

Chapter 13

Governance Across Multiple Levels of Agri-environmental Measures in France

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The notion of ecosystem services appeared late in France, which has been reluctant to adopt this idea, choosing instead to defend the concept of the multifunctionality of agriculture. The French position is analysed considering the emergence and then the removal of multifunctionality in the international agenda for agricultural negotiations, followed by the rise of ecosystem services (services provided by ecosystems to society) and environmental services (produced by actors). These trends are reflected by the French agri-environmental measures: a sense of acknowledging and valuing the multifunctionality of agriculture for the management, at the margin, of environmental issues in agricultural policy.

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A comprehensive and institutional approach to payments for environmental services (PES) will be used to examine the case of France. After explaining why agri-environmental measures (AEMs) can be regarded as PES, we will look at their implementation, considering AEMs as public policy instruments (Lascoumes and Le Galès 2005) and looking at how they were put in place in the French and European institutional contexts. The history of AEMs in France can be better understood by incorporating an analysis of the emergence and the removal of the notion of multifunctionality in the design of these agri-environmental mechanisms. It also brings to light the difficulties the successive agricultural policies have had in integrating the different environmental concerns translated into European regulations.

This chapter will focus on the governance issues arising from the introduction of AEMs. These issues, which are specific to France, will be examined at different territorial levels and in several territorial contexts: a region in metropolitan France, Auvergne, and two overseas regions of France, Guadeloupe and Réunion. The analysis of the national governance of AEMs highlights the poor communication between the different administrations responsible for agriculture and environment. The design of the mechanisms associated with the AEMs was led by a highly centralised administration, in cooperation with the majority farmers' union, promoting a mass mechanism in favour of farmers. At the regional level, comparison with the governance of TAEM mechanisms shows that agricultural stakeholders have mixed feelings about them. They are not yet convinced of the effectiveness of the measures they have undertaken and seek above all to maintain their income. The three case studies underline the importance of intermediate actors in the implementation of AEMs at the local level. We identify two types of implementation. First, intermediate actors from the environmental sector integrate the environmental objectives of AEMs and the economic objectives of farmers (e.g. Auvergne).

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Second, intermediate actors from the agricultural sector try to protect the economic interests of farmers. This tends to reduce innovation in the field of environmental protection (e.g. Guadeloupe, Réunion).

13.1 Can Agri-environmental Measures Be Regarded as Payments for Environmental Services?

Environmental integration in French agricultural policies continues to be characterised by a regulatory approach (environmental conditionality introduced by the reform of the common agricultural policy, CAP, in 2003) and the compensation of additional costs resulting from more environmentally sound practices. The notion of environmental services, which emerged in the late 1980s and gradually spread throughout the international political arena (Millennium Ecosystem Assessment 2005; The Economics of Ecosystems and Biodiversity report, TEEB 2009), is emerging as a new paradigm, being mobilised in France to renew the design of agricultural policy instruments in order to respond more effectively to the challenges of environmental integration (French Ministry of Agriculture, Food and Fisheries 2009). It reflects a desire to go beyond the compensation of additional costs that has been favoured so far and whose limitations, especially in terms of incentives, have become clear, to reason in terms of payments for an environmental service provided (PES). Moreover, the agri-environmental policies implemented in the European Union over the last 30 years are generally analysed in the literature as examples of PES (Baylis et al. 2008; FAO Food and Agriculture Organization 2007). These policies are implemented using voluntary and contractual incentive instruments. They include the following devices:

- Local agri-environmental schemes (OLAE), introduced by Council Regulation EEC n°2078/92 of 30 June 1992
- Premiums for maintaining extensive livestock-farming systems (PMSEE)
- Agri-environmental grassland premiums (PHAE)
- Territorial farming contracts (CTE)
- Sustainable agriculture contracts (CAD)
- Territorial agri-environmental measures (TAEM)

The aim of agri-environmental contracts is to encourage farmers to maintain or adopt more environmentally friendly farming practices, while fostering economic development and maintaining the rural fabric. They take the form of a contract by which farmers voluntarily undertake to maintain or adopt these practices, in exchange for payment by the state. This mechanism may appear comparable to a PES, understood as being a financial incentive to produce this type of service. Care must nevertheless be taken regarding the definition of PES considered in this case.

The most common definition of PES is the one proposed by Wunder (2005): a payment for environmental services is “a voluntary transaction in which a well-defined environmental service [...] is bought by at least one ES buyer from

a minimum of one ES provider if and only if the provider continues to supply that service.” Although these characteristics are very similar to those used to define agri-environmental contracts, these contracts cannot be considered as “pure” PES according to Wunder’s definition. First, assessments of agri-environmental contracts¹ show that the environmental services associated with them are not always clearly identifiable, making it difficult to measure their environmental impact. Second, the payments made are not conditional upon effective production: they are paid yearly, and the implementation of the contract is monitored by the competent authorities on a random basis.

Although the rationale behind agri-environmental contracts is payment for the provision of environmental services,² they cannot be qualified as PES according to Wunder’s definition (2005). However, this definition was recently challenged by Muradian et al. (2010), who see PES as the “transfer of resources between social actors, which aims to create incentives to align individual and/or collective land use decisions with the social interest in the management of natural resources.” This approach provides a broader understanding of PES and makes the concept more appropriate for describing agri-environmental contracts. However, in the case of AEMs, the incentive approach is more a matter of offsetting the costs generated than “paying” for the provision of an environmental service, as the aim of AEMs is to encourage agricultural practices that are compatible with environmental protection through financial compensation for the additional costs and the foregone income resulting from practice changes.

13.2 Governance and AEMs

According to Vatn (2010), who regards the definition of PES provided by Wunder (2005) as an essentially theoretical reference, PES can be analysed as governance structures. We will consider AEMs from this perspective, detailing the governance issues resulting from the implementation of this instrument in the French context. As instruments, AEMs play a part in the regulation and governance of the system to which they belong; we will therefore examine the power relations generated by the instruments in question. These power relations are consubstantial with the concept of public policy instruments defined as a technical and social mechanism that organises specific social relations between the public authorities and their recipients according to the representations and meanings it carries (Lascoumes and Le Galès 2005, p. 13).

¹Here, we are talking about completed agri-environmental contracts, in other words, those that preceded the TAEMs.

²The aim of AEMs is to “encourage farmers to protect and enhance the environment on their farmland by paying them for the provision of environmental services” http://ec.europa.eu/agriculture/envir/measures/index_en.htm.

The term governance, on the other hand, refers to approaches that consider the articulation of modes of regulation and raises questions about changes in political, economic and social regulation.

Four main elements can be used to characterise governance (Boussaguet and Jacquot 2009):

- Institutional complexity (there is no single forum for power and decision-making, and the articulation between these different “forums” is therefore an important issue)
- An increasingly blurred public/private boundary (this is important for PES)
- The procedural dimension of public action: forms and instruments are sometimes favoured over substance (Lascoumes and Le Galès 2005)
- A different relationship with authority (more horizontal, more flexible) and the development of less binding public policy instruments (including AEMs based on contractual approaches)

Some authors are also introducing the issue of the articulation of decision-making levels into approaches in terms of multilevel governance. These stress not only the growing vertical interdependence between stakeholders operating at different territorial levels (hence, the term multilevel) but also the growing interdependence between governmental and non-governmental actors (to which the term governance refers) (Bache and Flinders 2004, p. 96). The repositioning of the state level, the polycentrism, the negotiations and the pluralism at work in public policy are addressed by the proponents of this approach (Kohler-Koch and Eising 1999; Marks and Hooghe 2001). The concept of multilevel governance also helps to identify the reconstruction of areas and levels and the new interdependencies that reveal new problems as well as decision-making forums for tackling these problems, which is important for the analysis of AEMs in France. AEMs will therefore be addressed in this chapter from the viewpoint of these theoretical references, considering first their origin, then their effect on national public policies and finally their impact on regional governance in three comparative case studies.

13.3 The Origin of AEMs in France: A Succession of Mechanisms

In a context of trade liberalisation, and with agricultural aid being called into question, the challenge is to position agri-environmental measures and payments for environmental services in the World Trade Organization (WTO) “green box.” Indeed, in the agricultural sector, we are witnessing a global evolution towards less public intervention and greater use of the market as a means of regulation. The history of the French agri-environmental system must be integrated into this global process.

13.3.1 A Brief History of AEMs

The directive on less-favoured areas of 1975 marked the beginning of environmental integration in agricultural policies, acknowledging the role agriculture plays in maintaining the natural environment. At the European level, in 1985 Article 19 of EEC Regulation 797/85 provided for aid for environmental protection initiatives in environmentally sensitive areas. In France, due to the reluctance of professionals, the instrument was implemented later, in 1989, along with the collective land planning operations (OGAF), one objective of which was to reduce agricultural pollution with the construction of the first AEMs, fostering a contractual approach.

In fact, the environmental issue was truly integrated into the framework of the European Union's Common Agricultural Policy during the 1992 reform. EEC Regulation 2078/92 of 30 June 1992 provides for aid,³ the AEMs, aimed at encouraging environmentally friendly farming practices. France, as member state, has thus been developing agri-environmental programmes since the early 1990s. This "greening" of French agriculture took shape in the emergence of the concept of multifunctionality in the political agenda via the agricultural framework law (LOA) of 1999. Under this law, "agricultural policy shall take into account the economic, environmental and social functions of agriculture and participate in regional planning with a view to sustainable development." This is a fundamental change of direction for the agricultural model set up by the agricultural framework laws of 1960 and 1962.

The key intervention instrument for multifunctionality, the territorial farming contract (CTE) established by the LOA of 1999, is a contractual framework associating the state and the farmer that provides both support for individual productive activities and payment for the provision of public services (corresponding to a social demand previously expressed at the regional level). The CTE system was abandoned in August 2002, several weeks after elections marking a change in the political majority. The sustainable agriculture contracts (CAD), which replaced the CTE, were themselves replaced in 2007 by the territorial agri-environmental measures (TAEMs) that are still in place. The most fundamental changes introduced by the TAEMs in relation to the CTE and the CAD are of two types. First, they concern the withdrawal of farms as a unit for the application of state aid in favour of the region; now only land belonging to farms in predetermined areas is the object of economic compensation. They also concern the refocusing of compensation on the environmental aspect to the detriment of the social and economic dimensions of agricultural activity. Alongside the TAEMs, eight AEMs with specifications drawn up at the national level cover the whole of the national territory, in fields such as the protection of endangered breeds or plant resources, the conversion to organic farming or the modification of technical practices and crop rotation.

³Aid part financed – up to 50% for the most part – by the European Agricultural Guidance and Guarantee Fund (EAGGF – Guarantee section).

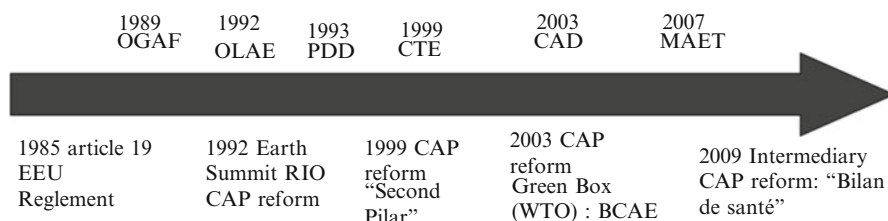


Fig. 13.1 French AEMs: a succession of mechanisms

TAEMs are a mechanism aimed at translating the external, non-market values of the environment into real financial incentives for the local actors who produce such services (Engel et al. 2008).

TAEMs are designed to be applied to targeted parts of priority action areas. These sensitive zones are defined in relation to three types of objectives drawn up at the European level and adapted to the French context: (1) the implementation of the Natura 2000 network (biodiversity conservation), (2) the preservation or restoration of water quality (Water Framework Directive) and (3) other regional environmental issues. But in fact, the agri-environmental measures integrated in different mechanisms (OLAE, EAM, CTE, CAD and TAEM) are all based on the same concept: compensation for the additional environmental costs resulting from the adoption or maintenance of environmentally friendly practices (Fig. 13.1).

The successive changes to the system of agri-environmental measures are marked by the variability of the approaches adopted (sector, region, plot, farm, etc.). They reveal a desire to improve the efficiency of measures, with the successive mechanisms nevertheless constantly favouring a contractual approach (voluntary commitment for a 5-year period) and obligations of conduct rather than of result.

The history of AEMs in France provides a fairly clear illustration of the pressure exerted by the European level regarding the introduction of the environmental dimension into the CAP, with the French State now obliged to transpose this requirement into a national context that is not necessarily a favourable one, especially because of the reluctance of the agricultural sector to integrate the different European environmental directives. In fact, it is through conditionality that they are supposed to be applicable to farmers (Bonnieux 2009). Future European prospects look set to further increase this momentum.

13.3.2 From AEMs to PES? European Pressure via the CAP

In 2008, the CAP health check resulted in 18 % of aid being redirected towards environmental objectives and support for sustainable development in agriculture. Specifically, this movement meant funds were transferred from the first to the second pillar. This period (2008) corresponds to the opening of a opportunity window that

intensified in France from 2009 to 2010 during the first discussions on the reform of the CAP after 2013. Debates focused on the announced funding cuts that could be offset for farmers by recognition of the environmental services they provide. The three scenarios currently envisaged by the European Commission opt for varying degrees of “greening” of the CAP. A first option consists in conserving the two current pillars and introducing progressive changes focusing on the environment. A second option is to establish compulsory additional support for the first pillar (compulsory, annual, comprehensive, non-contractual). Finally, a third option would lead to abandoning income support measures and market measures and concentrating all aid on environmental objectives. In this case, direct aid would be axed and replaced by environmental aid. Irrespective of the scenario eventually chosen, it seems clear that by making the CAP “a competitive European policy in both environmental and economic terms,” policymakers are establishing a basis for payments for environmental services provided by farmers, even though the term service does not appear explicitly.

In France, the implementation of the AEM system affected the way public agricultural policy is conducted at the national level.

13.4 Implementation of AEMs: Issues of Governance at the National Level

In France, the implementation of AEMs has had an impact at the national level (especially on the way the links between agriculture and environment are approached) that questions the methods of policymaking on this issue. As public policy instruments, AEMs are also ways of looking at the world and especially in agriculture and its relationship with the environment: “one could say that the instruments mobilised to address agricultural issues express the vision that, at a given time, will become the reference used as the basis for tackling the agricultural problem” (Muller 2010, p. 340). In other words, although the procedures (and instruments) do not work exclusively towards the resolution of problems and above all create specific frameworks for interaction to “construct” problems and interpret the action undertaken (Lascoumes 1993, p. 104), AEMs have transformed the way in which the link between agriculture and the environment is built.

13.4.1 AEMs Question the Sectoral Basis of Public Policy

In a country with a tradition of centralisation and a highly sectoral, top-down organisation of public policy (Jobert and Muller 1987), the existence of agri-environmental measures is a development, imposed by the European Union, that questions the distribution of roles and power in French government departments between the agricultural sector and the environmental sector. Agri-environmental policies are by

definition compromise policies – between government sectors with different approaches, between opposing rationalities (e.g. producing at lowest cost vs. protecting the environment with costly measures) and between actors (numerous and heterogeneous) – that have different approaches to action (Lascoumes 1993, p. 18). More than others, these policies are the result of mutual adjustments between different actors, approaches and rationalities (Lascoumes and Le Bourhis 1997).

Thus, at the level of the central state administration, the Ministries of Agriculture and Ecology⁴ are both taking an interest in the environmental services provided by agriculture. Their activities take place both internally (in commissions dedicated to the agriculture/environment interface in each of these ministries) and at the inter-ministerial level.

Ten interviews⁵ conducted in 2010 with Ministry of Agriculture officials reveal that environmental services are being given greater consideration within the ministry. This has been particularly noticeable over the last 5 years (corresponding to the introduction of cross-compliance into the CAP), with an acceleration in 2009 and 2010. But this ministry's position on environmental services remains somewhat detached: the primary function of the ministry is, according to its officials, geared towards agricultural production and farm income, with the environment seen as an important but secondary concern. This led in particular to the integration of AEMs in an individual contract (CTE then CAD) at farm level, combining economic and environmental measures. Finally, the implementation of AEMs lacked any articulation with other agri-environmental mechanisms linked to the Nitrates Directive or to the pesticide plan, for example. While the Ministry of Agriculture's position on environmental services favours a "sector-based" approach (agriculture), Ministry of Ecology officials approach this issue differently. The six people interviewed at the Ministry of Ecology stressed the importance of the CAP for the development of discussions on the issue of environmental services in France, discussions to which the officials of this ministry contribute not only in the commissions dedicated to the agriculture/environment/biodiversity interface but also within joint commissions.

In late 2010, the Ministry of Ecology thus issued a memorandum presenting its position on the reform of the CAP: the concept of environmental services provided by agriculture was used extensively in this memorandum. The ministry thus expressed its support for an architecture of the CAP on two levels: the first guaranteeing "a base of farm income and practices" and the second "paying for environmental services provided." According to the document, this second level was explicitly intended to "foster methods and systems of production corresponding to

⁴ French Ministry of Ecology, Energy, Sustainable Development and the Sea (MEEDDM).

⁵ Interviews conducted as part of the SERENA research programme, see Aznar O., Valette E., Amon G., Augusseau X., Bonin M., Bonnin M., Brétière G., Caron A., Daré W. s., Démené C., Déprès C., Décamps M., Gomes M., Hrabanski M., Jeanneaux P., Maury C., Queste J., 2010, *Emergence de la notion de Service Environnemental en France*, SERENA Programme, Working document n°2010-02, 66 p.

practices recognised for their environmental services. The aim is not to compensate for any foregone income, but beyond this, to actually pay for environmental services provided.”⁶

This stance was heavily criticised by the professional agricultural organisations and the Ministry of Agriculture and was rapidly withdrawn from the Ministry of Ecology’s website. This was a reminder that in political arbitration, AEMs are first the responsibility of the Ministry of Agriculture and its farming partners. Indeed, the sudden emergence of the Ministry of Ecology in these matters seems to disrupt the traditional channels of negotiation and co-management set up since the 1950s at all territorial levels between the state and farming representatives. At the interface between agriculture and environment, AEMs are introducing new dimensions into this partnership.

13.4.2 *Do (T)AEMs Reveal Divides?*

With AEMs, the whole structure of state governance is brought into play through its devolution and coordination mechanisms at the different levels of intervention, ranging from the European Union to the territory (with environmental issues). Consequently, the state controls the whole standard production process and organises the interface with socio-professional and environmental stakeholders. The demands of service producers, farmers, foresters and water users are reinterpreted within joint management structures. Some of the grievances of the most powerful pressure groups are dealt with by differentiating the instruments (multiplication of standard measures) or by adapting the conditions of use.

The implementation in France of the first AEMs in 1992, further to the renegotiation of the CAP, thus followed the traditional channels of the French co-management system, associating farmers unions and especially the majority union, the *Fédération Nationale des Syndicats d’Exploitants Agricoles* (FNSEA – French national federation of farmer’s unions), with any decisions or changes concerning agriculture. The specifications for the first AEMS were therefore negotiated at the national level through the traditional channels, and during their implementation, arbitration was conducted at the departmental level, within the *Commissions Départementales d’Orientation de l’Agriculture* (CDOA – Departmental Agricultural Management Commissions), which are largely dominated by farmers’ representatives (e.g. chambers of agriculture, *Centre National pour l’Aménagement des Structures des Exploitations Agricoles* – CNASEA, National Centre for the Development of

⁶ “Pour une politique agricole durable en 2013. Principes, architecture et éléments financiers,” French Ministry of Ecology, Energy, Sustainable Development and the Sea (MEEDDM) document, 2010, p. 5.

Farming Structures).⁷ However, for TAEMs, the negotiations took place at smaller regional levels and introduced new stakeholders and new scope for action. The majority union's position on these measures is therefore far less favourable than the one taken at the national level for AEMs, partly because its representatives feel they are not "in control" of the mechanisms. In the case of the Auvergne region, for example, the Chamber of Agriculture acted more as an obstacle than an ally to this issue. In union discourse (especially *Jeunes Agriculteurs*, the FNSEA⁸ and *Coordination Rurale*) at the national level regarding AEMs, and more broadly PES, an ideological argument that is fairly widely shared places at the heart of agriculture, and thus of aid for agriculture, its productive function, which also partly explains this relative detachment. An employee of *Jeunes Agriculteurs* thus indicated that for his union, "the primary function of farming and of farmers is the production of food and certainly not to produce ES, even if these are paid for."⁹

These union actors tend to systematically link the issue of PES with the CAP and especially its renegotiation for 2013: European CAP funding cuts are expected, and these actors see PES as a way to offset the cuts, while indicating that this function of agriculture should not take precedence.

For the *Confédération Paysanne*, the discourse is far more favourable to the integration of the environmental services provided by agriculture, especially within the framework of AEMs and TAEMs: "The *Confédération Paysanne* has progressively evolved; the concept of the environment entered the discourse in the 1980s with the issue of charges for environmental damage. The issue of PES is a classic within the *Confédération Paysanne* [...] I prefer to talk about payment for services rather than aid."¹⁰

These different elements support the assumption of a two-tier agriculture proposed by P. Muller (2010, p. 348), which would partly explain these opposing positions on AEMs and TAEMs. These two tiers can be summarised as follows:

- An agriculture centred on mass food production for which compliance with environmental standards is a constraint imposed according to external global standards (and for which organised interests will wield their influence in negotiations with the state). This is the kind of agriculture that the FNSEA tends to support, for example, firmly negotiating to ensure aid under the first pillar of the CAP is maintained at a sufficient level and fearing that the environmental measures that are currently eligible for payment via the AEMs will become compulsory (and without financial compensation) in the near future.

⁷ See Rapport d'Évaluation à mi-parcours portant sur l'application en France du règlement CE n°1257/1999 du Conseil, concernant le soutien au développement rural, Chapter VI: "Soutien à l'agroenvironnement," January 2004, CNASEA.

⁸ The FNSEA is the majority agricultural union in France.

⁹ Interview conducted in Paris in December 2009 as part of the SERENA research programme

¹⁰ Interview conducted in 2010 with the president of the GMO seed commission for the *Confédération Paysanne* as part of the SERENA research programme.

- Territorial agriculture centred on local economic activities (of which the provision of environmental services may be one of a number of components), for which the environmental constraint is a resource linked to global standards that are internalised or at least territorialised. This is the type of agriculture generally supported by farmers who adopt contractual TAEMs. The contact established between these farmers and environmental stakeholders is a decisive element in this renewed understanding of the environmental constraint and its integration into the agricultural sector.

The implementation of TAEMs is in fact based on stakeholders responsible for environmental management, whose objective is to preserve the quality of ecosystems and who will seek environmental service providers to this end. Although farmers are a key part of this mechanism, they are, according to environmental stakeholders, paid for technical action that is beneficial to the environment and not compensated for the additional costs resulting from practice changes – what the agricultural profession wants. In this sense, the emergence of new operators could foreshadow the appropriation of the PES referential at the local level, despite the highly variable degree of agricultural sector involvement in the implementation of the TAEM mechanism.

The implementation of agri-environmental measures therefore also has an impact on local governance.

13.5 AEMs and Territorial Governance

The territorialisation of the AEM mechanism results in changes in the governance of agri-environmental issues in different areas. But the instrument itself varies according to local interpretations. By comparing three local adaptations of the mechanism, we will show that the territorialisation of AEMs differs according to several variables. We identify two main variables:

- The articulation of AEMs with other existing (or past) mechanisms and instruments
- The targeting of the mechanism in environmentally sensitive areas

13.5.1 *Three Contexts*

Réunion and Guadeloupe are French departments that are marked by their insularity and their distance from metropolitan France (as OMRs), their tropical situation in the Indian Ocean and the Caribbean Sea and their agricultural history inherited from the colonial period. Agriculture on the islands is traditionally dominated by a sugarcane and livestock-farming sector in Réunion and by banana cultivation and sugarcane in Guadeloupe. It is supported by an agricultural policy geared towards the

consolidation of the different sectors, with an emphasis on high productivity. Nevertheless, the islands face considerable environmental challenges due to close connections between urban and agricultural areas (a density of 600 ha/km² in the useful part of the island in Réunion), to the existence of biodiversity characterised by a high level of endemism that has earned Réunion UNESCO World Heritage status and French National Parks status and by pesticide pollution in Guadeloupe.

Auvergne is a region in metropolitan France where grass-fed cattle farming is predominant. It nevertheless has a wide range of farming systems: the Limagne plain has cereal farms, while the mountainous region has a high concentration of suckler cow and dairy farms, which are mainly geared towards cheese production (the region holds five protected designations of origin). Auvergne has some interesting biodiversity and a good quality environment, except for pesticides in the Limagne plain and nitrogen residue in dairy farming areas. In the Allier valley, intensive maize production leads to problems regarding water pollution and the sharing of water resources.

13.5.2 Agricultural Stakeholders Cautious About the Territorial Agri-environmental Mechanism

The “territorialised” dimension of the TAEM mechanism was already found in the OGAF and OLAE. In TAEMs, it implies a certain number of singularities in terms of its implementation. Thus, like the previous measures, TAEMs are still coordinated by the deconcentrated departments of the Ministry of Agriculture – with priority to the regional level with the *Direction Régionale de l’Alimentation de l’Agriculture et de la Forêt* (DRAAF – Regional Directorate for Food, Agriculture and Forestry) over the departmental level with the *Commissions Régionales Agro-Environnementales* (CRAE – Regional Agri-environmental Commissions).¹¹ However, TAEMs must be drawn up by a local project leader for every sensitive area in order to ensure their adaptation to the specific context and challenges of this area. A limited number of measures (unit commitments) must be selected for each area in order to make actions clearer and more coherent. The TAEM mechanism is intended to foster the emergence of territorial project leaders or operators. These appear as the preferred contacts for farmers whose farms are located in sensitive areas. The agri-environmental operator may be nominated further to a spontaneous application, an active encouragement or a response to a call for tenders by the state departments.¹²

¹¹ The CRAE is mainly made up of representatives of the DRAAF, the DREAL and the *Agence de l’Eau*. It also includes members of the DDTs, departmental councillors, the ASP, all the AEOs concerned and the ADASEAs.

¹² Circular DGPAAT/SDEA/C2010-3059.

13.5.2.1 Farmers' Motivations for Adopting Contractual TAEMs

In all of the regions studied, many farmers stress that the measures they choose to formalise by contract are primarily those that enable them to receive aid without any practice changes. Contrary to these financial considerations, there was little reference to environmental concern as a reason for committing to contracts. In Auvergne, farmers have mixed feelings about the environmental efficiency of TAEMs and stress their historical role in the preservation of the Auvergne environment that they would like to see recognised. In Réunion, the review of motivations, conducted across two water protection areas, shows that for both farmers and technicians, water is by no means a priority in the choice of AEMs (Herrou 2010).

Farmers have become aware of the gradual reduction of their scope for action in the choice of articulated mechanisms: for example, in Réunion, to subscribe to a MCAE (AEM for sugarcane), cross-compliance principles must be followed (Queste et al. 2011).

The succession of mechanisms increased farmers' doubts and fears concerning the hidden objectives of this new agri-environmental policy (further decoupling of aid and the introduction of cross-compliance; concerns about the emergence of more stringent environmental regulations).

In Guadeloupe, farmers' motivations for signing contracts with the state were fairly similar: the search for higher income combined with a commitment to marginal change or even maintenance of their technical practices. Despite some major changes in principles and objectives from the TEC to the SAC mechanisms and then TAEMs, there has been considerable continuity in the measures and their main beneficiaries. The measures have evolved little,¹³ and the main beneficiaries of the programme remain banana growers, who receive most of the available budget.

This cautious positioning of farmers on TAEMs must be weighed against the limited involvement of the chambers of agriculture and farmers' unions associated with the implementation of the mechanism.

13.5.2.2 The Limited Involvement of Departmental Chambers of Agriculture in TAEMs

The varied positioning and levels of involvement of the departmental chambers of agriculture (CAs) in the implementation of TAEMs are worth noting. Whereas they played a decisive role in the previous contractual agri-environmental mechanisms (from the adaptation of Article 19 to the CTE/CAD), only one CA positioned itself in Auvergne as an agri-environmental operator (AEO) for TAEMs on biodiversity issues. None of them did so for water issues. The involvement of this CA, which was an exception to the rule, was the logical continuation of previous coordination

¹³ Apart from the replacement of AEMs for perennial high-altitude banana plantations by support for fallow practices.

action for the implementation of Natura 2000 (Noulin 2010). The other CAs delegated the implementation of TAEMs to protect their image among farmers and instead criticised the fact that the procedure completely dissociates the environmental element from the economic element (contrary to the CTE and CAD). In Réunion, the CA was actively involved in the formalisation of CAD with farmers, especially sugarcane planters. The CAD was seen as a highly innovative mechanism to support farmers and renew farm advisory services (Chia et al 2008). By contrast, the TAEMs have not been truly appropriated by the consular institution. Priority was given to technicians to invest in the creation of global farming projects (PGE), a procedure imposed by the commission, which conditions access to investment measures. Finally, the CA technicians had limited resources and information for publicising and encouraging the formalisation of TAEMs. In Réunion, this is also explained by the influence of the dominant sectors (sugarcane and livestock rearing) over local agricultural policy and consequently over the design of AEMs (Daré et al. 2011).

In Guadeloupe, the Chamber of Agriculture has started to record CTE at the end of the device, but the commitment of the Chamber of Agriculture has changed with the replacement of the CTE by the CAD. The deconcentrated services of the Ministry of Agriculture seem to keep the management and mastery of MAE, from the MAE incorporated in CTE in 2000 to MAET and MAE until today. In Guadeloupe, the influence of the dominant sectors (banana, sugar cane) has not led to a thorough renovation of the technical models incorporating environmental issues. The CTE and CAD were thus mobilised as complementary mechanisms aimed at strengthening the structure of sectors and reinforcing existing farms (Dulcire et al. 2006). Since the joint introduction of cross-compliance and TAEMs, agri-environmental mechanisms now play a very different role. The influence of the dominant sectors over the TAEM mechanism, in Réunion and Guadeloupe, is also explained by the fact that the mechanism has not been targeted at “environmentally sensitive” areas. Comparison with the case of Auvergne is very instructive in this respect.

13.5.3 TAEMs or the Territorialisation of an Environmental Issue: Contrasting Situations

Comparing the three case studies shows how the territorialisation of the mechanism, adapted in the case of the TAEMs according to environmental issues in metropolitan France, affects the governance of the mechanism.

13.5.3.1 Sectors Versus Environmentally Sensitive Areas

The CTE and CAD mechanisms, which preceded the TAEMs, had a limited territorial approach; most collective projects were disconnected from the territory in favour of the sectors (Gassiat et al. 2010). In the TAEM mechanism, territorialisation is a key

element but mainly concerns the territorialisation of environmental issues. Achieving better environmental efficiency implies establishing coherent territories from an environmental viewpoint, and this was the basis for the territorial adaptation of the mechanism, which favoured areas identified as “sensitive,” essentially corresponding to Natura 2000 and the Water Framework Directive (WFD) in metropolitan France.

In this process, farmers located in sensitive areas – the target areas – can sign contracts while those not in such areas are not eligible for TAEMs. This differs considerably from the previous mechanisms, in which contracts were a commitment by farmers, with no reference to the territory. In the case of TAEMs, there may be a disconnect between what is appropriate in terms of the environmental project for a territory and what is appropriate for farmers.

This potential disconnect further underlines the importance of the role of intermediate actors “operating” TAEMs, who ensure coordination and negotiations with farmers in order to attempt to close the above-mentioned gaps as far as possible. This also explains the reluctance of traditional operators, who came only from the agricultural sector (e.g. CA) and who are unable to relate to these mechanisms that are territorialised from an environmental rather than an agricultural viewpoint.

Comparing the case of Auvergne with that of Guadeloupe and Réunion provides a number of insights into the importance of the territorialisation of the environmental issue for the appropriation of the TAEM mechanism. Indeed, in the case of metropolitan France, the TAEMs have been adapted to predetermined sensitive areas by the transposition of European law: the Natura 2000 areas and the priority areas under the WFD, for which agri-environmental operators readily declared their support as these are generally the structures in charge of the management and coordination of these areas. On the other hand, in the case of the overseas departments, since the Natura 2000 and WFD zoning is not yet completed, the search for agri-environmental operators has proved problematic, leaving the sectors free reign to take over the mechanism.

In the context of Réunion, it is also necessary to add the weight of the “administrative” inertia of these mechanisms and the handout approach that tends to favour measures that are easy to manage and target the highest number of farms already identified in administrative databases (Daré and Queste 2011). The two main sectors, sugarcane and livestock rearing, have largely benefited from this approach, which directs the mechanisms towards farm support. Thus, agri-environmental measures for sugarcane (MCAE) and agri-environmental grassland premiums (PHAE) account for the greater part of commitments. For livestock rearing, the flagship measure concerning pasture management overshadows other measures that could contribute to improving the environmental record of livestock farms.

13.5.3.2 The Influence of Intermediate Actors and of Their Absence

The research conducted in Auvergne shows that the territorialisation of agri-environmental policy sought through the TAEM mechanism works through a type

of state delegation of public services to intermediate organisations (project management structures from environmental protection associations, joint unions, regional authorities, the *Office National des Forêts*, consular organisations, etc.). These project designers and leaders play a key, varied role in the implementation of the formalisation mechanism. In Auvergne, they are relatively specialised in each of the issues – whether water or biodiversity protection – identified as priorities at the national level. At the interface between government departments and farmers, these agri-environmental operators guarantee better coherence between the definition of measures and local challenges and also ensure greater involvement by the farmers concerned (a 70% contract rate in the areas in question).

The arrival of TAEMs in Réunion did not result in the emergence of new intermediate actors capable of making them operational. Let us consider the TAEMs linked to the protection of water resources and the failure to implement them. This failure is chiefly explained by the delay in the local application of the WFD. Indeed, it is faced with governance difficulties for the implementation of a water development and management plan (SDAGE), which reflect the fragmentation of responsibilities between the authorities and the government departments and a lack of consultation. Consequently, the development of territorial diagnosis that are relatively detailed and mobilise different partners (agriculture and environment, but from which the *Office de l'Eau* is absent) did not ensure optimal management, especially in terms of the effective targeting of AEMs in the areas concerned. There is no institution in a position to encourage and formalise TAEMs for water with farmers.

On the contrary, in the case of Auvergne, intervention by the *Water Agency Loire Bretagne* has led to greater attention being given to the environmental efficiency of contract-based measures, especially concerning stricter monitoring of coherence between the measures chosen and the recommendations made within the framework of the diagnosis for plots considered. In Auvergne, the intervention of the *Water Agency* thus results in a better integration of the environmental efficiency objective – or the principle of cross-compliance – in the implementation of TAEMs for WFD issues.

In Guadeloupe, with SACs, then TAEMs, the agri-environmental systems were gradually recentred on environmental challenges and partly lost their strategic interests for operators in the main agricultural supply chains. The banana sector, which was closely involved in the TEC debate, has nonetheless remained the main beneficiary of AEMs, notably through a specific “banana cover: bare fallow” AEM, which has involved most of the application files accepted and the payments made. When TECs arrived in Guadeloupe at the beginning of 2000, the environment was not a priority concern of the banana supply chain. With the “chlordecone crisis”¹⁴ of the 2000s, agricultural stakeholders in Guadeloupe changed their views of the environment issue, having previously been somewhat unreceptive to it. Consequently,

¹⁴ Linked to the discovery of water, soil and plant pollution by a very persistent molecule used until 1993 to control the banana weevil.

the banana supply chain in Guadeloupe has truly converted to the environmental cause, seeking to restore the image of the sector and to take part in defending its economic interests. “Sustainable banana” is used both to distinguish the products on the increasingly competitive European market and to continue benefiting from the public aid granted by the supply chain (Cathelin 2010). In this context, AEMs appear to be the appropriate instrument for defending an agricultural production sector by increasing its green credentials.

Even if the territorialisation of the TAEM mechanism according to environmentally sensitive areas results in segregation between farmers and between areas that may have adverse effects, this is in fact a rather positive point in the case of Auvergne. First, because the mechanism as it stands enables the emergence of intermediate actors (the agri-environmental operators) who bridge the gap between agriculture, environment and territory. To do so, they mobilise different resources resulting from their presence in the territory, especially local coordination. However, in the Auvergne region, the introduction of the agri-environmental operator (AEO) had a beneficial effect as an intermediation structure. The introduction of this territorialised negotiation process has changed the nature of interrelations between players and widened the range of possible choices, which were previously limited to accepting, or not, the imposed specifications. From now on, farmers can make suggestions for drawing up measures specific to the zone they are involved in.

The absence of this intermediation activity in the case of Réunion and Guadeloupe, due to the delay in the overseas departments in the establishment of Natura 2000 and WFD areas, changes the face of the mechanism. Thus, although comparing the three cases shows that farmers’ motivations for signing contracts and the position of chambers of agriculture are similar, the territorialisation of the TAEM mechanism according to environmental concerns changes the contract coverage rates and gives farmers some leeway in negotiations, especially because of the emergence of intermediate actors. In the absence of this environmental territorialisation, the overseas cases show that the lack of intermediate actors leaves the dominant sectors free reign to regain control of the mechanism.

13.5.3.3 Conclusion: 2014 Prospects Under Debate

AEMs and TAEMs are instruments similar to PES that are strongly marked, in the French case, by institutional path dependencies expressed in different ways.

At the macro level, these path dependencies are seen in the defiant attitude of the professional agricultural organisations towards an instrument that marks a certain distancing from the agricultural activity and the protection of farmers’ economic interests. The professional organisations’ misgivings are also linked to the involvement of the Ministry of Ecology calling into question the recognition of agricultural sector specificity and its regulation, since the 1950s, by co-management between the Ministry of Agriculture and the farming profession (agricultural lobby). A third cause of reluctance is the fact that AEMs, which are drawn up at

European Union level, reveal the European level's control over the national level in terms of agricultural management.

At the local-territorial level, the path dependencies are seen in the permanence and the adaptation of many institutional actors who took part in the implementation and operation of previous instruments (OGAF, OLAE, CTE/CAD), responsible for mediation between the authorities that define the regulatory frameworks, situated at the European and national levels, and the farmers applying the instruments. The aim of these intermediate structures is to adapt measures in view of the environmental issues of the territory without disregarding the socio-economic conditions of production. In some cases (Auvergne), these intermediate structures have evolved, mobilising actors from the environmental sector, and have succeeded in innovating in the identification of the measures to be implemented. In other situations (Guadeloupe, Réunion), their concerns are marked by the desire to protect the economic interests of the agricultural sector, which tends to reduce innovation in the field of environmental protection.

As part of the preparations for the reform of the PAC, initial projections support the maintenance and consolidation of AEMs and TAEMs. Discussions focus on several points. First, they concern the terms of payment for farmers, a subject of disagreement between the proponents of subsidies and of service provision. They also focus on the nature of the AEMs that should be encouraged, given that the environmental performance of the most widespread AEM (the grassland premium) is debatable, while AEMs with limited application (such as the conversion to organic farming) appear to have a positive environmental impact. Finally, they concern the governance of the mechanism to find the best balance between the efficiency of measures and their administrative management costs.

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