

Other success factors

- Amount of money offered is sufficient to make it financially attractive to farmers
- Long duration of the contract offers farmers a certain degree of security (6 years at the beginning of the CAP period)
- IT system and the link to national government data

www.natuurrijklimburg.nl



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

Agrarische Natuurvereniging Oost-Groningen

Dutch farmers collective



SUMMARY The Agrarische Natuurvereniging Oost-Groningen (ANOG = Agricultural Nature Association Oost-Groningen) is one of the 40 Dutch farmers' collectives. They act as an intermediary between the provincial government and the landowners (mostly farmers) for the subsidy programme Agrarisch Natuur- en Landschapsbeheer (ANLb = Agricultural Nature and Landscape Management). The ANOG concludes a collective agreement with the province, which gives them the responsibility to take measures to protect nature on agricultural land in order to achieve the government's objectives for species protection. This in turn is done by concluding individual contracts with the farmers. ANOG is one of three collectives within the province of Groningen. The landscape in which the collective operates is characterised by its diversity. Part of the land is characterised by wide open landscapes with mainly arable farming, while another part is characterised by small landscape elements such as hedges.

Contract Type



PES contracts
including AECM

Public Goods

CLIMATE REGULATION

SOIL

WATER

BIODIVERSITY

Field of action



Basis of Payment



Action-based

Involved contract takers



Collective

OBJECTIVES

- Optimize habitats for species in farmland protected by European and Dutch law

CONTRACT DETAILS

Participation, involved parties & conditions of participation This collective contract is part of the Dutch way of carrying out the subsidy scheme ANLb for species protection. In the Netherlands, it is only possible to participate in this scheme if you become a member of a collective. All the collectives are certified for the work they do, and associated in the national organization called BoerenNatuur. In this case it involves the government of the Province of Groningen, ANOG and their member-farmers. ANOG has 100 members who work on carrying out the scheme. In the Netherlands as a whole, there are 10,000 farmers working on the programme.

The collective can only make contracts with farmers within regions that the government has specified as "high potential areas". The collective coordinates these contracts so that the measures on farmland are taken in optimal spatial and temporal relation to each other. In this way, the measures are not isolated but form a mosaic across the landscape which creates improved habitats for species.

Management requirements ANOG and the farmers implement the measures which will help to achieve the province's biodiversity objectives. ANOG can retain 15% of the transaction costs for hiring ecologically trained staff or for paying people to assist with the administrative burden. Each farmer can choose which different measures he wants to implement on his land. ANOG advises the farmer on which measures suit his land and are related to what his neighbouring colleagues are doing. The agreed measures are recorded in a nationwide GIS-based IT system. This IT system serves as a live link to the Dutch Enterprise Agency, so that only areas actually farmed by the farmer can be registered. This IT system is maintained by BoerenNatuur. The measures are specified by concrete requirements.

Advice & support The farmer receives support in managing the land according to the mentioned requirements. This happens in the form of advice from an employee of the collective, or for example in knowledge exchange workshops that the collective organizes. BoerenNatuur also facilitates knowledge exchange between collectives.

Control & payment mechanisms The collective carries out controls to see if the requirements are met. If not, they can decide to give a fine or even end the contract with the farmer. To this end, protocols are developed with the three collectives in the province of Groningen, in order to judge objectively. When requirements are met, the farmer is paid. 50% of the funds in this scheme are made up of European Union subsidies under pillar II of the Common Agricultural Policy. The other 50% is paid by the Dutch provinces. The payment is based on the costs incurred, i.e. it is a compensation, not a reward.

SUCCESS FACTORS

Organisation at local level

- Increased sense of responsibility for the measures and awareness of their impact on nature
- Pride and motivation to participate
- Accessibility to knowledge for farmers, but also for people outside the region

Collective approach

- Measures on a landscape scale which are more beneficial to the species than isolated individual measures
- High level of trust from national and provincial governments

Other success factors

- Amount of money offered is sufficient to make it financially attractive to farmers
- Long duration of the contract offers farmers a certain degree of security (6 years at the beginning of the CAP period)
- IT system and the link to national government data

www.anog.nl



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CSFF - The Countryside Stewardship Facilitation Fund



Department
for Environment
Food & Rural Affairs



Forestry Commission



The European Agricultural
Fund for Rural Development
Europe investing in rural areas

SUMMARY The Countryside Stewardship Facilitation Fund (CSFF) is a grant in England which provides a facilitator, which can be a person or organisation, with funding to support a local group of farmers to come together and work towards the delivery of environmental public goods at a landscape scale. The Facilitation Fund aims to enhance the implementation and outcomes of the Countryside Stewardship Scheme - England's agri-environment scheme.

Contract Type



PES contracts
including AECM

Public Goods

CLIMATE REGULATION

SOIL

WATER

BIODIVERSITY

Field of action



Basis of Payment



Hybrid

Involved contract takers



• Individual



• Collective

OBJECTIVES

Bring together local farmers and other land managers to

- improve the natural environment at a landscape rather than single-farm scale and
- achieve greater improvements than individual holdings could on their own

CONTRACT DETAILS

Participation & involved parties Included are the Rural Payments Agency as administrators, DEFRA as the managing institution, Natural England as advising institution, local organisations/ consultants as facilitators, farmers and other land managers. There are a variety of CSFF groups across England. Latest figures state 136 groups covering >2400 land managers and >453,000 ha. The source of the funding for the CSFF is the English Rural Development Programme, drawing on the 'Cooperation' measure. Facilitators may be independent farm conservation consultants, or staff working for FWAG (Farm and Wildlife Advisory Groups), RSPB (Royal Society for the Protection of Birds), Farmer Networks, Wildlife Trusts, and River Trusts.

Management requirements No specific management is required from farmers, but they will carry out management in accordance with the Countryside Stewardship Scheme option(s) they are enrolled in. There are no conditions on farmers to attend particular meetings within the series. CSFF Groups are utilised to deliver a variety of environmental public goods dependent upon the specific group's context and, often, the remit of the facilitator's organisation or a given topical issue. For instance, across Northern England, in 2016 the government announced a round specifically dedicated to Natural Flood Management with the aim of developing catchment-scale solutions following the impact of Storm Desmond in 2015.

Nature of contract & payments The contract is between the facilitator and Natural England to deliver 'one-to-many' advice. There is a written contract between funding body and facilitator which serves as the basis for payments. Groups need to consist of at least 4 holdings covering at least 2000 ha of (largely) adjoining land. Payments consist of a base payment plus a per holding element (capped at 80 members) and are used to organise group meetings and training for farmer participants. Payments are made to facilitators quarterly and in arrears, so expenditure must be claimed back and organisations must put up the initial funding to cover costs themselves. The farmer signs up to the group, but does not receive any payment and is under no obligation to enrol in an agri-environment scheme.

Advice & support Advice to farmers is given on a group basis rather than one-to-one. The facilitator invites specialists to speak at farmer meetings, often coupled with a farm walk on a group member's farm. If follow up one-to-one advice is needed to tailor a particular measure to the farm or to help with a funding application, this cannot be covered under the Facilitation Fund agreement.

Environmental monitoring & control Monitoring is not funded under the Facilitation Fund, but the facilitator may be successful in accessing additional grants to undertake monitoring or their organisation may have ongoing projects involving monitoring (e.g. River Trusts, Wildlife Trusts, National Park Authorities).

SUCCESS FACTORS

- Three-year pre-testing phase of the approach with Game and Wildlife Conservation-Trust and Natural England
- Dedicated staff in Natural England who made the original farmer cluster idea fit with administrative requirements and subsequently launched several funding rounds
- The availability of facilitators with pre-existing farmer contacts from a diverse range of organisations who were able to set up groups and put together CSFF applications
- More progress is made where a pre-existing farmer group utilises the funding to pay for their facilitator; where groups start 'from scratch' the 3-5 year funding period is often not sufficient
- The meetings allow for local farmers to get to know each other, learn about each other's environmental interests and strengthen social capital, thus creating the basis for cooperating on agri-environmental management

www.gov.uk/government/collections/countryside-stewardship-facilitation-funding
www.farmerclusters.com
www.tinyurl.com/yy3mrhm



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Results-Based Agri-Environmental Payment Scheme - Pilot in Wensleydale, UK



Department
for Environment
Food & Rural Affairs



YORKSHIRE DALES
National Park Authority

SUMMARY The Results-Based Agri-Environment Payment Scheme (RBAPS) was developed as a pilot. It operated in Wensleydale on species rich meadows and grassland for breeding waders. Farmers had complete flexibility on how to manage their land, but the annual scheme payment was linked to their level of success in delivering the biodiversity outcome. The project aimed to test whether this outcomes-focussed approach motivated farmers to deliver better quality habitats for wildlife compared with the conventional approach.

Contract Type



PES contracts
including AECM

Public Goods

BIODIVERSITY

Field of action



Wensleydale

Basis of Payment



Result-based

Involved contract takers



Individual

OBJECTIVES

- Set up results-based agreements for environmental outcomes in upland grassland farming systems
- Assess the environmental performance of habitats under result-based agreements
- Compare the result-based approach to control sites within the pilot boundary
- Test accuracy of farmer self-assessment of results
- Test cost effectiveness of the result-based approach
- Explore agreement holder and stakeholder attitudes to result-based approaches

CONTRACT DETAILS

Involved parties This pilot of a results- based payment scheme (RBAPS) was coordinated by Natural England and the Yorkshire Dales National Park Authority for DEFRA. 19 farmers volunteered to participate in the Grassland pilot in Wensleydale. Written agreements were signed by each farmer individually. The pilot initially ran 2016-2018 with 19 participants. It was extended for a further two years, until the end of 2020.

Conditions of participation included i) land put into the pilot agreement must not be managed under any other agri-environment scheme for the duration of the RBAPS Agreement; ii) common land and shared grazing is not eligible; iii) agreement land must not be designated a Site of Special Scientific Interest (SSSI), Special Protection Area (SPA) or Special Area of Conservation (SAC); iv) for grassland - habitats had to reach the minimum baseline score for a payment to be eligible to enter the scheme.

Management requirements There were no set management prescriptions given to farmers in the RBAPS Pilot. Instead, farmers were free to manage as they see fit to achieve outcomes in their specific location, allowing them to use their own local knowledge and expertise. This increased flexibility at the field, farm, local, and regional level.

Payments were made to farmers on a tiered system based on the quality of their respective sites. Payments were made yearly after results have been reported.

Training & advice were key elements of the pilot study and were offered to farmers by Natural England and the farm team within the Yorkshire Dales National Park Authority on technical expertise, species identification, survey techniques and in some cases individual training. Providing training for self-assessment was resource intensive, although this reduced over the years.

Monitoring of indicators either directly (plant species for species rich grassland) or by proxy (habitat condition as indicator for benefitting wading birds). The main monitoring for the pilot was focused upon environmental performance of the approaches and of the control sites. Each site was assessed each year. This monitoring was undertaken by an advisor and through self-assessments by farmers. Farmers were given training on the assessment methodology and maintained close dialogue with the advisors to understand the monitoring criteria. For instance, in the meadow option farmers accompanied advisors on the baseline assessments and did that assessment together.

SUCCESS FACTORS

- Trusting relationship between National Park farm team and farmers
- Very good working relationship between Natural England and the National Park farm team
- The environmental performance of all the results-based measures was better than their equivalent control sites
- Flexibility for the farmer regarding site management
- Allowing the farmer to draw on their own knowledge and expertise
- Extensive support and training provided to farmers, in particular on assessing the condition of their site

<https://www.gov.uk/government/publications/results-based-agri-environment-payment-scheme-rbaps-pilot-study-in-england>



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

Valdaso – Agri-environmental agreement in Italy

SUMMARY The Valdaso agri-environmental agreement is based on a grass root initiative of farmers who want to stop the negative impacts of their local farming systems on the environment. Valdaso is a valley alongside the Aso river, in the Marche Region at the east coast of Italy. The area is highly specialised in fruit production. In past times, the orchards have been cultivated with a high amount of chemical inputs. In order to stop the pollution of water and soil, farmers in the area founded a cooperation and started an initiative to adopt integrated management techniques at territorial scale. This collective action was supported by the regional and provincial authorities, which set up an AEA (agri-environmental agreement) financed by the regional Rural Development Programme (2007-2013 programming period).

Contract Type



PES contracts
including AECM

Public Goods

SOIL

WATER

AIR

Field of action



Basis of Payment



Action-based

Involved contract takers



Collective

OBJECTIVES

- Protecting water, soils and air from pesticide and nitrate pollution
- Integrating sustainable management techniques at territorial scale
- Reducing health risks
- Savings in production costs due to reduced use of chemical products and machines

CONTRACT DETAILS

Participation, involved parties & requirements for participation The parties involved are a group of farmers who initiated the programme. They are organised in the local farmers' association Nuovae Agricoltura, i.e. New Agriculture. Other stakeholders are the regional and provincial governments of the Marche region. In addition, the ASSAM advice centre (Agenzia Servizi al Settore Agroalimentare della Marche) has played an important role as adviser, supporter and analyst of the impact of the measures.

In 2012 almost 100 farmers participated in the programme, managing 560 hectares with IPM (integrated pest management techniques). As the AEA is specialised in a particular area and farming system, the operation of an orchard in the Valdaso Valley was a prerequisite for participation.

After 2013, when the AEA period ended, it was transferred to a new AEA and integrated into the regional RDP 2014-2020 of the Marche region. The context has changed and there are difficulties in managing the new measures.

Nature of contract & measures The AEA established precise targets to be achieved in a period from five to seven years. Such targets include a 30% reduction in macronutrients that are used in the territory and the substitution of agri-chemical inputs that are characterised by acute or chronic toxicity, respectively by 90 and 85%. To achieve this result, the AEA was structured as an integrated package of measures. The actions that were specifically implemented to reach environmental objectives included integrated pest management (IPM) techniques, mating disruption, organic farming and the introduction of green covers. The fulfilment of the measures was linked to CAP payments to the farmers (650 €/ha/year).

Advice & support Training and informative activities have been included in the agreement to set up a capacity building programme for farmers with specific training activities on IPM techniques. The training was provided during farm visits and workshops. In addition, farmers within their association have exchanged information on successful measures and application methods, thus providing mutual support.

SUCCESS FACTORS

Well defined farming system

- Farm size, specialisation in fruit production, intensive agriculture
- Collective approach necessary to make the technique of advanced IPM effective

Social capital

- Trust and reciprocity due to: local leadership (ASSAM technician), small group of motivated farmers (Nuova Agricoltura), tradition of cooperation

Policy innovation

- Integrated suites of measures, focus on farmers' attitudes and motivations, adoption of measures targeted to local needs, involvement of a public extension service
- Effective communication and information regarding the new farming practices and the results of the agreement

Local network

- New approach to innovation, resulting from the involvement of a broad range of local stakeholders

Further information:

Vanni, F. & Conderoni, S. (2013): Collective action for public goods: The case of Valdaso agri-environmental agreement. European Society for Rural Sociology (ESRS), Conference Paper.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

AgoraNatura - Online marketplace for certified nature conservation projects



SUMMARY AgoraNatura is an online marketplace for certified nature conservation projects. It is designed to improve networking opportunities for people who want to work jointly and effectively for nature conservation. The online marketplace brings together a wide variety of actors such as farmers, committed entrepreneurs, landscape conservationists and interested citizens. Together they ensure more biological diversity in the landscape, some through their work on the land and others through their financial support. AgoraNatura was developed within the framework of a publicly funded project and financed by the BMBF and BMU/BfN.

Contract Type



PES contracts including AECM

Public Goods

CLIMATE REGULATION

WATER

BIODIVERSITY

LANDSCAPE & SCENERY

Field of action



Basis of Payment



- Action-based
- Result-based

Involved contract takers



Individual

OBJECTIVES

- Preserving biological diversity and natural resources in the long term with the help of private individuals and companies
- Promote the commitment of companies and private individuals to nature conservation and thus provide effective nature conservation in addition to state-funded projects
- Attracting and networking new nature conservation investors
- Maintain or improve at least 100 hectares per year to protect biodiversity and natural resources

CONTRACT DETAILS

Participation & involved parties The online marketplace was developed by scientists from various disciplines, active nature and landscape conservationists, accompanied by other external experts. The platform is now available for project providers who are looking for partners who are interested in enhancing biodiversity and ecosystem services or conserving particularly valuable areas. In doing so, they meet nature conservation investors, which can be either private individuals or companies. Key stakeholders are, therefore, providers and buyers of environmental services.

Requirements for participation Anyone can offer a project who belongs to a landscape conservation association, a nature conservation organization or another support association, or is a landowner or farmer. The projects must be aimed at promoting biodiversity and the associated natural services. It must be described and an independent certification body must review the information to determine whether all criteria of the Naturplus Standard are met. The Naturplus Standards describe specific requirements for the development of projects and methods as well as rules for measuring, reporting and verifying services provided for biodiversity and ecosystem services. Participation is only possible if the certification is successful. Moreover, they must confirm the implementation of their project with a short report once a year.

Nature of cooperation & payments AgoraNatura acts as an intermediary that connects project providers with investors. The project description includes the providers' nature conservation goals, the measures they are taking and the expected positive effects on biodiversity and nature services. The providers also determine the appropriate price for their project. After successful certification, companies and private individuals can support the project financially. In return for their financial contribution, they will receive nature conservation certificates that provide information about the effects of the supported project. The certificates show, for example, how the project affects flora and fauna, the reduction of nitrogen input into water bodies or the emission of greenhouse gases. All nature conservation certificates are related to a specific area (100 m²) and have a fixed duration (1 year). A project can only be implemented if all certificates are purchased. Otherwise, the money is automatically returned to those who have already invested. How long a project can be financed is also determined by the bidders themselves. As soon as all certificates of the project are ordered, the project provider receives the contributions. At the same time the investors automatically receive the nature conservation certificates. The commitment is voluntary, but a contractual agreement is nevertheless made. When describing the project, the initiator can decide which type of financing they choose for the project. A donation project is possible, in which the investment is used for the described project measures. It is possible to conclude a service exchange agreement, in which the initiator commits himself to carry out the project measures. The last option, a „promise of success“ is very attractive for investors.

Advice & support AgoraNatura offers administrative and content advice in the form of handbooks and step-by-step instructions for preparing a project report. Furthermore, AgoraNatura pre-defines project types to provide ideas for relatively easy to implement conservation measures for the agricultural landscape. In addition, members can contact a support team to get help with conservation issues.

Environmental monitoring & control AgoraNatura regularly checks whether reports on measures and results are received as planned. If difficulties arise, the certification body steps in and assesses whether the project can be continued as planned. If adjustments are necessary, AgoraNatura develops solutions together with the providers. The certification body reviews the reports and on-site results of randomly selected projects.

SUCCESS FACTORS

- Central, independent online marketplace
- Attracting new target groups and new nature conservation investors
- Flexible and unbureaucratic nature conservation instrument as alternative to publicly financed projects

www.agora-natura.de



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

Upstream Thinking

A catchment management scheme



SUMMARY Upstream Thinking is an environmental programme, funded by South West Water and delivered by several Non-Governmental Organisations. It was set up to protect tap water quality at the source by working together with farmers and landowners to improve agriculture, restore wetlands and reduce pollution. The project leads to direct savings and reduced risks for the water company, while making a positive contribution to biodiversity and improved carbon sequestration.

Contract Type



PES contracts including AECM

Public Goods

CLIMATE REGULATION

SOIL

WATER

BIODIVERSITY

Field of action



Basis of Payment



Action-based

Involved contract takers



Individual

OBJECTIVES

- Reducing diffused agricultural pollution
- Improving catchment resilience to extreme weather
- Improving the natural capital stock in its catchments

CONTRACT DETAILS

Participation, involved parties & requirements for participation

Participation, involved parties & requirements for participation South West Water (SWW) has established the conservation projects in partnership with a group of regional conservation organizations, including the Westcountry Rivers Trust, the County Wildlife Trusts for Devon and Cornwall and the Exmoor National Park Authority. They work with the National Farmers Union, the Environment Agency, Natural England, the Farming and Wildlife Advisory Group and with farmers in the target catchment areas. A prerequisite for cooperation is therefore the location of the farm within the watershed.

Working across 11 catchments, the programme aims to help 750 farmers to put 1,300 ha into revised management.

Nature of cooperation & payment Upstream Thinking is an action-based approach, based on prescribed improvements to farm infrastructure that should reduce diffuse pollution to waterbodies. Each farm receives a detailed and individually tailored farm plan, which outlines options for measures focusing on land and water protection, soil, nutrient and pesticide management. Capital grants are made available to enable the implementation of a wide range of measures, from fencing off watercourses to the storage of manure.

The level of payment depends on the necessary measures to reduce diffuse pollution. The management measures are locked into 10- or 25- year covenants. SWW funds the improvements through its capital works programme. The company has had catchment management plans approved by OFWAT (The Water Services Regulation Authority) to deliver preventative measures on land it does not own.

Funding mechanism In this project the ‘provider is paid’ funding mechanism is used. SWW recognized that it is cheaper to help farmers provide clean raw water (water in rivers and streams) than to pay for the expensive filtration equipment needed to treat polluted water after it has been drawn from the river for drinking. Accordingly, the SWW have charged their water consumers a small part in the water bill for the restoration of the catchment area instead of charging a larger part in the long run for water filtration.

Advice & support The intermediary Westcountry Rivers Trust plays an advisory and supporting role towards the farmers. In recent years, they have developed a close relationship with the farmers in the catchment areas by providing advice on best practices and helping farmers access grants. The trust between the intermediary and the vendors was crucial to the success of the project. Moreover, Upstream Thinking offers for example soil surveys to understand and plan nutrient application, detailing steps to reduce the risk of erosion and mobilization and identifying compaction.

Environmental monitoring & control Westcountry Rivers Trust carried out catchment investigations for 17 catchments across the region, including detailed pollution risk assessment and source apportionment evidence and targeted and fully costed catchment intervention strategies.

SUCCESS FACTORS

- A shared vision for dialogue and action
- Trust in and acceptance of farm advisors and the intermediary
- Conservation and biodiversity are part of the living working landscape rather the preserve of nature reserves
- Farmers are reliably and fairly paid to deliver all sorts of essential services for society in addition to food
- Advantages for the entire water cycle, from the moor to the sea, so that everyone and everything along the riverbank can benefit

Further information:

www.southwestwater.co.uk/environment/working-in-the-environment/upstream-thinking/



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

BioBoden - Cooperative for land protection for organic farming



SUMMARY Founded in 2015, BioBoden is a cooperative that secures land and farms for organic farming on behalf of its members. They buy land and farms and either cultivate them themselves or lease them, they facilitate generational change and support business start-ups. Leasing is aimed at long-term use as organic farm. Every farmer is obliged to manage the land according to the strict principles of an organic farming association.

Contract Type



Land tenure

Public Goods

SOIL

WATER

BIODIVERSITY

Field of action



Basis of Payment



Action-based

Involved contract takers



Individuals

OBJECTIVES

- Maintain and develop healthy soils as a provision of general interest
- Maintain and expand regionally based, ecologically run and diversified agriculture
- Safeguard or create rural areas worth living in the long term
- Strengthen the unity of nature and civilization

CONTRACT DETAILS

Participation & involved parties Bio Boden is a steadily growing community and currently consists of 65 partner farms, 10 societies, more than 4,800 members, over 3,500 hectares of land, more than 1,000 animals, and much more. They work together with GLS Treuhand e.V. for the promotion of organic farming, the GLS Bank, Zukunftsstiftung Landwirtschaft and BioHöfe Stiftung for donations of land and farms, e.g. in the case of the farmer's retirement.

Requirements for participation There are different forms of participation. On the one hand, every private or legal person can buy shares of the BioBoden cooperative in order to contribute to more organic land. A share costs 1,000€, the payment of the price is therefore the requirement for membership. On the other hand, organic farmers or those who want to become organic farmers can contact BioBoden to obtain land for cultivation. The organic form of cultivation is therefore a precondition for the cooperation.

Nature of cooperation The BioBoden cooperative is an independent agricultural company that buys land and leases it to organic farmers at fair conditions. This can happen in many different ways:

Purchase and lease of individual plots of land

- BioBoden buys land directly from farmers who cannot afford to own it and leases it back to them.
- A landowner wants to sell land to a farmer who cannot afford it. In the first step BioBoden gives the farmer a loan to buy the land. In the second step the land is transferred to BioBoden and offset against the loan. In the end, BioBoden remains the owner of the land.
- The seller has anchored the areas in a land ownership company. BioBoden acquires this company and thus all the land.

BioBoden then protects and leases these areas on a long-term basis - up to 30 years, as the German law does not allow for longer periods.

Purchase and lease of land and farmstead

- BioBoden buys the farmstead and part of the land. The farmer leases both from the cooperative.

Purchase and lease of an entire farm

- BioBoden buys a whole farm and the farmer leases it from the cooperative.

Advice & support Within the framework of workshops and information events, BioBoden passes on its experience to companies, students, organic young farmers and all those involved in a possible farmsuccession. In addition, BioBoden farmers are trained with the help of partners and integrated into the network. Where BioBoden runs its own farm, they develop the landscape and business step by step with the people on site. In addition to ecological benefits, this includes developing new products and marketing them directly as well as promoting the dialogue between agriculture and people on site.

Environmental monitoring & control The inspection of the farms takes place primarily by means of a suitability check / it is checked whether the farm is certified organic, which natural conditions and soil quality are present. This is followed by personal discussions and an on-site analysis. The adherence to the ecological and sustainable management is regularly controlled by the grower's associations.

SUCCESS FACTORS

- Development of locally and regionally rooted, organically operated and diversified agriculture
- Long-term and fair lease conditions
- Support of farm succession

www.bioboden.de



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

FAIRPACHTEN - Advisory and information services for more nature in the agricultural landscape



FAIRPACHTEN

SUMMARY Fairpachten (fair leases) is a project of the NABU-Foundation for National Natural Heritage. The project provides an advisory service for tenants on how sustainability, nature and species conservation can be anchored in agricultural leases. In addition to formal contract law issues, the focus is on advice on needs-based measures. The individual wishes of the landowners and the local conditions are taken into account in the advice. The free advice is open to all interested landowners in order to make a concrete contribution to the conservation and promotion of species and habitat diversity in Germany's cultural landscapes.

Contract Type



Land tenure

Public Goods

BIODIVERSITY

LANDSCAPE & SCENERY

Field of action



Involved contract takers



Individual



Collectiv

OBJECTIVES

- Halting biodiversity loss and increasing biodiversity
- Free transfer of know-how about suitable measures to increase biodiversity in the agricultural landscape
- Improved cooperation between nature conservation and agriculture
- Convincing and involving many different actors to make a contribution to biodiversity

CONTRACT DETAILS

Participation, involved parties & requirements of participation The project promotor of Fairpachten is the NABU-Foundation National Natural Heritage; the funding is provided by the Federal Agency for Nature Conservation (BfN) with funds from the Federal Ministry for Environment, Nature Conservation, Construction and Nuclear Safety Germany (BMUB). Scientists from various disciplines are also involved, as well as experts in agricultural and contract law. Landowners, private individuals, churches and local authorities throughout Germany can take advantage of the advisory and information services. There is no minimum size for the land under contract as even small areas can make an important contribution to biodiversity conservation. Therefore, there are no restrictions on the above-mentioned actors in the provision of advisory services. The only requirement is that those who lease agricultural land intend to have more nature in the agricultural landscape.

Nature of cooperation Fairpachten does not enter into any contracts, but acts as a broker of information and provider of consultancy services. Fairpachten is therefore to be understood as an intermediary between the owners of agricultural land and those who lease it from them.

Nature of contract Fairpachten offers a concrete model for a land lease contract that is based on a tried and tested model contract. The model contract corresponds to current lease law requirements and can be used with legal certainty. However, it does not replace legal advice and excludes any liability of Fairpachten in connection with the use of the contract sample. The concrete lease conditions, such as duration of the lease and rent are thus determined individually by the landowners. Contracts can also be concluded for environmentally friendly, organic farming without pesticides, the creation of field margins or extensive use of grassland. Individual measures can be combined according to the wishes of the leaseholder and formulated for the contract with the help of Fairpachten.

Advice & support Counselling is provided decentrally in the project's regional offices and is supported by a network of volunteer counsellors, making counselling possible throughout Germany. The individual wishes of the landowners and local conditions are at the centre of the counselling. The advice centres present the ecological benefits of individual measures and explain what their implementation means in practice. The advisory services are modular in structure and cover a wide range of nature conservation measures: From creating a field margin with wild flowers to conversion to organic farming. In addition, it points out where funding opportunities exist for suitable nature conservation measures. On this basis, landowners can agree about measures for greater biodiversity with their tenants.

Nature conservation measures The list below contains examples of nature conservation measures that Fairpachten recommends to enhance biodiversity

- Setting minimum environmental standards in leases
- Conversion to organic farming
- Creation of permanent border strips and flower strips, development of extensively managed fields
- Pesticide-free management
- Multi-row crop rotation, winter green fields with catch crops or underseeds

SUCCESS FACTORS

- Making use of existing knowledge - knowledge on how biodiversity conservation can be implemented on land is pooled and prepared for interested parties
- First information platform for landowners on the drafting of lease or use contract with ecological aspects
- Free use of consulting services for all

SCaMP - sustainable catchment management programme

SUMMARY The Sustainable Catchment Management Programme (SCaMP) is a conservation initiative in the north of England by United Utilities, specialized in water supply and waste disposal. It has been developed in association with the Royal Society for the Protection of Birds (RSPB) and is aiming to secure multiple benefits at a landscape scale. The land management approach seeks primarily to reduce water quality risk. It was introduced in order to work closer together with tenant farmers and other land users to manage the land owned by United Utilities in a more sustainable manner. SCaMP is an integrated approach to catchment management incorporating sustainable upland farming.

Contract Type



Land tenure

Public Goods

CLIMATE REGULATION

SOIL

WATER

BIODIVERSITY

Field of action



Basis of Payment



Action-based

Involved contract takers



Individual

OBJECTIVES

- Protect and improve water quality
- Reduce rate of increase in raw water which will reduce future revenue costs
- Reduce or delay the need for future capital investment for additional water treatment
- Ensure a sustainable future for the company's agricultural tenants
- Enhance and protect the natural environment
- Help moorland habitats to become more resilient to long-term climate change
- Allow healthy upland peat moors to absorb significant volumes of carbon from the atmosphere

CONTRACT DETAILS

Participation, involved parties & requirements for participation

SCaMP is a partnership of United Utilities, RSPB and a number of key UK stakeholders, including OFWAT (The Water Services Regulation Authority), environmental agencies, drinking water inspectors, Natural England, DEFRA, the Countryside Council for Wales (CCW), the Forestry Commission, national park authorities, environmental groups and local stakeholders, as well as tenants, farmers and other land users. The program is aimed at catchment areas owned by United Utilities - which can be seen as a limiting factor for participation in the programme.

Nature of cooperation & payment United Utilities' land was previously farmed by tenant farmers without direct intervention of the landowner. Within SCaMP United Utilities, farmers and other land users now work closely together. Long-term agreements with tenant farmers have been implemented, defining management plans that are consistent with the programme's objectives. The management plans include the modernisation of agricultural infrastructure and the introduction of low impact farming systems.

Funding mechanism The funds to finance SCaMP are provided by United Utilities with the approval of OFWAT, the water industry financial regulator. The approval allows funding through the AMP Investment Program, a five-year asset management plan used in the English and Welsh water industry. The AMP sets permissible price increases for privately owned water companies. Furthermore, the Drinking Water Inspectorate (DWI), the Environment Agency and Natural England supported the inclusion of further funding for catchment management.

Program measurements Among the restoration measures applied are

- Rewetting of the peatland to improve its ecological status
- Replanting of eroded bare peat to restore extensive bog vegetation, reduce sediment loss and improve water quality
- Reduce grazing pressure through stock reduction, removal or seasonal changes in grazing
- Regime for the improvement of vegetation in terms of its diversity and cover.
- Improvement of forest cover, including the removal of non-indigenous trees and shrubs
- Hay meadow improvements through management changes

Environmental monitoring & control To determine the extent to which the measures adopted under the SCaMP project are effective a monitoring programme was set up to check the environmental and economic efficiency of the project. For the environmental effectiveness selected botanical and hydrological parameters are examined by external consultants. The RSPBs carries out bird monitoring in selected areas of the operational plans.

SUCCESS FACTORS

The success is mainly due to the large land holdings of United Utilities. Here the organisation has a direct benefit from the protection of ecosystem services. United Utilities as landowner is able to overcome the market failure through direct negotiations with farmers and other stakeholders and also coordinates the use of agri-environmental payments.

Further information:

www.unitedutilities.com/corporate/responsibility/environment/catchment-management/

Tinch, R. (2009): Assessing Socio-economic Benefits of Natura 2000 - A case study on the ecosystem service provided by the Sustainable Catchment Management Programme. https://ec.europa.eu/environment/nature/natura2000/financing/docs/scamp_case_study.pdf



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

HiPP - manufacturer of organic baby food



SUMMARY HiPP is a German manufacturer of baby food that was founded in 1932. The production occurs primarily in Europe, while the products are sold globally. For over 60 years, the family run business has sought to protect nature. It aims to use resources responsibly and to preserve biodiversity as well as assume social responsibility for their employees and suppliers. HiPP relies only on the use of organically farmed raw materials and it seeks to expand its range of organic products. To establish and maintain a sustainable value chain, HiPP expects its partners to fulfil the same social and ecological requirements as they do themselves.

Contract Type



Value-chain

Public Goods

SOIL

WATER

BIODIVERSITY

Location

Markets



Herford

Headquarter
Pfaffenhofen an der Ilm



Basis of Payment



- Action-based
- Result-based

Involved contract takers



Individual

OBJECTIVES

Ecological objectives: Preserving nature, environment and climate

- careful use of resources, minimisation of the company's CO₂-emissions, preservation of soil fertility, protection and promotion of biodiversity and conservation of cultural landscapes

Economic objectives: Working on a solid basis

- fair and ethical behaviour in competition, create sustainable values as opposed to short-term profit orientation

Social objectives: Creating a society which is worth living in

- create trust and act credibly, actively participate in social and societal commitments, promote social balance and the equality of opportunities

CONTRACT DETAILS

Participation & involved parties About 8000 organic farmers supply products to HiPP. HiPP either cooperates directly with farmers or via trusted intermediate suppliers. The raw materials are processed at production sites in Germany, Croatia, Austria, Russia, Switzerland, Ukraine and Hungary. The end products are packaged and forwarded to traditional food retailers, health and beauty retailers as well as pharmacies or made available online.

Key stakeholders: Company family, employees, farmers, packaging manufacturers, the German Federation for Food Law and Food Science, the Research Association of the German Food Industry, organic certification bodies, retailers, customers (parents)

Requirements for participation The contract partners need to grow according to ecological standards or supply organic ingredients that need to fulfil not only the strict legal regulations for baby food but the high HiPP organic quality standards. The quality depends on: soil, water and climate of the growing area as well as the cultivation methods. Furthermore, partners must comply with all environmental and social standards set out by HiPP.

Nature of payments and their structure On the one hand, HiPP pays farmers or intermediaries for the delivered raw material. In addition, HiPP provides financial support to the farmers for environmental measurements. Furthermore, farmers or stakeholders can make special arrangements for financing actions that support biodiversity such as tree planting, sowing of buffer strips, etc. in their regions. This results in a 'package' of production-related payments and voluntary payments for the improvement of the environment by HiPP.

Advice & support Raw material suppliers get support from the company's farm management team, including control from specialists and financial help for environmental measurements on site. The HiPP producer guidelines specify the requirements of the EU-Eco-regulation regarding organic farming and animal welfare. HiPP also helps its suppliers improve their natural environment by issuing a guide that describes the measures they can take to encourage biodiversity on their own farms.

Moreover, HiPP organises events that offer practical advice to producers and suppliers about daily farming issues, for example that focus on animal welfare.

Environmental monitoring & control The HiPP experts work together very closely with the organic farms where the ingredients are produced; starting with the choice of cultivation land, soils and seed. This special monitoring mechanism continues through the growing process all the way to the harvest and delivery. Before a HiPP product can be sold to the customer, a wide range of tests (depending on the product) are conducted to ensure high quality. HiPP inspects the raw materials and products in its accredited in-house laboratory, but tests are also made by independent external laboratories. Only products that pass through residue checks will be sold.

SUCCESS FACTORS

- Long-term supply relationships, ensuring long-term quality and a strong basis of trust as well as safety for all stakeholders
- HiPP brand has a positive influence on the end consumer, promoting a higher appreciation of food resulting in education and training of customers
- Enables higher producer prices and therefore creates a sustainable value chain that is also economically stable and independent of subsidies

Information/contact: www.hipp.com



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 818190.

German organic-brewery



SUMMARY Neumarkter Lammsbräu, Gebr. Ehrnsperger KG is an organic beverage producer located in Neumarkt/Oberpfalz. Neumarkter Lammsbräu is committed to sustainable production. In addition to organic beer, they also produce organic lemonade and mineral water. Within the production of organic beverages, they set great value on water and soil protection, regionality and fair treatment of all parties. That makes Neumarkter Lammsbräu one of the most sustainable organic beverage producers worldwide. As early as 1977, the family-run, medium-sized company drew up its own environmental guidelines, which it continues to develop and implement on a daily basis.

Contract Type



Value-chain

Public Goods

SOIL

WATER

BIODIVERSITY

OBJECTIVES

Ecological objectives:

- Corporate environmental protection, careful use of resources, preference of renewable materials, support and use of organic raw materials

Economic objectives:

- Compliance with organic production guidelines, fair pricing and high product quality, regional production cycles and strong partnerships

Social objectives:

- Creation of socially sustainable living spaces, promotion of awareness of the social necessity of a sustainable lifestyle and support of sustainable initiatives

Location



Markets



CONTRACT DETAILS

Participation & involved parties Neumarkter Lammsbräu identifies 17 different stakeholder groups. They distinguish between internal stakeholders, such as the management, the works council and employees, and external stakeholders. These include suppliers, the Producer Association for Organic Brewing Raw Materials (EZÖB), companies in the region, competitors, associations, direct consumers, end users and many more. The company has nearly 500 active suppliers from whom it purchases goods directly. Almost all of them are located in Germany, the majority even directly in the region of Neumarkt such as the approximately 170 farmers of the EZÖB. Stakeholder proximity is particularly important to the company. Therefore, they founded the Neumarkter Lammsbräu Stakeholder Circle, where current trends are discussed and sustainable developments promoted.

Requirements for participation Neumarkter Lammsbräu purchases the raw materials for beer, if possible, exclusively from the EZÖB - the farmers of the region around Neumarkt. The members commit themselves to cultivate the raw materials according to the strict guidelines of the organic farming associations.

Basis of Payment



- Action-based
- Result-based

Involved contract takers



- Collective



- Individual

Important requirements for the cooperation are therefore the location and the production method. Furthermore, the company expects its suppliers to adhere to their code of conduct. It defines the basic requirements in the areas of human rights & working conditions, environmental standards and business integrity.

Nature of cooperation & contract stability The supply chains are characterised by longstanding and trusted cooperation. This allows for a high degree of transparency and reliability. This partnership-based approach is fixed in the brewery's corporate and procurement policy. The cooperation using the example of the EZÖB and the farmers: The brewery concludes a framework agreement with the EZÖB, which binds the individual farmers. In addition, an individual contract is concluded with each farmer for the quantity of each year. The farmers are thus guaranteed that the quantities grown are purchased at a precisely defined price. The prices are above the usual market level.

Advice & support Every year, the company supports two of its EZÖB members in the development and implementation of a cultural land plan (Kulturlandplan). This is an individual nature conservation plan, tailored to the respective farm and designed for several years. The implementation is supported by a Bioland consultant. In addition, Neumarkter Lammsbräu offers seminars and other opportunities to further educate the members of the EZÖB.

Environmental monitoring & control Regular on-site audits are carried out on the farms of the EZÖB to monitor how well the farmers implement ecological guidelines. For other very important suppliers, random audits ensure that they comply with the code of conduct. Minor important suppliers report this through self-disclosure. Especially in the production of organic lemonade, many suppliers are located outside Germany, which makes it more difficult to monitor. Therefore, a „Sustainability Hot Spot Analysis“ was conducted for that supply chain, but it did not reveal any critical points. Nevertheless, if a supplier performs very poorly in the audits, Neumarkter Lammsbräu would consider alternative, more sustainable sources of supply.

SUCCESS FACTORS

- As few intermediaries as possible
- Direct contact to producers and suppliers creates a high level of transparency
- Reliable partnerships with long-term contracts
- Greater awareness in the region and high level of trust

www.lammsbraeu.de



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PES by VITTEL - private-sector led incentive scheme for farmers

SUMMARY In the Vittel catchment area, as in many places in France, traditional hay cattle breeding has been replaced by a maize-based system. Free range farming was limited, while stocking density increased. This agricultural intensification caused an increase in nitrates and resulted in water pollution. To counter the risk of nitrate contamination in the aquifer from which the mineral water originated, Nestlé Waters, a mineral bottler, developed a number of incentives to encourage farmers to change their farming practices permanently.

Contract Type



Value-chain

Public Goods

SOIL

WATER

BIODIVERSITY

Location

Markets



Vittel catchment



Basis of Payment



- Action-based
- Result-based

Involved contract takers



Individual

OBJECTIVES

- Provide a high level of water quality

CONTRACT DETAILS

Participation & involved parties Nestlé Waters (majority shareholder of The Vittel Company) is the initiator of the programme. In the early days, the main partners were INRA, the National Institute for Agricultural Research, and the Rhine-Meuse Water Authority, both public bodies. The cooperation with INRA was essential for the scientific design and negotiation of the PES. Another important key player are the farmers in Vittel's catchment area, where the PES programme is implemented. Further actors (no partner) was the local Société d'Aménagement Foncier et d'Etablissement Rural (SAFER), a private institution created by the public sector to intervene in the market for agricultural land. It enabled the land to be acquired and thus controlled. The National Farmers' Union (FNSEA) and the Chamber of Agriculture also had a major influence on the negotiation process. Also, the intermediary Agrivair plays an important role. Agrivair was created by Vittel and is responsible for negotiations and the implementation of the programme including advice and monitoring.

Management requirements To participate in the private-sector led PES programme, farmers must transform their intensive dairy farming system into extensive, hay-based dairy farming. There are specific requirements to follow in order to benefit:

- Give up maize cultivation for animal feed
- Adopt extensive cattle ranching including pasture management, i.e. reduction to one livestock unit per ha of grazing area
- Compost all animal waste, optimisation of nitrogen fertilisation
- Ban pesticides
- Balance animal feed rations to reach optimal milk productivity and farm profitability
- Modernise farm buildings for optimal waste management

Nature of contract & payment The farmers sign a contract for 18 to 30 years with the intermediary Agrivair. The contract includes abolition of debt due to land acquisition by Vittel. The exact arrangement and amount are negotiated for each farm. In most cases, Vittel handles the long-term loans to purchase land, acquires the land and provides farmers with long-term use rights. Farmers get additional land to compensate for the lower stocking density. They receive a grant of around € 200/ha/year for the first five years to guarantee income during the transitional period. In addition, farmers receive up to €150,000 per farm to cover the cost of new farm equipment and other costs related to the change of management.

Advice & support Free technical assistance is provided for the creation of the annual individual farm plans and to facilitate introduction into new social and professional networks. This is important, as giving up the intensive agricultural system means that farmers are no more part of traditional farming networks and support organisations such as the Farmers Federation and the Chamber of Agriculture.

Environmental monitoring & control Agrivair monitors farming practices, livestock levels, appropriate use of the new building facilities and checks all farm accounts, a specific right explicitly laid down in the PES contract. Once the farming system is changed, INRA checks the soil nitrate levels. The performance of the programme is evaluated through a strict monitoring programme. Water quality from surface and groundwater is monitored daily. An observation network monitors all activities in the catchment area to quickly identify pollution risks. Preventive measures are taken when required. Biodiversity, especially insects and bird population as well as the diversity of wild flowers, is also regularly monitored.

SUCCESS FACTORS

- Constraining legislation for natural mineral water prohibiting water treatment
- Small number of farmers to limit transaction costs
- Multidisciplinary and participatory approach, “learning by doing” research action-programme that took into account farmers’ livelihood strategies over the long run
- Long-term contracts
- Assurance of acceptable farmers’ income levels at all times
- Establishment of Agrivair as a trusted local mediator and business partner in the implementation process

Further information:

Perrot-Maître, D. (2013): The VittelCase: A public-private partnership in the mineral water industry. www.fao.org/fileadmin/user_upload/pes-project/docs/FAO_RPE-PES_Vittel-France.pdf

OECD (2013): Providing Agri-environmental Public Goods through Collective Action. OECD Publishing, Paris, <https://doi.org/10.1787/9789264197213-en>



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APPENDIX

Appendix A1: Contract characteristics as captured for the literature review in WP2 T2.1

	Variable	Variable description
Contract-specific details	Contract type	PES/AECM; land tenure; value chain
	Basis of payment	Result-based; action-based; hybrid
	Involved contract takers	Individual; collective; hybrid
	Number of contract parties	[Number]
	Contract initiation	Bottom-up; top-down
	Scale of implementation	NUTS-level; LAU
	Duration/length of contract	Short-term (≤ 5 years); mid-term (> 5 to ≤ 10 years); long-term (> 10 years)
	Type of land use agreement	Easement; covenant; other
	Area contracted	[ha]
	Country	
	Targeted social-ecological interactions	Measures for management
Socio-ecological context	Actors	Actors involved and number of actors
	Type of advice	Administrative; technical, content
	Advisor	For-profit organisation; state agency; NGO; other
	Institutional setting	Governmental; non-governmental; entrepreneurial
	Sector specificity	Single-sectoral; multi-sectoral
	Type of funding	Public; private
	Amount of funding	[Euros per ha]
	Framework conditions	E.g. restrictions on use
	Environmental monitoring	Self-monitoring; third-party monitoring
	Type of control	Random; scheduled
	Frequency of control	
	Flexibility	Prescribed measures; own decision
	Collective implementation	Farmer-to-farmer collaboration; coordination of individually implemented practices

	Tenure system	Owner occupier; tenants agreement; public ownership; commons; owned by trusts, associations or NGOs; other
	Farm operational structure	Family farm; contract farming; agribusiness; other
	Payment modes	Input/ practice-based; output/ results-based; layered payments
	Motivation	Economic, environmental; social; ethical; other
	Spatial context	Rural; peri-urban; urban
	Community involvement	
	Farming system	Organic; conventional; plant production; animal husbandry; other
	Business model	Specialisation; differentiation; diversification; cooperative farming; share farming; other
	Targeted social-social interactions	E.g. increased vertical/horizontal collaboration of actors
Environmental context	Targeted landscape	Upland; lowland; watershed
	Targeted (agricultural) ecosystem	Arable; grassland; special cultures
	Biogeographic and climatic characteristics	Biogeographic region; climatic region
	Targeted ES type	Provisioning; regulating; cultural; supporting/biodiversity
	Targeted environmental compartment	Water; soil; biodiversity; other
	Targeted to a particular group of species	
	Targeted ecological-ecological interactions	E.g. reduced habitat fragmentation
Target achievement	Target achievement of contract	Indicators for progress evaluation