# Annex A – Call Purpose and Scope

To help the development of the future Schemes that reward environmental land management we are conducting a variety of Tests and Trials, aimed at conducting research to contribute to our understanding of how parts of the new scheme work in a real-life environment.

We are working with a range of different stakeholders, across different geographies to undertake the Tests and Trials, including farmer groups, representative bodies and non-governmental organisations.

The most ambitious scheme is Landscape Recovery. Landscape Recovery will support the restoration and enhancement of natural ecosystem function at scale through transformative land use change projects delivered over the long term. Such projects will restore wilder landscapes in places where this is appropriate, through the creation of woodland, restoring wetlands and peatlands, enhancing bogs, fens or saltmarshes or a mosaic of different habitats. These projects will **contribute towards the future schemes environmental objectives** and support local environmental priorities while making an important contribution to national targets. We expect that this scheme will be competitive.

Tests and Trials are inviting proposals from stakeholders to Test and Trial the mechanisms required to deliver long-term land use changes with farmers and land managers, for example Testing the practical elements of long-term commitments (30+ years), developing models that can be rolled out more widely and Trialling innovative mechanisms such as conservation covenants. Tests and Trials should be designed to be able to make policy and delivery recommendations that are suitable for roll out within landscape recovery throughout England, rather than recommending approaches that are only applicable in specific circumstances or locations. The specific areas of interest identified for this call are outlined below:

* 1. How to balance the delivery of national and local environmental priorities in selection and design of projects (e.g. develop and Test models that identifies national opportunities aligned with local priorities and the role of individuals, groups and organisations in balancing local delivery with national priorities);
  2. How to construct agreements for different land ownership structures e.g. individual and group agreements, tenants, commons
  3. How to blend public and private finance in funding projects (e.g. identifying and Testing innovative mechanisms to use public investments to leverage private sector funding);
  4. How to align Landscape Recovery projects (as distinct from Local Nature Recovery projects) to wider Defra initiatives such as Biodiversity Net Gain and Nature for Climate projects which may also deliver land use change (e.g. Testing the practicalities of differentiating between work delivered under wider Defra initiatives and actions and outcomes which might be delivered under an environmental land management scheme agreement).
  5. How to incentivise land manager participation and collaboration in landscape recovery projects and determine appropriate payment mechanisms (e.g. identify and Test the measures which would encourage participation, the level of incentive required and the mechanisms for facilitating incentivisation);
  6. How to construct long-term agreements (30+ years), potentially incorporating conservation covenants, to safeguard investments in land use change and associated environmental outcomes (e.g. Test what information might be required to deliver and safeguard long term commitments to land use change);

Through Tests and Trials, we will test and trial the mechanics of how Landscape Recovery could work and make policy and delivery recommendations that can be built into the scheme Pilot. Over the next four years through the Pilot we will establish 10 Landscape Recovery projects to help restore wilder landscapes, with a focus on large-scale sites. Later this year we will publish more details on how we will choose early pilot projects and invite nominations of potential sites. Together, the Pilot and Tests and Trials will provide us with a solid basis for testing the delivery capability and implementation of Landscape Recovery, which in turn will help inform the full roll out of the future scheme in 2024.

Tests and Trials are a safe space to fail, learn and improve, they allow us to look at new and innovative approaches that we haven’t tried previously to help us understand how they could be used within the new schemes. For example, we are Testing the Payments by Results approach with farmers in Yorkshire and East Anglia. The Trial will examine how the behaviour of farmers changes as they take greater responsibility for delivery of the outcomes, Testing the accuracy of self-assessment and the potential role of remote sensing in validating results.

By Testing and Trialling elements of the new schemes, Defra is looking to work together with farmers and land managers and other stakeholders to harness their ideas, gain their feedback and build something that works for the diverse needs of the agriculture sector, whilst also improving our environment.

We have used a **phased approach** to deliver Tests and Trials inviting proposals from stakeholders. This has enabled us to prioritise Testing that will help prepare for the Pilots and 2024 scheme design. We have Tests and Trials that cover 7 areas or themes:

* **Land Management Plan** – what would be included in a plan, how long it should be and what information is needed to support the land manager or farmer
* **Role of advice and guidance** – the level and role of advice and guidance land managers and farmers would need to put together a plan and implement it effectively
* **Payments** – to Test different approaches to and how these might work in practice
* **Spatial prioritisation** – to Test how different spatial mechanisms identify and agree local priorities
* **Collaboration** – to Test how different methods of collaboration work to deliver environmental outcomes on a greater scale
* **Innovative delivery mechanisms** – to Test how innovative solutions work on the ground and in what circumstances. Examples include reverse auctions and payment by results
* **Strategy** – Testing the different models, mechanisms and approaches to achieve ambitious land use change

**Tests and Trials Purpose and Scope**

Tests and Trials are important components of an incremental approach to building the Future Schemes that reward environmental land management.

We began the Tests and Trials work in 2018 as a vehicle to engage with a wide range of farmers, land managers and stakeholders to harness their ideas to conduct research to contribute to the design of the future schemes. Farmers and land managers taking part in the Tests and Trials co-design elements or building blocks of the new scheme(s) in their real-life environment. We use this evidence and learning they generate to understand farmer and market behaviour and to help shape and inform scheme design.

Tests and Trials are a safe space to fail, learn and improve. As well as Testing the key building blocks of the new scheme(s), we are also Trialling new ideas and innovative approaches to understand if and how they could be built into the new scheme and help to shape the national pilot.

Tests and Trials and the Pilots are important components of an incremental approach to building the new scheme(s). The learning they generate will help us build a tried and Tested framework for the wider roll out of the new scheme. This learning and improving won’t stop there as we will continue testing until 2028, with the overall aim that in 10 years’ time, we will have a tried and Tested ‘co-designed’ system that is world-class.

The scope of Tests and Trials is outlined below:

* Co-design and Test how potential **elements of the new scheme(s) work in a real-life environment, with different user groups, across different geographies**
* **Trial new or innovative approaches** that we haven’t previously utilised to understand if and how they could be used within a new scheme
* Provide **real time evidence** to help shape policy and delivery
* A means to **engage with a wide range of farmers and land managers** to help **prepare the sector for change** and **harness ideas and delivery solutions**
* It **will not assess** if specific interventions or delivery practices achieve **environmental outcomes**

We are using a **phased approach** to deliver Tests and Trials inviting proposals from stakeholders, this call represents our third phase with Tests and Trials due to continue until 2028, supporting the design and implementation of the future schemes.  This approach has enabled us to prioritise Testing the building blocks as we analyse and evaluate the results from Tests and Trials to feed into our policy development process.