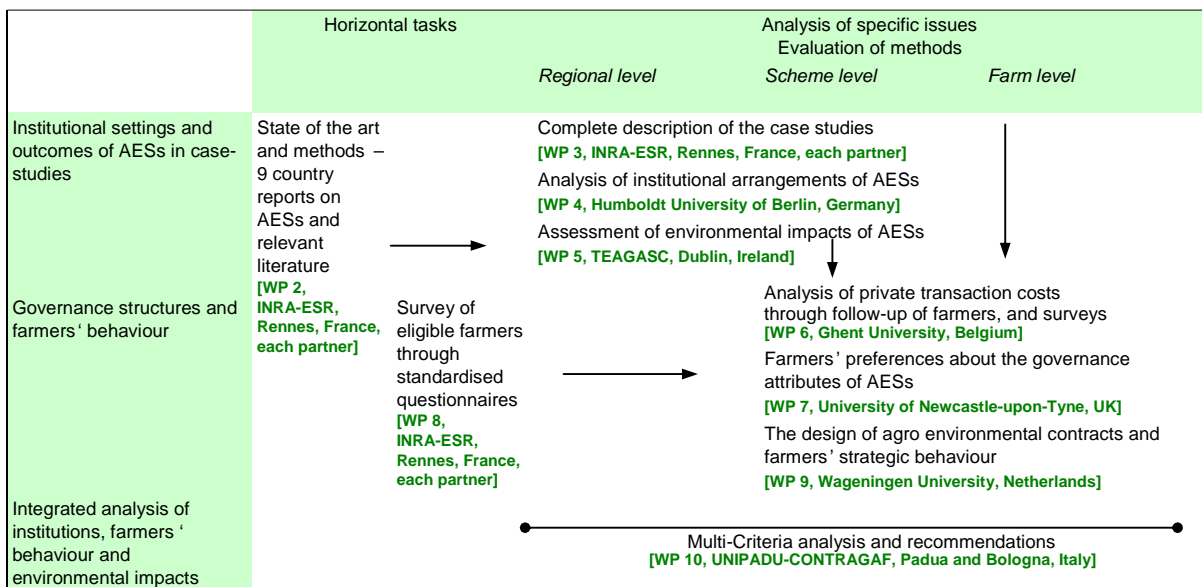




## ITAES Newsletter n°2

"Integrated Tools to design and implement Agro Environmental Schemes"

### Synthetic presentation of the project:



### Project progress

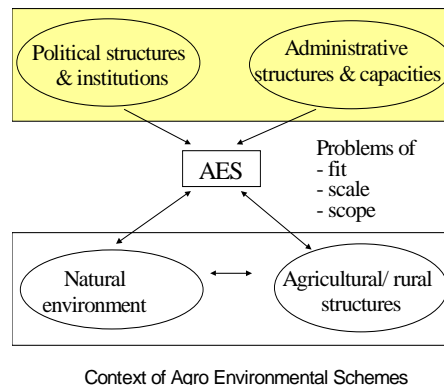
The farm level approach (focused on by WP 6 to 9) is organised around a survey including choice experiment regarding governance attributes of agro-environmental contracts which will be led on 2000 European farmers, and a follow-up conducted during one year on 250 European farmers, asked to report each week their investments, administrative work and time spent specific to the agro-environmental contracts they adopted.

The regional and scheme level approach (focused on by WP 3, 4, 5, 10) was developed in a first experimental implementation of ex-post Multi-Criteria analysis based on Emilia-Romagna case study region.

### Focus on Work Package 4: Institutional arrangements of AESs: "Institutional settings in EU Member States systematically influence design & implementation"

Research Questions :

- How are decisions on design and budget of AESs made?
- Who effectively participates in the design process?
- Which kind of participatory approaches are in use?
- What is the role of farmers, local communities, environmental groups, scientists and other experts in the design of AESs?
- How are AESs implemented, controlled, enforced and evaluated?
- What are the administrative structures?
- Who is responsible for carrying out different tasks?
- Do differences in the decision-making and implementation procedures affect the design of AESs, its acceptance and effectiveness?
- What are the benefits, what are the costs of different decision-making and implementation procedures?



➤ **Focus on Work Package 2 : State of the art and methods : “Agri-environmental programmes: Convergence and difference between the EU and other countries”**

*Neither reduction of negative externalities nor stimulation of positive ones can be achieved at a satisfactory level on the basis of market activities, there is therefore a need for agri-environmental programmes. The primary difference between agri-environmental programmes is they do not address the same problems. But, are there differences when environmental concerns are close?*

**Convergence between programmes reducing negative externalities**

**Soil erosion problems**

- associated with grain production and sheep breeding,
- experienced by major exporting countries.

**Conservation programmes** rely on voluntary approaches. They combine:

- persuasion and education,
- with financial compensation to farmers applying approved soil conservation practices.

**Menus vary with society’s willingness to pay for conservation**

- Modest compensations (Argentina),
- Ambitious initiatives (USA).

**Water pollution from intensive livestock farming**

is mainly a European problem but concerns some places in the other countries, especially Canada and the USA.

**Programmes against water pollution** rely on a command and control approach. They combine:

- Land use control & easements,
- Permits & standards,
- Cross-compliance,

with cost sharing for complying with regulation. Programmes are complex and poorly enforced. The use of environmental taxes remain marginal.

***Difference between programmes promoting positive externalities***

**Programmes result from two contrasted views of nature:**

A man-made countryside (Europe & Japan),  
Pristine nature & wildlife (Americas & Japan).

**They combine regulation, cross-compliance and voluntary-payment schemes.** Management agreements with financial compensation originated in the EU and are going to be applied in Japan. Recent initiatives in the USA must be mentioned

These programmes assume that either separate provision of commodity and non-commodity outputs is not physically possible or economies of scope exist. Their objective is to achieve the levels of benefits that society desires.

*Agri-environmental programmes are far from the implementation of the polluter-pays principle since they involve subsidisation of the farm sector by tax payers and are likely to result into trade distortions. Main differences result from the acknowledgment of multifunctionality as a concept to rationalise a public policy and therefore to comply with WTO provisions. Agriculture has been somewhat indulged and favoured in comparison with other activities, especially concerning polluting emissions. Implicitly, agriculture benefits presumptive property rights that have distorting effects.*

Materials of this newsletter have been presented by Antonia Lütteken and Volker Beckmann (HUB) at the 44 GEWISOLA Annual Meeting, 27-29 September 2004, Berlin and by François Bonnieux, Pierre Dupraz and Karine Latouche (INRA-ESR) at the 90th EAAE Seminar, Rennes, October 27-29, 2004.

This document presents results obtained within the EU project SSPE-CT-2003-502070 on Integrated tools to design and implement Agro Environmental Schemes (<http://merlin.lusignan.inra.fr/ITAES/website>). It does not necessary reflect the view of the European Union and in no way anticipates the commission’s future policy in this area.