

RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

SCOTLAND'S HILLS AND ISLANDS

LETTER FROM COMMISSIONER DACIAN CIOLOS TO THE CONVENER

Thank you for your letter of 24 June which you sent on behalf of the Scottish Parliament Rural Affairs and Environment Committee regarding various aspects of the Common Agricultural Policy (CAP) – especially rural development policy and its funding.

First of all let me congratulate the Committee for its work on the future of the CAP – and for recognising the important fact that we must construct this future in a challenging financial context.

The difficulties you mention with regard to parts of Scotland – for example depopulation, destocking and land abandonment – are of course not unique to your country. Around the EU, the task of helping our farm sector and our rural areas to make the most of their strengths and secure their future will be a long-term commitment.

Meeting the challenge will require action through various channels, including rural development policy – hence the importance of your committee's question about the allocation of rural development funding between EU Member States and regions.

As your committee recognises, the allocation between Member States for the period 2007-2013 was determined by a range of criteria – including past spending, the presence of Convergence Regions and other factors. As you know it was then up to individual Member States to divide funding between their constituent regions.

For the next period, there are certainly arguments in favour of altering the mix of criteria, but this will no doubt be the subject of lively debate. All I can say at this stage is that the Commission is examining various possible allocation scenarios based on various criteria, including environmental considerations.

Your letter also made points about the delimitation of areas with natural handicaps.

In line with its mandate from the Council, the Commission is working to put together a credible delimitation mechanism which is both transparent and comparable across the EU. The Commission, supported by Council Conclusions of June 2009, believes that this can be done through biophysical criteria which define the significant natural handicaps.

The council removed socio-economic factors from the criteria for support for areas with natural handicaps for three reasons. First, socio-economic characteristics do not define natural handicaps. Secondly, they change over time. Thirdly, and above all, there are

other measures in the EU's rural development policy which are better suited to tackling specific local needs of rural communities.

As regards the biophysical criteria proposed, all 27 Member States have tested whether they can be used effectively, and the Commission is currently evaluating the results of these tests. The Commission is also looking into additional criteria proposed by some Member States, as well as alternative thresholds for the individual criteria.

Without prejudging the conclusions of this exercise, I can only repeat that the Commission is committed to providing a delimitation mechanism which will be comparable across all the Member States. It is imperative that this mechanism be backed by scientific evidence.

Finally, your letter referred to the relationship between agriculture and public goods.

Although the concept of public goods as it applies to agriculture is still under examination, in broad terms there is a strong consensus that the CAP should help to provide public goods of various sorts – which would probably include at least some of those you mention, such as protection of the environment, conservation of biodiversity and the maintenance of rural landscapes. This consensus has been confirmed by the recent public debate conducted by the Commission on the future of the CAP.

With this in mind, the Commission has been looking at possible ways of improving the delivery of public goods in rural areas not only through the second pillar of the CAP but also through the first – especially through cross compliance under the Single Payment Scheme.

As you know, the debate about the future of the CAP will if anything intensify over the next few months as the Commission produces a “communication” on the subject before the end of this year, followed by legal proposals in 2011. As this process unfolds, I look forward to further incisive contributions from the Scottish Parliament.

Dacian Cioloș
Member of the European Commission
2 September 2010