Summary
Piloting an Outcome Based Approach in Scotland is an SNH-led project working with 40 farmers and crofters in four clusters across Scotland (Skye, Argyll, Strathspey and East Lothian) to test innovative approaches to delivering environmental outcomes on farms and crofts in Scotland. The project also worked closely with two partner projects in Shetland (with the RSPB) and in the Outer Hebrides (with the European Forum for Nature Conservation and Pastoralism).

Phase 1 of the project ran from April 2019 – March 2020 and has received positive support and feedback from participating farmers, crofters and stakeholders. The project has met all its initial aims to test a payment by results based approach, establishing four groups of farmers and crofters willing to participate; identifying outcomes that could be delivered for different farm types in different regions; identifying result indicators to monitor outcomes and developing scorecards for measuring quality of outcomes in relation to potential payments. Phase 1 consisted of a range of preparatory work and did not include making payments.

Aim of the project
1. Demonstrate how a result based approach to agri-environment schemes can work in different regions across different farm types.
2. Understand implementation issues arising a result based approach including practical barriers, issues and opportunities, and farmer behaviour.
3. Engage and utilise farmer and crofter skills in improving design and outcomes for schemes, and test stakeholder support for this approach
4. Test the range of outcomes that can be delivered through this approach and how these are translated to management measures and indicators at the field, farm and landscape levels.
5. Identify solutions and recommendations to inform delivering an agri-environment scheme using this approach as part of future farming support architecture beyond 2024.

Outcomes
Different outcomes were explored in each pilot depending on farming systems and geography. Working with expert advisers, farmers identified a range of outcomes they could deliver through a results based methodology. Additional outcomes could be explored depending on the scope of Phase 2 (see overleaf). Outcomes tested included:

- Strathspey: grassland management for waders.
- East Lothian: hedges and field margins.
- Argyll: moorland, grassland and woodland habitat mosaics.
- Skye: maintaining whole croft diversity based on mixed livestock management of semi natural grassland.
- Shetland: Peatland quality and wader habitat.
- Outer Hebrides: Machair and peatland

Payments
Results based means the level of payment varies according to the quality of outcome delivered, as indicated by the score earned.
Phase 1
Phase 1 of the project ran between 2019 - March 2020 in four main pilot areas: Skye, Strathspey, Argyll and East Lothian with additional projects in Shetland and the Outer Hebrides.

Key achievements include:
- Increased understanding of results based methodology.
- Outcomes to be piloted by each farmer group were agreed on.
- Effective results indicators and how these could be monitored discussed with farmer groups
- Positive engagement from participants with on average 10-15 farmers attending each workshop, facilitated by expert advisers.
- Knowledge exchange with visiting experts from Ireland and England enthusiastically received by the farmer groups.
- Scoring systems to measure quality of outcome delivered tested for each outcome.
- Practical interpretation of quality of outcomes, and what this looks like on each farm/croft type.
- Potential payment basis explored by considering the full financial implication arising from management which achieves the top score.
- Advisory support needs identified
- Willing groups of farmers to test further and take into Phase 2.

Next Steps for POBAS – Phase 2
This project is expected to proceed to Phase 2. The scale and design of Phase 2 has not been finalised and the final scope will depend on the wider policy context, budget and capacity. This would see the approach being trialled on the ground on farms and crofts with concepts developed through detailed consultation with farmers and crofters.

The aim is to extend the pilots to include other areas and farm types, for example, dairy farming in the South of Scotland and linking to work in Aberdeenshire and Angus/Tayside on farms. We intend to work more closely with the two partner projects (in Shetland and the Outer Hebrides).

We anticipate that this project could form part of a suite of pilots informing future funding support with POBAS continuing to focus on results based approaches alongside other broader natural capital approaches.

Subject to Covid-19 restrictions, next steps from April 2020 onwards include:
- Identify new pilot areas to extend across broader farm types.
- Finalise list of farmers/crofters willing to be involved in Phase 2.
- Test additional outcomes including stronger emphasis on climate and soil.
- Test scorecards and carry out initial baseline monitoring.
- Further develop payment rate proposals.
- Set up agreements and guidance to pilot on the ground.
- Scope budget required to continue payments for duration of the pilot.
- Feedback on submission to CivTech a government fund to encourage private sector innovation in the public sector, with project proposal to find a solution to monitoring outcomes on farms.