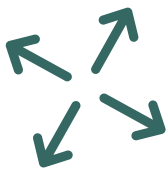


NEW CONTRACTUAL SOLUTIONS FOR MORE ENVIRONMENTAL SUSTAINABILITY

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The international and interdisciplinary CONTRACTS2.0 consortium of practice and research partners



The EU primarily encourage farmers to produce marketable goods like food and biomass. This focus on the provision of private goods can result in negative environmental effects such as soil erosion, nitrate leaching and loss of biodiversity. Innovative approaches to contract design are needed to mitigate these undesired impacts and enhance the provision of public environmental goods. In CONTRACTS2.0, 28 partners from 12 EU countries cooperate to develop and test novel contract models.

Centerpieces of the project are the »Innovation Labs,« in which research and practice partners collaborate in an interdisciplinary setting. The »Contract Innovation Labs« (CILs) model and test the following contract types:

- 1) result-based payment schemes,
- 2) collaborative contracts between several land users,
- 3) land-tenure-based contracts including specific environmental agreements and
- 4) contracts connecting actors within a value chain.

The actual design and feasibility of the novel contract models as strategic policy instruments are determined in the »Policy Innovation Labs« (PILs). On this basis, recommendations for future agricultural policies are developed. Scientific guidance helps to ensure a high degree of current relevance and research quality.

In addition to the project coordination by Bettina Matzdorf, ZALF fulfills further important tasks. Claudia Sattler and Rena Barghusen carry out institutional analyses focusing on the

Objectives for promoting biodiversity as well as water and climate protection have high priority both in EU agricultural policy and in current societal discourse. The achievement of these environmental goals strongly depends on the implementation of agri-environmental and climate measures (AECMs). In agricultural landscapes, the supply of private goods is often prioritized over the enhancement of ecosystem services. The work in CONTRACTS2.0 is set up as a social innovation process to co-design novel contract models that provide the right incentives to land users to increasingly integrate sustainability goals with farm profitability targets.

recording and presentation of existing contracts. This implies a close cooperation with practice partners in order to include their feedback on the effectiveness and practicality of current contracts. Christoph Schulze and Bettina Matzdorf support the improvement and modification of existing contract types through behavioral experiments. To ensure a high level of practical relevance, the prototypes of the contract models are tested in the field using preference analyses. Annett Rosenberger and Katharina Gabriel are in charge of project management.

The goal of CONTRACTS2.0 is to approximate the project participants' »dream contracts,« which allow farmers to effectively and permanently achieve both environmental sustainability and economic viability.

Project: Co-design of novel contract models for innovative agri-environmental-climate measures and valorisation of environmental public goods (CONTRACTS2.0) **Term:** 2019–2023 **Sponsor:** Horizon 2020 **Lead at ZALF:** B. Matzdorf (matzdorf@zalf.de), C. Sattler (csattler@zalf.de) **Partners:** EV-INBO, ESSRG Kft, CIRAD, DUH, GIP-CRPGE, Órség National Park, BoerenNatuur, LUH, Natural England, SLU, IMIDRA, ABC Eco2, ISP, DBV, UCPC, UCG, SRK, Bornholms Regionskommune, Agriculture & Food of Bornholm, Heliconia, SWK, UAM, University of Pisa, University of Ljubljana, Wageningen University, University of Warsaw, University of Aberdeen
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