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## Monitoring the environmental impacts of the Rural Environmental Protection Scheme: a scoping study



### Key external stakeholders:

Policymakers, participants in agri-environment schemes, extensive farmers and environmental NGOs.

### Practical implications for stakeholders:

To date, Ireland has not implemented a national-scale, comprehensive monitoring programme to measure the environmental impacts of REPS. There will be increasingly demanding requirements to demonstrate the environmental effectiveness (and especially biodiversity benefits) of agri-environment schemes. This desk study aimed to support decision-making about the appropriate design and implementation of an environmental monitoring programme for Irish agri-environment schemes.

### Main results:

- The majority of REPS payments are now directed toward measures, supplementary measures and options with biodiversity objectives. These should be highest priority for investigation and validation of their environmental effectiveness.
- Environmental monitoring of selected REPS measures, supplementary measures, biodiversity options and Measure A is estimated to cost about €3.4 million over a 4-year period. The average annual budget for the monitoring programme (~€0.86m) would be about 0.25% of recent annual expenditure on REPS.
- There is strong overlap in the identity of measures between REPS and the new AEOS agri-environment scheme implemented in 2010. Thus, an assessment of the environmental impacts of REPS could be used to more quickly measure the environmental effectiveness of similar measures that are implemented in the AEOS (or future schemes with the same measures).
- Demonstration of the environmental impacts of both the REPS and AEOS is important for the long-term justification of expenditure on such schemes. Monitoring can identify benefits, but it can also help identify and rectify any weaknesses, and thus help learn to improve the schemes. More importantly, the positive environmental effects of schemes can be identified and communicated to farmers, and to the public that pays for these schemes.

### Opportunity / Benefit:

This scoping study indicates possible approaches and related costs of a monitoring programme that could contribute to environmental assessment of REPS, but could be extended to other such schemes. Signals from the post-2013 CAP reform to date indicate that environmental requirements and greening measures may become more prevalent. If so, these will also require validation of their environmental effect, to justify the allocation of CAP budgets toward such greening measures.

### Collaborating Institutions:

n/a

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**External Collaborators:** n/a

### 1. Project background:

Agri-environment schemes in the EU are now one of the most important policy mechanisms for the protection of public goods, and offer payments to farmers in return for undertaking management practices (measures) that are intended to maintain, enhance or restore the rural environment. REPS has become a widely adopted scheme (over 54,000 participants in 2009), and provides an important financial contribution to farm incomes in Ireland. Since 1994, REPS has paid a total of over €3.1 billion to Irish farmers, and paid over €330 million in 2009.

EU Member States are obliged to monitor and evaluate the environmental, agricultural and socio-economic impacts of their agri-environment programmes (Article 16, EC Regulation No. 746/96). Most of the recent evaluations of AESs have strongly criticised the over-reliance on data on levels of uptake and expenditure as measures of scheme performance. Thus, the environmental performance of many schemes is not clearly known.

A number of different forces are aligning that will likely result in various pressures on agri-environment schemes. These include an increase in the number of EU Member States that will receive funding from the Common Agricultural Policy and Rural Development Programme, increased pressure on EU budgets, and increased pressure on the ability of individual member States to provide co-financing. In addition, the EU Court of Auditors is due to report its audit of the effectiveness of EU agri-environment schemes. The World Trade Organisation (WTO) also requires that the environmental benefits of agri-payments are clearly demonstrated, to prove that such payments are not disguised trade subsidies. At the same time, there are strong suggestions of an increased importance for provision of public goods in the post-2013 CAP, and agri-environment schemes will be an important policy instrument to achieve this (as well as others).

One of the best ways to address these various pressures is to be able to demonstrate the environmental benefits of agri-environment schemes. This highlights the need for measurement of their environmental impact.

### 2. Questions addressed by the project:

- What is the currently available evidence on environmental performance of the REPS?
- What are the operational issues confronting an environmental assessment?
- What would an outline of a monitoring programme for REPS be?

### 3. The experimental studies:

The desk study involved an overview (that was not intended to be exhaustive) of available publications relevant to the environmental effectiveness of REPS. Conceptual issues affecting the design and implementation of a monitoring programme were reviewed. The distribution of payments across different environmental objectives of REPS was examined.

A number of REPS options and measures were selected as priorities for inclusion in an environmental assessment programme, and were usually those with highest participation, (as these generally involve greatest expenditure). Aims are suggested for the sampling of each of the measures and options. Several of the measures or options were not included because they have too few participants, or there is already sufficient information available.

### 4. Main results:

- Overall, the monitoring of selected REPS measures, supplementary measures, biodiversity options and Measure A is estimated to cost about €3.4 million over a 4 year period. The budget estimates are based on Teagasc research cost conventions. The monitoring programme would need to recruit 18 different staff (eight of which would be part-time). The cost of measuring the environmental performance of REPS should be viewed as an investment in securing the future of agri-environment schemes in Ireland.

- There is considerable overlap and similarity between the existing REPS measures and options, and those included in the new Agri-Environment Options Scheme (AEOS) that will replace REPS. Thus, an assessment of the environmental impacts of REPS could be used to more quickly assess the environmental effectiveness of similar measures that are implemented in the AEOS.
- An overview of available publications confirmed the absence of a comprehensive, national-scale study of the environmental impacts of REPS. For selected measures/options, some evidence exists on their likely effectiveness.
- The majority (about 80%) of the REPS basic payment is dedicated toward biodiversity objectives; in addition, supplementary measures and options are dominated by biodiversity issues. Thus, measurement of the effectiveness of biodiversity measures and options should be a priority for environmental monitoring.

#### 5. Opportunity/Benefit:

A report on an audit of the environmental effectiveness of EU agri-environment schemes is expected from the EU Court of Auditors in 2011. This is highly likely to result in increased emphasis on the evaluation and demonstration of the environmental benefits of agri-environment schemes. This scoping study indicates possible approaches and related costs of a monitoring programme that could contribute to environmental assessment of such schemes. Signals from the post-2013 CAP reform to date indicate that environmental requirements and greening measures may become more prevalent. If so, they will also require validation of their environmental effects, to justify the allocation of CAP budgets toward such greening measures.

#### 6. Dissemination:

##### Main publications:

Finn, J.A. (2010) 'Monitoring the environmental impacts of the Rural Environmental Protection Scheme: a scoping study' End of Project Report, RMIS 5757, Teagasc.

##### Popular publication:

Finn, J.A., Dunne, L. and Ó hUallacháin, D. (2009) 'Agri-Environment Schemes For The Delivery Of Public Goods: A European Perspective', *TResearch* 4: 28 - 29.

#### 7. Compiled by: Dr John Finn