

THE CONTRASTING IMPLEMENTATION OF THE EU AGRI-ENVIRONMENT REGULATION IN IRELAND AND SCOTLAND



H. Emerson*¹ and J. Egdell²

¹Department of Geography, Museum Building, Trinity College, Dublin 2, Ireland

²Department of Agriculture, University of Aberdeen, 581 King Street, Aberdeen AB24 5UA, UK

The implementation of the EU Agri-Environment Regulation (2078/92) has varied considerably between member states. This paper compares the different approaches applied in two countries, Ireland and Scotland, that share many similarities in both their agricultural systems and rural environments. It outlines the background to the present policy instruments in both countries and contrasts the two policy scenarios, examining their characteristics and operation, and identifying some of their respective strengths and weaknesses. The paper concludes with a discussion of possible future development of agri-environmental measures in the two countries. Copyright © 1999 John Wiley & Sons, Ltd and ERP Environment.

INTRODUCTION

The EU Agri-Environment Regulation (2078/92) was introduced as an accompanying measure to the CAP reforms in 1992. Under this regulation, all member states are

obliged to introduce schemes 'throughout their territories', whereas under the previous Farm Structures Regulation 797/85 the introduction of Environmentally Sensitive Areas was optional, and had only been taken up by a few countries. The regulation states that the agri-environment programmes 'shall reflect the diversity of environmental situations, natural conditions and agricultural structures and the main types of farming practised, and Community environment priorities' (Article 3.1). This has led to considerable variation across member states in the ways in which the regulation has actually been implemented.

This paper considers two countries, Ireland and Scotland, whose farming systems and rural environments share many similar characteristics. It compares the different approaches taken to implementing agri-environmental policy in these two member states; identifying significant similarities and differences and the reasons for these, examining uptake and costs of the policies applied, briefly considering the possible impacts of such varying approaches on both the respective rural environments and the farming populations, and discussing the implications of these for the future development of agri-environmental measures in each country. Such comparative analysis of policy instruments is necessary to inform future environmental policy design, in order that it may better achieve its stated objectives. It also sheds light on the possibilities for the

*Correspondence to: Dr. Harriet Emerson, Department of Geography, Museum Building, Trinity College, Dublin 2, Ireland.



Council Regulation (EEC) No. 2078 92 – *On agricultural production methods compatible with the requirements of the protection of the environment and maintenance of the countryside.*

Article 1: Purpose of the aid scheme

- a) the use of farming practices which reduce the polluting effects of agriculture, a fact which also contributes, by reducing production, to an improved market balance;
- b) an environmentally favourable extensification of crop farming and sheep and cattle farming, including the conversion of arable land into extensive grassland;
- c) ways of using agricultural land which are compatible with protection and improvement of the environment, the countryside, the landscape, natural resources, the soil and genetic diversity;
- d) the upkeep of abandoned farmland and woodlands where this is necessary for environmental reasons or because of natural hazards and fire risks, and thereby avert the dangers associated with the depopulation of agricultural areas;
- e) long-term set-aside of agricultural land for reasons connected with the environment;
- f) land management for public access and leisure activities;
- g) education and training for farmers in types of farming compatibles with the requirements of environmental protection and upkeep of the countryside.

integration of environmental policies relating to rural land use.

THE AGRI-ENVIRONMENT REGULATION AND ITS OBJECTIVES

The Agri-Environment Regulation allows member states to give aid to farmers for maintaining or improving environmentally beneficial farming systems and to adopt measures on non-productive farmland such as the upkeep of abandoned land, long term set-aside or for public access and for training projects (see above). In 1997, 1.7% of the EU budget was spent on agri-environmental measures (European Commission, 1997).

The new regulation also stipulated that 'measures must contribute towards other specific environmental goals set out in Community legislation' (*Official Journal*, 1992, p 86). This has been interpreted by some as an opportunity to meet other environmental commitments, such as those under the EC Directives on Nitrates and on the Conservation of Natural and Semi-Natural Habitats and of Wild Fauna and Flora, and under the Biodiversity Convention signed at Rio de Janeiro.

Similarly, the contribution the regulation is intended to make to supporting farmers' incomes is open to some degree of interpretation. In deciding whether to approve a proposal for a programme from a member state, the European Commission considers that the payment rate being offered should reflect a combination of the opportunity cost to the farmer (for example, if s/he had intensified production instead), the additional net cost of any management that is undertaken and an incentive to cover the perceived transaction costs of entering into such an agreement (Frank Fay, personal communication). The Commission, however, are keen to limit the incentive element, arguing that 'Premia should be regarded as compensation for the costs of delivering environmental public goods and cannot be regarded as subsidies in an economic sense.' (European Commission, 1997, p 5). Despite this concern, the maintenance of rural communities remains a principal objective of European agricultural policy and payments received under agri-environmental initiatives arguably contribute an increasingly significant income for a growing number of farm businesses.

The economic significance of agri-environmental measures clearly influences participation rates (see below) and may also play



a valuable role in reinforcing the shift away from productivist management amongst farmers. This paper considers the operation of varying policy scenarios at present applied in two similar areas of the European Union.

AGRICULTURE AND THE ENVIRONMENT IN SCOTLAND AND IRELAND

There are distinct similarities between the farming systems and the agri-environmental concerns in Scotland and Ireland. Both countries are dominated by beef, sheep and dairy farming (as shown in Table 1). The two countries have similar areas of farmland and the majority of the Utilizable Agricultural Area in both cases is in grass. While there are some differences in the average size of landholdings these reflect historical patterns of land ownership: particularly the persistence of landed estates in Scotland and a number of extensive hill farms. However, the majority of farms are considerably smaller than the average figure shown in Table 1. It is interesting to note that farming contributes a significantly larger proportion to national income in Ireland than in Scotland. It also accounts for a greater (although declining) proportion of the Irish workforce. These characteristics undoubtedly have implications for the cost of agri-environmental initiatives in the Republic and for its economic significance to the economy. This relatively larger farming population may have a greater significance in the management of the rural environment and as a result may also warrant greater investment in order to enlist their support in the preservation of the natural environment.

In both countries much of the land is classified as Less Favoured under EU Directive 75/268 (see Figure 1). Also, both are faced with problems of peripherality; of regions within their national boundaries and the countries' overall position relative to other EU member states. In acknowledgement of the relatively low incomes found in peripheral regions, the whole of Ireland and the Highlands and Islands of Scotland are classified as Objective 1 under EU regional policy.

The relatively low intensity of farming systems in both countries has contributed to the persist-

ence of high quality rural environments, characterized by valuable habitats, wildlife and landscapes. The presence of these resources and the ongoing dominance of agricultural land uses in rural areas heightens the need for effective agri-environmental policies to ensure the maintenance of agricultural systems compatible with sustaining the valued characteristics of the countryside.

IMPLEMENTATION OF THE REGULATION IN SCOTLAND AND IRELAND

As shown in Figure 2, the implementation of the regulation in both countries builds on previous experience with environmental measures. Both countries had introduced Environmentally Sensitive Areas under the 1985 Farm Structures Regulation (797/85): first two and then five in Scotland, and two in Ireland. In Ireland, the small Slieve Bloom and Slyne Head sites were viewed as pilot schemes and received limited funding, resulting in low uptake, especially on Slyne Head (Rath, 1991–92). This contrasted to the situation in the UK, which had been one of the principal advocates of the ESA designation at the European level and enthusiastically applied this policy instrument.

Two distinct approaches were adopted in the different countries: the tendency in Scotland was initially to present a raft of diverse policy instruments to complement an extended ESA scheme (see Figure 3); in Ireland the response was to incorporate all agri-environmental responsibilities and concerns under a single instrument (the Slyne Head and Slieve Bloom ESAs were subsumed within the new REPS). Both countries have multiple areas designated for nature conservation under a variety of other measures. In Ireland two of these other designations have been explicitly incorporated into the agri-environmental programme, unlike the case in Scotland.

Ireland

In Ireland one national programme has been implemented: the Rural Environment Protection Scheme (REPS), which subsumed the existing two

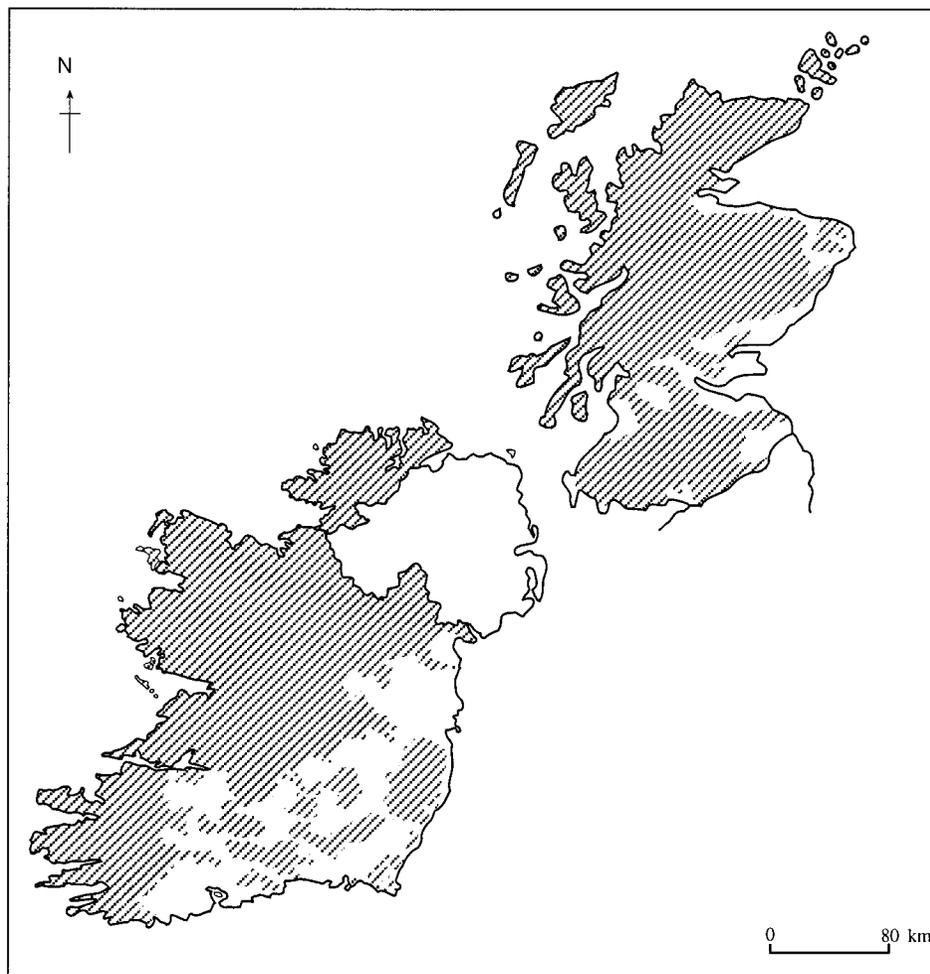


Figure 1. Less Favoured Area Designations in Scotland and Ireland

ESA sites on its inception. It consists of a basic contract specific to each participating farm, produced following a whole farm survey and soil tests. This five-year plan requires farm management to ensure compliance with a set of 11 compulsory measures: regulating use of fertilizers, herbicides and pesticides; detailing preservation measures for landscape features (archaeological and historical sites, boundaries etc) and management of habitats and waterways; prescribing training related to environmentally friendly farming and the keeping of records necessary for monitoring of compliance with the scheme. Providing the farm plan presented complies with the Mandatory Measures then entry to the scheme is approved.

In addition to the 11 Mandatory Measures, a farmer can choose to engage in one or more of six

Supplementary Measures: rejuvenation of degraded areas; Natural Heritage Areas (NHAs); organic farming; long term set-aside, rearing of endangered breeds; or managing land for public access and leisure activities. Rejuvenation of degraded areas ostensibly involves farmers in the extensification of grassland management systems (de Putter, 1995). If a farm includes land within a Natural Heritage Area then compliance with the requirements under this Supplementary Measure, which correspond to desired management practice for the NHA, is *mandatory*. Higher payments are now made to farmers within these designated areas. Additional premia are payable for Supplementary Measures, but each farmer may only claim one such payment irrespective of how many Supplementary Measures s/he may undertake. In



Table 1. Comparison of agriculture in Ireland and Scotland

| | Ireland | Scotland |
|--|---------|--------------------|
| Area of farmland (<i>Utilizable Agricultural Area – UAA</i>) (million ha) | 4.44 | 5.25 |
| – of which grassland (%) | 90 | 84 |
| % UAA classified as Less Favoured Area | 71 | 83 |
| Total population of country (millions) | 3.6 | 7.8 |
| % workforce employed in agriculture | 10.1 | 2.3 |
| Number of farms | 153 400 | 32 796 |
| Average size of farm holdings (ha) | 26.8 | 209.4 ^a |
| Cattle as % of total final agricultural production | 32.6 | 31.0 |
| Gross value added (£) per ha UAA | 571.9 | 129.1 |
| Share of agriculture in whole economy (agricultural gross value added/total gross value added) | 6.2 | 1.0 |

^a84% of holdings are <200 ha and 43% are <50 ha in size.

Sources: European Commission, 1997; MAFF *et al.*, 1996, Teagasc, 1997; authors' calculations.

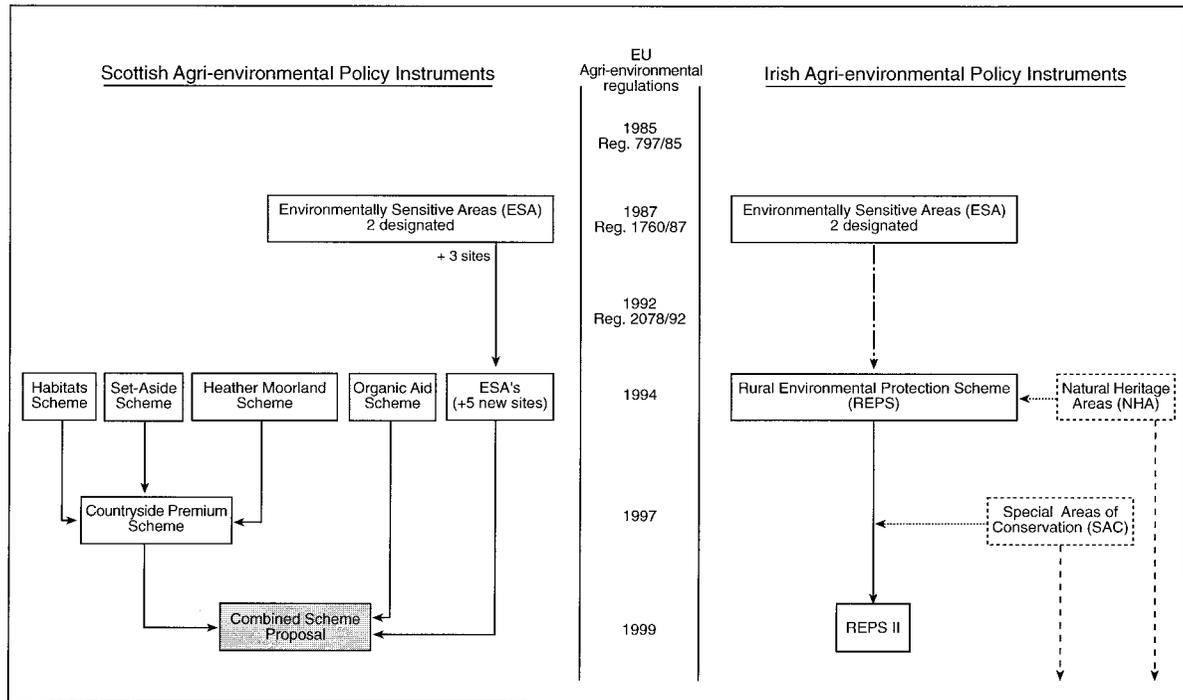


Figure 2. Scottish and Irish Agri-environmental Instruments Compared

practice, this tends to restrict the number of Supplementary Measures in which farmers engage and, since payments for Supplementary Measures are variable, farmers involved aim for the most profitable Measure in their given circumstances. (See Gillmor, 1997 and DAFF, 1996 for further details of REPS.)

Scotland

In Scotland the ESA designation has been expanded to include ten sites, covering 19% of the Utilizable Agricultural Area. Outside these areas four new schemes were introduced in 1994: the Organic Aid Scheme; the Habitats Scheme;

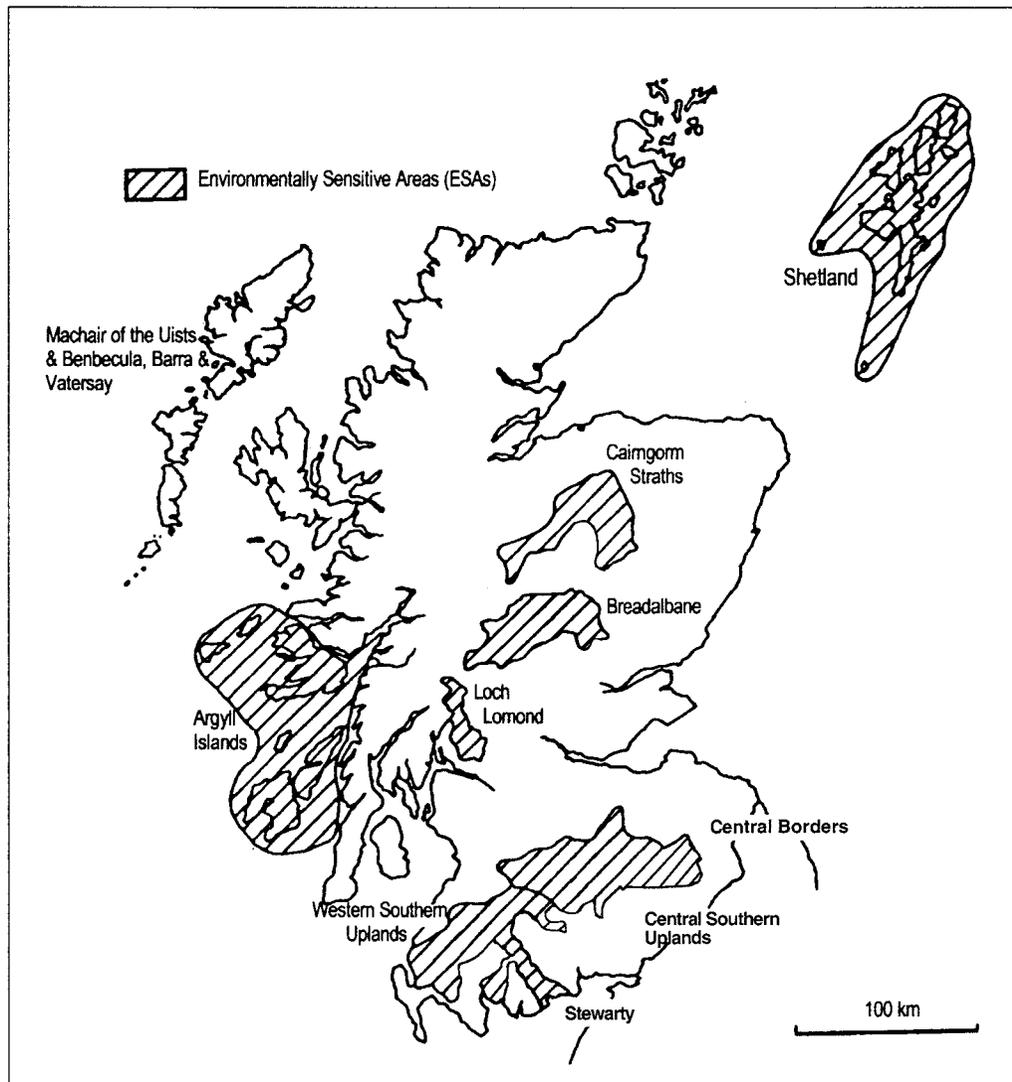


Figure 3. Environmentally sensitive area designations in Scotland

the Set-Aside Access Scheme and the Heather Moorland Scheme. The introduction, in 1997, of the Countryside Premium Scheme (CPS) represents some rationalization of this raft of agri-environmental schemes previously available, partially as a response to low take-up rates. The CPS has incorporated the Habitats, Set-Aside and Heather Moorland Schemes.

The CPS aims 'to protect and enhance Scotland's landscape (including archaeological and historic features) and the wildlife, habitats and natural resources of the countryside' (SOAEFD, 1997) through offering farmers payments for

managing priority habitats and features in particular ways. To be eligible, farmers must undertake a conservation audit of their farm, identifying management opportunities, on which their subsequent application to the scheme is based. Unlike previous agri-environmental schemes in Scotland, discretion is used in deciding which farmers are accepted into the schemes; applications are judged on their value for money in the light of the conservation priorities that have been agreed for each region of Scotland. Payment is received for undertaking management of particular habitats or farm features,



rather than being related to management of the whole farm.

This contrasts with the ESA approach, where participating farmers agree to farm the entirety of their land in a way which maintains the environment; a Tier 1 agreement. In addition, farmers may enter a Tier 2 agreement to enhance the environment or create new features or habitats.

The Organic Aid Scheme is designed to support farmers converting to organic production through degressive annual payments over 5 years. Farmers must have a conversion plan approved by one of the organic certifying bodies to be eligible to enter the scheme.

PARTICIPATION

Participation in the agri-environmental schemes of both countries is voluntary and uptake has been variable. The national availability of the REPS in Ireland makes it easier to examine geographic variability in uptake (see Figure 5). The higher participation levels in the west of the country reflect the greater concentration of small, less intensive enterprises in that part of the country, which find it easiest to comply with the requirements of the scheme. Payments are per hectare and limited to 40 hectares irrespective of the total size of the land holding, all of which must be included in the farm plan. These characteristics make involvement less attractive for the larger, more profitable farm enterprises that are concentrated on the better agricultural land in the east of the country.

In Scotland, participation in ESAs is clearly limited to the areas of designation. However, as data on the uptake of the CPS is collected it may reflect similar spatial variations, with highest uptake concentrated in areas of least potential for agricultural production.

SOME CONTRASTS, SOME SIMILARITIES

It is arguable that Ireland is implementing a more ambitious agri-environmental programme than Scotland, seeking to bring as many farmers as possible up to a common basic minimum of environmentally positive management. Whether

the ambitions involved relate to environmental goals or financial gains is debatable, since the scheme is designed to achieve maximum financial benefits for farmers. Certainly uptake of the REPS is on target to meet projections for its initial 5 year phase: to involve over 40 000 farmers (approximately 25%) and approximately 1.3 million hectares of farmland in the country (see Table 2).

Payment Levels

Average payments per hectare and per holding are greater in Ireland than in Scotland: 125 ECU per hectare (up to the maximum 40 hectare limit) compared to approximately 27 ECU per hectare on average estimated in Scotland for 1998–99¹. Perhaps unsurprisingly as a result, a larger proportion of farmers is participating in the agri-environmental scheme in Ireland, and a larger proportion of farmland is involved, as shown in Table 2.

Policy Costs

These higher payments are reflected in higher budgetary costs for the Irish scheme. Agri-environmental schemes cost 217m ECU in the UK as a whole between 1993 and 1997 as against 192m ECU in Ireland (European Commission, 1997); however, only a small proportion of UK expenditure was made in Scotland (approximately 16% in 1997–98). Furthermore Scotland received this low level of funding for agri-environment schemes despite the Highlands and Islands of Scotland being classified as an Objective 1 region and therefore qualifying for 75% Community finance of approved agri-environment schemes compared to 50% elsewhere. The higher EAGGF contribution in Ireland (163m ECU compared to 98m ECU for the UK as a whole) reflects the Objective 1 status of the whole country.

In 1997, the Irish agri-environmental programme was costing more than twice as much as that for the UK as a whole, and around 60 times as much as that in Scotland. The Irish programme has grown much more rapidly as participation has increased: from 19m ECU of EAGGF finance in

¹The provisional figure for expenditure on agri-environmental schemes in Scotland for the year 1998–99 is £12.6m.

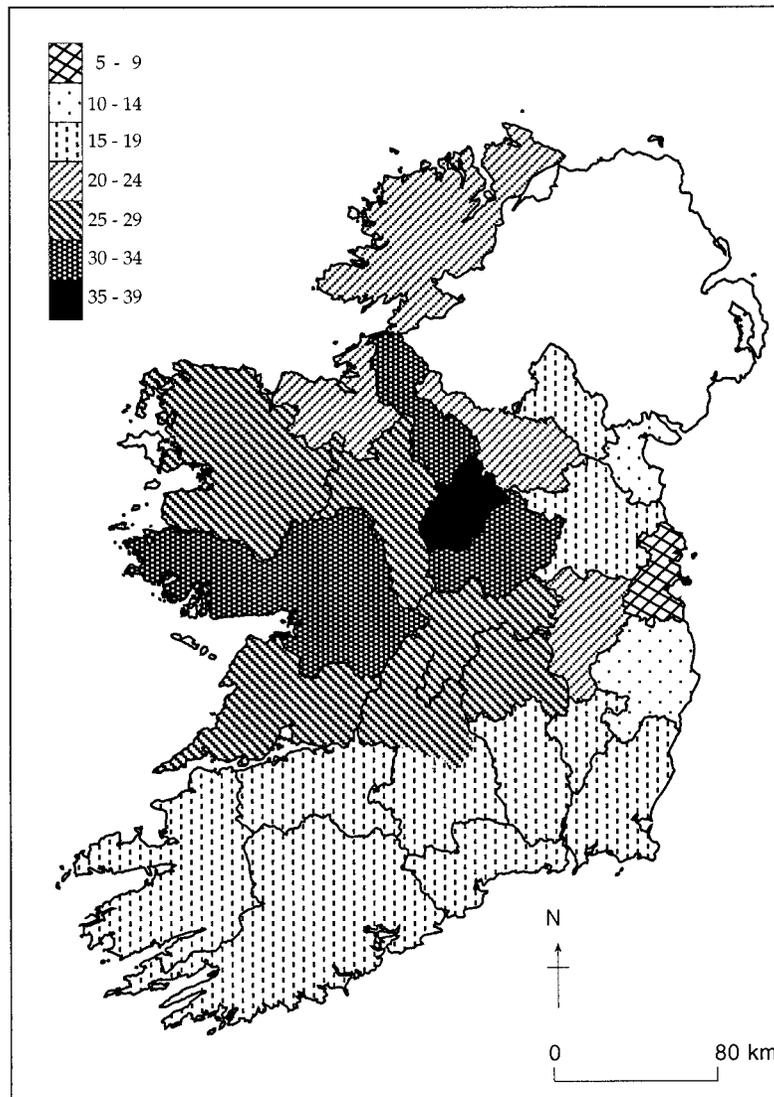


Figure 4. Percentage of farms/counties participating in REPS in October 1998

1995 to 100m ECU in 1997, compared with EAGGF contributions to all UK agri-environmental schemes which grew from 10m ECU in 1993 to 36m ECU in 1997 (European Commission, 1997).

According to estimates by the European Commission (Table 3), Ireland has concentrated a greater proportion of resources on non-productive land management than the UK, although in both cases the majority of spending has gone on environmentally friendly farming systems.

Training and Demonstration

In 1996, Ireland was budgeted to direct 4% of its agri-environmental budget to training and demonstration projects, whereas in Scotland a training element to the programme has only just been introduced during 1997, as one voluntary element within the Countryside Premium Scheme. As yet, training is not available for farmers within ESAs. In Ireland, where all farmers are required to comply with certain common farm management practices, training may be easier to design and



Table 2. Participation in agri-environmental schemes

| | Ireland ^a | Scotland ^a | EU15 ^b |
|--|----------------------|-----------------------|-------------------|
| Number of participants | 37,509 | 2429 | 1 356 315 |
| Total area under schemes (thousand ha) | 1271 | 653 | 22 628 |
| Total expenditure to date (m ECU) | 160.1 | — | |
| Average payment per ha (ECU) | 126 | — | 117 |

Sources: European Commission, 1997; SOAEFD, 1997; McCowie, M., 1998, personal communication.

^aMost recent figures for Scotland and Ireland date from Oct. 1998.

^bEU figures for April 1997.

Table 3. Estimated proportion of 1996 budget spent on different types of measure

| Funding (%) | Ireland | UK ^a | EU 15 |
|--|---------|-----------------|-------|
| (1a) Organic | 2 | 2 | 8 |
| (1b) Farming with environmental improvements | 49 | 53 | 41 |
| (1c) Maintenance of low intensity systems | 21 | 30 | 35 |
| (2) Non-productive land management | 24 | 14 | 14 |
| (3) Training and demonstration projects | 4 | 0 | 3 |
| Total | 100 | 100 | 100 |

Source: European Commission, 1997.

^aFigures available for the UK as a whole only.

deliver. Training is intended to ensure the farmers' ability to comply with the requirements of REPS measures and can be seen as a means to attain a basic minimum of environmental awareness and expertise amongst participants. Where the farm planner deems it necessary attendance at training events can be required under REPS and this is encouraged and supported through a one off payment.

Horizontal versus Zonal Approaches

Both Ireland and Scotland have implemented a mixture of horizontal measures (applicable across the whole of their territories) and some more locally targeted measures. More targeted measures ('zonal programmes') are preferred by the Commission to less geographically specific schemes (a 'General Regulatory Framework') (de Putter, 1995). In Scotland, the locally specific measures are achieved largely through the ten ESAs, to which the majority of funds have been directed. In Ireland a single, and therefore arguably more easily administered, policy (REPS), which constitutes a horizontal measure, is

designed to incorporate zonal elements, most notably through the inclusion of specific measures related to Degraded Areas (specifically defined when the policy was developed), Natural Heritage Areas and more recently to Special Areas of Conservation. There is also now a higher payment made to those within such conservation designated areas. Where these geographically defined measures apply to REPS entrants, compliance with management regulations specific to these areas is mandatory. Additional premia, resulting from these compulsory supplementary measures and others, are more commonly received in these areas than elsewhere and funding subsequently exhibits some concentration on these sites. In Scotland, the zonal measures (ESAs) are not linked with nature conservation designations at all.

Whole Farm Agreements

Both countries use whole farm agreements. This contrasts with the schemes in England, for instance, where in many areas it is possible to enter just part of the farm into an ESA or



Countryside Stewardship agreement. Perhaps the most useful element of such a condition is that it can encourage a holistic planning approach, rather than focusing on a particular habitat or aspect of the farm. However, under the Countryside Premium Scheme in Scotland, while a whole farm audit is required for application, the activity approved is likely to relate to only part of the farm management, with some minimum environmental standards applying throughout the rest of the farm. Under REPS, the entire farm (even where it extends beyond the maximum 40 hectares eligible for payment) is subject to the 5 year farm plan and this incorporates controls over almost all aspects of farm and land management.

Theoretically, whole farm plans should permit an understanding of the individuality of each holding and result in tailored responses to these, whether in relation to all or part of farm management activities. In reality plans often reflect the use of a standardized format both in assessing individual farms and advocating management practices. This may not be a criticism of the concept of farm plans but rather reflect the lack of environmental expertise of the planners or farm advisors.

Environmental Expertise

Both countries consulted farming and environmental interest groups about the design of their respective agri-environmental policies. However, whether sufficient environmental expertise was sought to inform all aspects of the design of REPS in Ireland is a valid question. For example, common REPS recommendations that hedgerows be flailed every 2–5 years formed the focus of considerable public debate; a growing opposition asserting that the practice is likely rather to lead to hedge die-back and advocating instead the promotion of traditional hedge-laying skills. New guidelines on appropriate hedge management have been issued to planners as a result of this controversy.

The planners who design REPS farm plans must be approved by the Department of Agriculture and include both the semi-state research and advisory body Teagasc and private planners. In Scotland, conservation audits are usually drawn up by advisers from the Scottish Agricultural

College, the Farm Wildlife Advisory group or private farm advisers. Some of these individuals and agencies have, until very recently, been principally concerned with the promotion of productivist agriculture. Increasingly individuals with backgrounds in environmental management are being recruited but there is still considerable variation in the environmental quality of audits and plans.

In Scotland more specifically focused measures, with low uptake, may ensure that more narrowly defined environmental objectives are achieved, but they are less likely to promote an overall reorientation in all aspects of farming, amongst all farmers, towards more environmentally friendly farming. It is to be hoped that the REPS in Ireland will go some way towards this.

Monitoring and Evaluation

As to the environmental impacts of the two agri-environmental programmes, it is too soon to be certain what these will be. However, monitoring of all schemes has to be undertaken as outlined under Regulation 746/96 and in guidance from the Commission to the member states (Working Document VI/3872/97). This will indicate the extent to which farmers have changed their management in complying with the schemes and the extent to which they have adopted practices over and above normal farming practice. In Scotland, the first tier of ESA payments is largely for maintaining current management of farms, whilst higher tiers are for additional environmental benefits.

While the schemes applied in the different countries are clearly distinct they seek to achieve similar objectives and to satisfy the requirements of Regulation 2078/92. Consequently some relative measure of their success would be useful both for individual countries and at a European level, to better inform future development of policy instruments. Designing monitoring and evaluation schemes that are comparable is, however, problematic. This is exacerbated because of variations in the baseline environmental data held by the two countries. While Ireland has monitored farmer implementation rigorously to the extent permitted by the relevant records and regular



farm inspections, the absence of baseline ecological survey data makes the assessment of environmental impacts of REPS difficult. Ascertaining accurate information is a further dilemma in relation to certain measures: for example, obtaining confirmation of *actual* nutrient input levels to identify those cases where these may differ from *declared* inputs. In comparison, Scotland already has in place extensive monitoring procedures to evaluate the long-term environmental effects of the policies.

Relationship to Other Environmental Designations/Policies

Both Ireland and Scotland are obliged to implement various EC environmental directives, for example on Birds, Habitats and Nitrates. In Scotland there is no connection between the agri-environmental schemes and the designations made in implementing these directives, such as Special Protection Areas, Special Areas for Conservation and Nitrate Vulnerable Zones. In Ireland, however, there is an explicit connection with farmers required to manage their land in accordance with respective guidelines and restrictions and eligible for extra payments if they are within a Special Area for Conservation (SAC). More importantly participants whose land is within proposed Natural Heritage Areas, a national conservation designation, are also constrained to abide by the management guidelines for these sites. This formal link serves to strengthen these designations that have themselves not yet been passed into law².

Scotland has a much wider range of national designations relating to landscape, habitat and conservation concerns (National Nature Reserves, Sites of Special Scientific Interest, Areas of Outstanding Natural Beauty etc) than Ireland, many of which have been designated for some considerable time. The inclusion of the sometimes conflicting objectives of these incremental and overlapping designations within agri-environmental policy in Scotland would seem unrealistic especially as many are within the

policy remit of non-agricultural government organizations. A similar, if less extensive, raft of nationally defined environmental designations also exists in Ireland but the opportunity to establish compatible agri-environmental policy was considerably enhanced by the extent to which most designated areas were already in state ownership. The presence of onerous management restrictions associated with such designations was consequently limited amongst those applying to enter REPS and the availability of additional premia to address these particular 'zonal' aspects included in the REPS policy assisted the ease with which their inclusion has been accepted. This unique development of an agri-environmental scheme that is fully compatible with existing environmental protection measures is interesting given that Ireland has a shorter history of concern over the negative environmental impacts of agriculture (Heritage Council, 1997). Cynics might argue that a forward looking farm lobby would seek to identify itself as strongly as possible with the role of custodian of the countryside, given the increasing financial support for pro-environmental management. It may equally reflect pragmatism on the part of government and a preference to administer a streamlined structure rather than a myriad of policies. Both suggestions point to the successful design of a policy instrument that will maximize uptake and commitment from participants, while ensuring an efficient scheme that minimizes conflicting signals to land users.

LOOKING FORWARD

In conclusion, it would appear that both countries have much to learn from each other. Ireland has designed a comprehensive, all-in-one scheme, which is very popular with farmers. However, this very comprehensiveness may bring into question the ability of the scheme to deliver environmental benefits. In the future, as the impact of the scheme is more closely monitored, it may appear that the scheme is successfully enhancing farmers' incomes, but is less successful in achieving the Community's agri-environmental objectives. In Scotland, by contrast, a more narrowly focused approach has been taken, and it is only recently, with the introduction of the Countryside Premium Scheme, that many farmers have become

²Statutory Instruments have given the European designations of SACs and SPAs legal status. Until the Wildlife Act of 1976 is amended Natural Heritage Areas (intended to represent an overall national framework of sites for nature conservation) remain as proposed designations and have no statutory status.



eligible for an agri-environmental scheme. However, the Scottish Office has proposed combining the three current agri-environment schemes into one covering the whole country, following agreement on the Agenda 2000 proposals. (This would move the Scottish agri-environment provision closer to the style initially adopted in Ireland.) There is as yet, however, no suggestion of linking agri-environment policies with any nature conservation designations (such as Special Areas of Conservation), which would be a move towards ensuring the compatibility of these two spheres of EU policy. The Scottish approach to agri-environmental policy is also less likely to be as successful in the reorientation of farmers into a post-productivist era. It is likely that the amended scheme ('REPS II' in Figure 3) that is intended to replace REPS once its initial 5 year programme is complete will require a longer term commitment from farmers, possibly for a period of 15 years. Such arrangements would certainly tie farmers into post-productivist agricultural practices.

Under the Agenda 2000 proposals, the possibility of combining the Agri-Environment Regulation in some form with the measures aimed at Less-Favoured Areas is raised. Within both Ireland and Scotland, such a targeting of resources would not be likely to bring much redistribution of agri-environmental spending, given the large swathes of both countries that are LFAs. However, in the case of Scotland, it could mean a greater proportion of the budget for the UK as a whole would be targeted at Scotland. Devolution for Scotland is also likely to encourage a more 'Scottish' approach in many areas of policy, and may lead to more cohesive policy scenarios where environmental policies relating to agriculture and other rural land uses are more closely integrated.

Agenda 2000 proposes changes to the Structural Fund regions but the budgetary implications of this appear likely to have limited impact on the agri-environmental schemes in either Scotland or Ireland. Currently, Ireland is very keen to have many farmers join the REPS, partly due to the effectiveness of the instrument in securing large draw-down of funds from the EU. It appears that Dublin and the eastern-most counties of Ireland are likely to lose Objective 1 status, and the associated 75% EU funding of agri-environmental measures. This region of the country contains most large scale operators and

the lowest uptake of REPS to date, reflecting more intensive operations that make compliance with REPS constraints most difficult. It is unlikely that the overall impact of REPS as it exists at present would be much affected by this change, although it would highlight the need to find alternative means of addressing the environmental impacts of these more intensive operations. In contrast, the partial or complete loss of Objective 1 status in the Highlands and Islands is likely to make little difference to agri-environmental policy, as the UK Treasury already considers it funds the full amount, whether that be via the EU budget or not.

Nevertheless, for both Ireland and Scotland, it would seem that the importance of agri-environmental measures is set to grow in the future. The design and impact of such schemes will have far-reaching effects on both the environment and the agricultural economy. In Ireland, ensuring environmental benefits from agri-environmental measures will be crucial to maintaining expenditure levels and therefore uptake. In Scotland, the challenge is likely to be to open the measures to a greater number of farmers, whilst maintaining positive environmental impacts. The relative strengths and weakness of these different approaches applied in similar circumstances, and the results they achieve (intentional or otherwise), have implications for the rate at which agri-environmental policy can grow in the future, and for the refinement of current agri-environmental policy instruments, in Ireland and Scotland and elsewhere.

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