



## PRACTICE ABSTRACT No 12

### Keywords

Results-based approach, Payment by Results, Policy Innovation, Policy Design, Indicators

## Measuring success in Results-based Schemes I – *Direct vs. Proxy Indicators*

In results-based agri-environmental contracts, payment to the farmer is based on achieving specific environmental results, rather than paying for 'prescribed' management practices which aim to achieve those results, as in most existing action-based schemes. An appropriate set of indicators is needed to assess this achievement.

This practice abstract introduces and defines direct & proxy indicators, the two main categories which are used to distinguish types of indicators in results-based approaches. Both direct & proxy indicators have advantages and disadvantages which are important to consider when developing a scheme.

Direct indicators, as the name suggests, measure the quality or occurrence of the specific environmental feature which is being targeted by the agri-environment contract. For example, a direct indicator for a biodiversity scheme aiming to protect bird species would be assessed through the counting and examination, or 'abundance', of the target species.

Proxy indicators indirectly measure the targeted environmental objective, using measures that have a reliable underlying relationship to the targeted environmental feature. For example, a proxy indicator for a biodiversity scheme aiming to protect bird species might be assessed through the quality of the habitat provided which is suitable for the target species.

See Practice Abstract No. 13 for more information regarding the method for selecting either direct or proxy indicators.

### Author(s)

Jennifer Dodsworth  
(University of Aberdeen, UK)

Annabelle LePage  
(Natural England, UK)

Lenny van Bussel &  
Antonia Elvers  
(University of Wageningen, NL)

### Contacts

Jennifer.dodsworth@abdn.ac.uk

### Country/Region

EU

All Practice Abstracts prepared by the contracts2.0 project can be found here:

<https://www.project-contracts20.eu/publications/in-brief/> & <https://ec.europa.eu/eip/agriculture/en/search/site/contracts2.0>

## ADDITIONAL INFORMATION

In Contracts2.0 we have several case studies applying the Results-based approach with the objective to increase the effectivity of the measures and to give farmers more flexibility to implement them. For more info and examples on Payment by Results schemes check out our Thematic Session “Results-based schemes on arable land”:

**2016-2021 Pilot project objectives**



- Is the environmental performance of habitats in RBPS agreements better than conventional schemes?
- Can farmers accurately self-assess their results?
- What are agreement holder and stakeholder attitudes to RBPS?

Screenshot from our Webinar (21/10/2021). Recording available: [https://www.youtube.com/watch?v=qJE3PWHs\\_ac](https://www.youtube.com/watch?v=qJE3PWHs_ac)

## ABOUT CONTRACTS2.0

October 2021

Contracts2.0 aims to develop innovative contract-based solutions, which increase the motivation for farmers and land managers to produce more environmental public goods and allow them to reconcile the profitability of their farms with sustainability objectives. To do so, 28 research and practice partners closely cooperate to co-design and evaluate the novel contracts. Lessons learned from successfully tested contracts will also provide support for policy makers on local, national and EU-Level.

 [www.project-contracts20.eu](http://www.project-contracts20.eu)  
 [contracts2\\_0](https://twitter.com/contracts2_0)  
 [contact@project-contracts20.eu](mailto:contact@project-contracts20.eu)

### Research partners



### Action partners



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

All Practice Abstracts prepared by the contracts2.0 project can be found here:

<https://www.project-contracts20.eu/publications/in-brief/> & <https://ec.europa.eu/eip/agriculture/en/search/site/contracts2.0>