

AER ANSWER TO

THE EC CONSULTATION FOR THE IMPACT ASSESSMENT ON THE
“COMMON AGRICULTURAL POLICY TOWARDS 2020”
PROPOSALS

II. CONSULTATION QUESTIONS

The description of issues, objectives, options and scenarios developed in the consultation document tries to sum up various ideas that were put forward in the public debate. It represents a certain choice with regard to issues tackled, main objectives and possible policy evolutions. This consultation process calls on interested parties to express their opinion on the relevance of the described elements, the consistency of approach and possible improvements that could be made.

The public consultation also allows to acquire a broad range of information and knowledge on the expected effects that each broad policy scenario and consequent changes to the CAP instruments.

The stakeholders are invited to provide factual, analytical contributions that will complement other sources of information in assessing the impacts of policy reform. In order to guide and structure the contributions, the following questions were prepared by the Inter-service Steering Group:

POLICY SCENARIOS

If you have relevant documents (graphs, charts,...) that you would like to attach to your contribution, you may upload it below the answer fields.

1. Are the policy scenarios outlined consistent with the objectives of the reform? Could they be improved and how?
(optional) (maximum 3000 characters)

For AER, appropriate governance is the *sine qua non* condition for the achievement of the reform's objectives. This builds on the principles of territorial cohesion and multilevel governance to allow for tailor-made solutions, adapted to the structural specificities inherent to rural areas and farms. Regions should be involved both in the

definition and in the implementation of rural development policies. Though the EC acknowledges possible “*significant negative consequences for the regional economy*”, regions are left apart from the different scenarios. N°3 actually only gives them room for manoeuvre in the implementation of targeted policies.

The Europe2020 strategy is a good basis for CAP, but the fact rural areas are only twice mentioned in that strategy is worrying. AER advocates for a territorially-based integrated approach that takes into account the specific challenges rural areas are faced with (demography, environment, transport, economic attractiveness).

For AER, only the integration scenario would be consistent with the objectives of the reform : farmers remain key actors in the well-being of the European population. Support to farmers should be maintained, in particular to ensure Europe’s food sovereignty. Nevertheless, the challenges go far beyond the issue of farmers income. CAP is inseparable from rural development policy and must support dynamic rural areas.

On the integration scenario :

Environmental considerations: the EU strategy should range beyond the principle of conditionality. Preserving natural resources and managing energy use are key challenges for future decades and should enable, through an apt relation between the CAP 2nd pillar and the 1st pillar but also for environmental policies on all governance levels to give rural areas opportunities for sustainable development and dynamic economies. The suggested enhanced conditioning through cross-compliance should not endanger the survival of smaller holdings.

Natural, economic and social challenges : Member States should cooperate with Regions when committing part of the financial envelope they receive in order to take into account territorial specificities. This should be a full requirement in the future CAP regulations.

Provision of public goods : they do not only refer to the environment, but also to social and cultural aspects. Farmers can contribute to preserving the cultural heritage and should be supported in this context. The expectations regarding public goods largely depend on a territory’s characteristics and tend to vary from one region to another: public objectives should be defined at territorial level and regions should have more margin, in cooperation with all stakeholders, to define what they consider should be the farmers’ contribution to which public objectives.

2. Are there other problems apart from those set in the problem definition section of this document that should be analysed when considering the architecture of the CAP in the post 2013 period? What causes them? What are their consequences? Can you illustrate? (optional) (maximum 3000 characters)

Coordination between EU policies :

Bridges should be foreseen to foster the non-agricultural factors of rural development. The provision of public goods and services of general interest in rural



areas often constitute today a grey zone where it is very difficult to find financial support for projects. Similarly, the question of accessibility, closely linked to environmental issues and services of general interest are at the border between the 2nd pillar of the CAP and regional policy. New mechanisms could therefore be proposed to allow for the definition of programmes providing joint support from ERDF, ESF and EARDF to these projects. The Common Strategic Framework proposed in the conclusions of the 5th cohesion report seem to constitute a good start. How this can be implemented remains to be seen.

Democracy: Despite the launch of a public consultation, the reform process demonstrates serious democracy failures: the consultation document and questionnaire only exist in English, thus refraining a significant part of the European society from participating into the debate. The summary of the public debate stated that it was obvious that participation mainly stemmed from interest groups. By making documents available in English participation is even more restricted and selected. As a consequence, citizens' adherence to CAP will continue to be lacking. Also, it should be pointed out that the Common Agricultural Policy represents today the major part of the EU budget and it seems paradoxical and highly regrettable that a very large majority of member states and stakeholders are de facto excluded from this consultation, via the language issue.

Subsidiarity : rural development policy requires strategic thinking, which is provided by Europe2020. However, the alignment with the Europe 2020 strategy should not be an argument to centralise rural policy definition and implementation. It should be based on the needs of the European territories, in close collaboration with regions.

Climate change and environment : Climate change is an environmental issue and these two issues should not be dissociated. AER advocates for an integrated approach towards climate change that does not focus on GHG emissions only. The environmental footprint of agriculture cannot be restricted to the carbon footprint. Other factors such as animal welfare or sustainable forest and water management have to be considered as well. Regarding the global reduction of GHG emissions, reforming the supply chain would allow for significant reductions. Some small farms may have higher carbon footprint than bigger farms, however their emissions can in turn be compensated by short supply chains or lower resource flows. An integrated approach at EU level is therefore needed in order to avoid conflicts between energy, environmental and climate policies.

3. Does the evolution of policy instruments presented in the policy scenarios seem to you suitable for responding to the problems identified? Are there other options for the evolution of policy instruments or the creation of new ones that you would consider adequate to reach the stated objectives?

(optional) (maximum 3000 characters)

Income support: more emphasis should be put on the promotion of quality. Quality is defined by a wide range of parameters: type of product, kind of production (organic, locally produced, integrated farming etc), cultural added value, food processing and conditioning, environmental footprint (not restricted to carbon



footprint), animal welfare etc. This definition is to a great extent territorially determined. Quality products are the EU's competitive advantage. This growing sector reflects the diversity and know-how that are specific to our territory.

Consumers information: Consumers should be in a position to set their priorities in terms of quality. Stronger emphasis should be put on providing consumers and stakeholders in the supply chain with clear, easily accessible and comparable information, allowing for informed choices.

Market measures: many regions give priority to short supply chains to support local producers. An ad hoc tool at EU level to stabilise producers' incomes and consumer prices should control intermediaries' benefits. A reform of the supply chain would make a reduction of subsidies in the framework of the 1st pillar all the more feasible.

« **Greening** » the **CAP** : a partnership between cities, peri-urban areas and more isolated locations is needed to avoid that the environmental challenges weigh on farmers only. In the wake of increasingly complex environmental, energy and climate change issues, regions' extensive knowledge of local threats and opportunities, as well as their proximity with citizens, is an asset and a warrant for efficient action

Rural development policies: Increased responsibility of regions in terms of agriculture, land settlement and protection should come with the recognition of this role, through the involvement beforehand in the definition of the Common agricultural policy and its national ramifications. This also requires increased responsibility in the management of CAP. This is even more important that it is not possible to handle agricultural and rural issues in a standardised way, without taking into account the specificities of each territory, and even of each farm. The diversity of the European agricultural landscape is almost unique in the world. This is an asset and must be treated as such. It implies nonetheless a CAP capable of taking this diversity into account, turning it into a strength. This means a policy that can rely on strengthened territorial stakeholders for conveying implementation measures.

IMPACTS

If you have relevant documents (graphs, charts,...) that you would like to attach to your contribution, you may upload it below the answer fields.

**4. What do you see as the most significant impacts of the reform scenarios and the related options for policy instruments? Which actors would be particularly affected if these were put in place?
(optional) (maximum 3000 characters)**

The adjustment scenario doesn't change the underlying logic of CAP : it favours quantity instead of quality, and endangers the survival of small farms that may be resource efficient, productive and producing quality goods. It is necessary to implement tools for the channelling of funds to small farms in order for them to be able to live from their income. CAP should also target support at farmers working in



less favoured areas. For AER, the main focus should not be put on support to farmers' income. A restricted second pillar would endanger the competitiveness of agriculture and the attractiveness of rural areas. This would affect people living in rural areas who are not necessarily involved in farming activities. AER advocates for a strengthened second pillar to ensure that CAP supports dynamic, innovative and prosperous rural areas. Attractive rural areas are necessary to favour the emergence of entrepreneurship and innovation all over the European territory. Impacts : concentration of the farming sector, loss of diversity of goods, in biodiversity, desertification of some rural areas. Concentrating on farms only means several rural development projects could not be financed falling in a grey zone between an urbanised cohesion policy and an agriculture-focused CAP.

The integration scenario has a set of environmental measures but how will it be financed and on which criteria? According to the type of environmental indicators that will be chosen, small farms may be in a disadvantaged position. AER stresses the need for an integrated approach and a comprehensive set of indicators. Focusing on the provision of environmental public goods only will not promote inclusive rural areas and territorial cohesion, as social and cultural public goods are not mentioned at all. This affects families (schools, rest-homes, infrastructure for disabled people, leisure activities, ...) and businesses, which in turn affects the attractiveness of a territory.

The re-focus scenario assumes that the objective of contributing to the vitality of rural areas and territorial balance can be achieved in the context of cohesion policy. However, as cohesion policy is to be aligned with the rather urban-oriented Europe 2020 strategy, this will leave little or no room for manoeuvre for adaptation of policies to the specific structural needs of rural areas. The result would be the acceleration of rural exodus which will put more pressure on cities, already confronted with many environmental challenges. Reviewing CAP funding distribution and instruments is a priority but the support can not be lessened while most of Europe's competitors support their agriculture.

The status quo scenario is not justified: CAP is too bureaucratic, which deters uptake of funds. A further devolved and simplified management of CAP is needed and will increase the efficiency and effectiveness of its delivery. Environmental, economic, social and cultural issues need a serious and comprehensive approach to agriculture. A status quo scenario enhances territorial disparities and increase pressure on natural resources.

5. To what extent will the strengthening of producer and inter-branch organizations and better access to risk management tools help improve farmers' income levels and stability? (optional) (maximum 3000 characters)

Better access to risk management tools could help guaranteeing stable income for farmers. However more information would be needed on the tools and their implementation.



If strengthening of producers and inter-branch organisations leads to a reform of the supply chain towards shorter supply chains, with less intermediaries, this will indeed improve farmers' income levels and stability.

6. What environmental and climate-change benefits would you expect from the environment-targeted payments in the first and the second pillar of the CAP? (optional) (maximum 3000 characters)

If environmental-targeted payments are based on a comprehensive set of indicators, they can help improving management of natural resources and energy use. However the relation between agriculture and environmental protection is complex and deserves a proper European strategy that goes beyond the principle of conditionality and does not endanger the survival of smaller holdings. AER advocates for a partnership between cities, peri-urban areas and more isolated locations to avoid that farmers and rural areas in general are responsible on their own for environmental challenges.

7. What opportunities and difficulties do you see arising from a significant increase of the rural development budget and a reinforcement of strategic targeting? (optional) (maximum 3000 characters)

AER can only adhere to an increase of the rural development budget, as rural stakeholders have to be entrusted with a real role in the definition of tomorrow's Europe. A significant increase in rural development budget would pave the way for more dynamic innovative and inclusive rural areas. Strategic targeting is crucial: however focusing on environmental and climate change issues only would be too restrictive and would leave out a number of very important aspects of rural development. More flexibility is needed in the management of rural development programmes, which do not allow for a number of investments dedicated to the conversion of rural areas. Linkages must be created between the funds so as to give way to global development strategies that go beyond the unique question of agriculture.

Moreover AER stresses the fact that support to agriculture is needed as this is linked to food sovereignty. Overall support cannot be reduced while most of Europe's competitors maintain - if not strengthen - their national policies to support agriculture. The challenges facing agriculture today justify the need for a comprehensive approach to agriculture.

8. What would be the most significant impacts of a "no policy" scenario on the competitiveness of the agricultural sector, agricultural income, environment and territorial balance as well as public health? (optional) (maximum 3000 characters)

It is essential to keep a strong European agriculture based on the quality of its products and the diversity of its regions. CAP must remain a community policy and should, in no way, be re-nationalised. Indeed, the presence of agriculture in our European regions is only possible with the existence of the CAP and remains a



prerequisite for the survival of rural areas, which otherwise run the risk of losing a large part of their already wavering population. A no-policy scenario would enhance international, interregional and intra-regional territorial disparities which could not be tackled by cohesion policy

CAP is not only an instrument to support farmers: it is also an instrument for the development of a large part of EU territory. As a result, it is inconceivable to reduce the budget already earmarked for this purpose. The presence of agriculture in all our European regions is a strong illustration of the identity of our continent and a significant component of the landscape in our territories. Questions of autonomy, food quality and security are a priority for all citizens in Europe as elsewhere. The Common Agricultural Policy therefore concerns all actors of society, starting with regions, as a result of their closeness to citizens and their capacity to determine various territorial issues including economic development, environmental protection, the well-being of citizens and preserving socio-economic heritage.

A no-policy would lead to a concentration of the agricultural sector, which in turn would lead to the environmental, territorial and social problems referred to previously (loss of diversity in produced goods, loss of biodiversity, rural exodus, demographic pressure on cities, unbalance between territories). This concentration would also bear the risk of compromising the competitiveness of the EU agricultural sector as quality and diversity are the EU's competitive advantage at global level. Moreover regulation by common market rules only could compromise food security as production focuses on high value-added products.

MONITORING AND EVALUATION

If you have relevant documents (graphs, charts,...) that you would like to attach to your contribution, you may upload it below the answer fields.

9. What difficulties would the options analysed be likely to encounter if they were implemented, also with regard to control and compliance? What could be the potential administrative costs and burdens?
(optional) (maximum 3000 characters)

Enhanced conditionality through cross-compliance should not be to the detriment of smaller holdings.

10. What indicators would best express the progress towards achieving the objectives of the reform?
(optional) (maximum 3000 characters)

Indicators on territorial and social cohesion, economic development, environmental footprint of activities are only some of the relevant indicators. For instance to assess whether quality products have been adequately supported would require additional market analyses.



11. Are there factors or elements of uncertainty that could significantly influence the impact of the scenarios assessed? Which are they? What could be their influence?

(optional) (maximum 3000 characters)





Selection of regional best practices for sustainable rural development

LIMOUSIN (F): Subsequent to its experience as the lead underwriter of the RURAL INNOVA project as part of INTERREG IIC, Limousin proposed setting up an operational network (RUR@CT) in 2008, intended to foster the transfer of experiences between rural regions in Europe. With the reworking of the European Union budget in the offing, particularly its impact on cohesion policy after 2013, the network's ambition is to offer European regions fields of experimentation for an innovative territorial rural development model. **The initial objective and new project orientations**

In order to combat the decline of rural areas, 15 European rural regions have decided to work together within the framework of a network of exchange of good practices and transfer of experience intended to further exploit the innovative factors of integrated rural development. Called RURAL INNOVA, this network of interregional cooperation has existed since November 2004 as part of the community initiative, INTERREG IIC. The various partners in the project are now proposing a certain number of orientations for the period 2007-2013 through the RURACT network. This initiative intends, on the one hand, to perpetuate, reinforce and broaden the dynamic given its initial impulse by the RURAL INNOVA network and, on the other hand, to exploit and share its results and lessons learned with other European regions. Among the principal lessons learned from the RURAL INNOVA programme, two complementary ways of reasoning which mutually reinforce each other.

Continuing the capitalisation of experience

The first way of reasoning consists in continuing to capitalise on experience by broadening the field of cooperation both in terms of theme and at partnership level. In effect, over and above the pertinence of the themes discussed within the framework of the various components of the programme, it seems opportune to couple them with other problematics in response to new societal issues with which synergies can be found. Regarding partnership, a certain number of other European regions have formulated the request to participate in the activities of the RURAL INNOVA network with the status of "partner-observer". Interested in the exchange of experience and the fostering of good practices, it will in future be possible for these regions to take a more operational role in RURACT.

Reinforcing the transfer of experience

The second way of reasoning consists in making a concrete contribution to the transfer of experience in an operational configuration based on a sharply targeted theme and a limited number of partners. This "transfer of experience" dimension has been the principal restriction identified in the implementation of the RURAL INNOVA network. Faced with this observation and in view of the strategic orientations of the European Commission, the ambition of the RURACT project is to put the accent on this operational approach to cooperation, linking up with other programmes financed by structural funds. "Change through exchange" could be the motto for the RURACT project, putting exchange to work for change. All publications and reference documents related to the results and outputs of RURAL INNOVA project, including the political common statement RURAN adopted by the partners, can be download at the following address : www.rural-innova.org

VALAIS (CH): Valais is characterised by a booming tourism sector with numbers of second homes and agritourism offers. In order to limit property speculation, the regional authority has set up quotas on the numbers of second homes for sold, on the numbers of foreign buyers, and completed this with a strategy for defining poles for industrial, tourist and rural development, throughout the territory of the Canton. The Canton has in particular developed a pilot project, with the help of the confederation, for regional rural development in a mountainous area. The following sectors are promoted in the context of this strategy: maintenance of rural landscape; fight against deforestation; development of agritourism (support to local structures, to local products, etc.). For more information, please go to:

<http://www.vs.ch/Navig/navig.asp?MenuID=3414&RefMenuID=0&RefServiceID=0>

Dolnoslaskie (PL): Dolnoslaskie has set up an ad hoc project entitled 'Little renewable of rural areas'. These are grants for rural communes for building social centres (used for leisure time activities), purchase of costumes for folk groups, development of tourist centres, etc. For more information, you can contact the representatives from Dolnoslaskie (contact details available at the AER Secretariat upon request).

Wallonie (B): Wallonie is reconnecting its rural and urban areas by introducing an on-demand rural bus service. Users of the system can text a message to a dispatching centre and arrange to be picked-up and transported. The dispatching centre then directs the buses in real-time by following the shortest and most efficient routes thanks to GPS. (source: Eurisy)

Norrbotten (S): Nurses taking care of old people can perform basic exams, send the results via Internet and discuss them with a doctor who is 50 or 60 kilometres away. This way, the care provided by nurses is much more efficient and the patient is moved to a hospital only when there is a true need. They have also developed a remote-controlled "robot" for examining patients suffering from a heart condition. This robot allows for the patients to be examined at a distance, for example through the use of video, ultrasound images or a remote-controlled stethoscope. Doctors who are 200 kilometres away can partly monitor their patients.

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