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# Developing Alternative Market Mechanisms for Climate Resilience: Reverse auction online tool

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# What can a market-based approach look like?



# Benefits of a market-based approach

- Better value for money
- Lower transaction costs
- Attractive for suppliers – more uptake
- Greater environmental outcomes?
- Blend private and public sector funding?

# Online reverse auction tool

- Farmers/land managers (sellers) bid for funding to implement climate resilience measures on their land
  - The sellers are competing to obtain funding from the buyer; prices will typically decrease as the sellers underbid each other
- Currently running our second NFM auction trial
- Developing a programme of more diverse trials for the rest of 2019

# Using the online auction tool

The screenshot displays the NFM online auction tool interface. The browser address bar shows the URL <https://nfmea.sylva.org.uk/auctions>. The NFM logo is in the top left, and navigation tabs for 'auctions', 'admin', 'faq', and 'measures' are at the top. The main content area is split into a left sidebar and a right map.

**Left Sidebar:**

- Location: Farm C 2
- Tab: Auction VI
- Auction closes: 2018-05-11
- Funded by: (empty field)
- Total of all bids: £10384
- Current success: £8483
- Categories and items:
  - NFM - Maize management**
    - NFM 1440: 0.74ha, £1017 (selected, submitted)
    - NFM 1442: 0.62ha, £850 (selected, submitted)
  - NFM - Grassland sub-soiling**
    - NFM 1443: 2.52ha, £6616 (selected, submitted)
    - NFM 1441: 0.66ha, £1901 (not selected, submitted)
  - NFM - Leaky structures (leaky dam)**

**Right Map:**

- Map showing land parcels in various colors (purple, yellow, green, brown).
- Labels: Over Stowey Cricket Club, Marsh Mills, Over Stowey Road, Planfield Road, Fisher's Moor, Cockercombe, Quarry Hill ACUB.
- Map controls: OpenStreetMap, zoom in (+), zoom out (-), scale bar (100m).

# Evaluating the tool and its outcomes

- Well-received by users
- Demonstrated value for money
  - The average payment for the most popular measure was 66% of Countryside Stewardship payments
- A market-led approach can work for NFM/land management type interventions
  - We received bids for all six measures trialed.
  - Around **300ha** of NFM interventions were funded in the first auction trial.

# Aspects we hope to explore...

- Blending private and public sector funding to achieve outcomes
- Effectiveness over a range of landscapes, with a range of funding sources, delivering various interventions and outcomes.
- The role of the delivery partners