

Intergroup  
SUSTAINABLE HUNTING, BIODIVERSITY & COUNTRYSIDE ACTIVITIES  
Intergroupe  
CHASSE DURABLE, BIODIVERSITÉ & ACTIVITÉS RURALES  
Integruppe  
NACHHALTIGE JAGD, BIODIVERSITÄT & LÄNDLICHE AKTIVITÄTEN  
Interguppo  
CACCIA SOSTENIBILE, BIODIVERSITÀ & ATTIVITÀ RURALI  
Intergupo  
CAZA SOSTENIBLE, BIODIVERSIDAD & ACTIVIDADES RURALES

## Meeting of 9.03.2005

### Organised with the help of the European Landowners Organization in coordination with FACE

#### MEPs

BACO Peter (NI / Sk)  
BERLATO Sergio (UEN / It)  
DESS Albert (EPP-ED / DE)  
DE VEYRAC Christine (EPP-ED / Fr)  
EBNER Michl (EPP-ED / It)  
EK Lena (ALDE / Sw)  
GLATTFELDER Béla (EPP-ED / Hu)  
GOMOLKA Alfred (EPP-ED / De)  
GOUDIN Héléne (IND/DEM / SW)

GRANDES Luis de (EPP-ED / Es)  
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KARAS Othmar (EPP-ED / At)  
KLASS Christa (EPP-ED / De)  
LEHTINEN Lasse (PES / Fin)  
MATHIEU Véronique (EPP-ED / Ft)  
PIEPER Markus (EPP-ED / De)  
RÜBIG Paul (EPP-ED / At)  
SCHIERHUBER Agnes (EPP-ED / At)

#### Represented

NICHOLSON James (EPP-ED / UK)  
PEK Bogdan (IND/DEM / Pl)  
RADWAN Alexander (EPP-ED / De)

#### Apologized

GRABOWSKI Dariusz (IND/DEM / Pl)  
HELMER Roger (EPP-ED / UK)

#### Assistants

ARMSTRONG Gillian (assistant J.  
NICHOLSON)  
BENSMINE Stéphane (*Chief of Staff V.*  
MATHIEU)  
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#### European Commission

SARACENO Elena (DG.AGRI)

#### Observers

CARETTA Maria Cristina (CONFAVI)  
WAY Nick (CLA-ELO)

#### Secretariat

ESPÁRRAGO Manolo (FACE)  
GIRARD Ronan (ELO)

## 1. Opening remarks and introduction

M. EBNER, in his capacity as President of the Intergroup, opens the meeting and welcomes all MEPs present or represented, as well as the invited speakers and the experts.

## 2. Proposal for a Council Regulation “Support for rural development by the EAFRD”

**Mrs Schierhuber, Member of European Parliament, introduced her parliamentary report on “Rural development: support by the European agricultural Fund”.**

EC debate on the EU budget: the basis of budget work for Mrs Schierhuber is 1,14 % of Member States’ Gross National Income or, at least, not the proposed 1%. It is crucial that the MS reach an agreement for a sustainable financing of rural development.

- Pillar two is 50 % co financed by MS.  
In the Commission proposal, 3 axes with minimal expenses are proposed:  
Axis 1 “Improving competitiveness of farming and forestry”: 15 %  
Axis 2 “Environment and land management »: 25 %  
Axis 3 “Improving quality of life and diversification”: 15 %  
For the LEADER axis a minimum of 7% of the EU funding is reserved.
- As MS are co financers, they should have more freedom to transfer from one axis to the other and the proposal of Ms Schierhuber for minimum expenses is the following :

Axis 1	: 10 %
Axis 2	: 20 %
Axis 3	: 5 %
Leader	: 3 %
- Rural development should also allow maintaining small and medium enterprises in rural areas when they are linked to agriculture or forestry.
- Natura 2000 compensation measures are foreseen and the EC proposal – Natura 2000 needs 6,1 billion € to be sustainable. If it is completely financed by the RD budget, it means the end of the second Pillar – then specific resources are needed.
- Amendments should be sent by March 30<sup>st</sup>. The Parliament vote will take place for the “mini-plenary session” of 26<sup>th</sup> May 2005, this would leave some time for further debate before the Council Meeting of June.

For a real sustainable rural development, urban and rural areas must feel involved. They can’t ignore each other.

**M. Nick WAY, Director of Policy of the Country Land and Business Association (CLA) which is member of the European Landowners Organisation, presented the comments of land owners and land managers on the RDR Commission's proposal:**

- Rural Development (RD) is essential for the PAC reform and a proper financing is therefore needed. The EU budget is presently under pressure, 6 Member States (MS), ask for a reduction to 1% of the GNI. If it was accepted, it would endanger the future of the RD which is vital to meet the commitments of the Lisbon Agenda.
- The new definition of the Less Favoured Areas (LFA) is not clear, only an informal document is available on this issue. To comply with the EU Court of Accounts, the Commission changed the definition criteria but we still don't have a clear picture. The proposal of capping of payments for big estates in LFA does not really make sense. The Commission already made clear that the payments are against services delivered by farmers.
- Listening at Mrs Schierhuber's comments on the axis of expenses, it seems that the ELO message on the Commission's proposal has been taken into account. 5 MS wouldn't be able to comply with such expenses constraints. Keeping Leader at 3% seems coherent.
- ELO supports the Commission to design minimal level of expenses per axis, in order to increase the coherence of the policy; nevertheless the Commission must be careful about the competition distortions it can create:
  - Axis 1 & 3: it should be possible to design projects supported by more than one axis. The Commission's proposal should allow more flexibility, the requested national programmes are too detailed;
  - Axis 2: more attention should be given to land use change for climate change mitigation and to the development of renewable energy. Forestry and agriculture need more than 10 years to be adapted. ELO and CLA are available to discuss these matters.
- For payments, classical criteria should be overcome and the real economic value of the services delivered should be more considered. The payments should be consistent with landscape stewardship.  
What is a non productive investment? Landowners don't understand this notion.
- Payments should be available for SME through RD.
- It is impossible that RD finances the whole budget for Natura 2000 which needs a proper separate funding.

**Mrs SARACENO, from DG Agriculture gave her comments concerning some of the issues raised by the Parlement and ELO. The ongoing discussions at the Council on the Commission's proposal of RDR are of a political nature and have not been concluded yet. Nevertheless some practical comments can be made on the progress of the proposal so far:**

- The proposed support for micro-enterprises in the processing and marketing of agricultural and forestry products (axis 1) is likely to be extended to SMEs. A similar limitation proposed for the funding of micro-enterprises in the diversification of activities (axis 3) has not been questioned.
- Regarding Natura 2000 financial requirements (axis 2), which are expected to be greater than in the past after 2006, the Commission is prepared to discuss further the minimum spending rates per axis. However the question of minimum spending rates per axis will have to be solved within the principle of well balanced programmes, where all the axis are addressed adequately.
- There is an ongoing discussion on the definition LFAs. In the case of mountain areas the definition has remain unchanged and there is no question about their eligibility. The problem lies with the re-definition of intermediate LFA areas, which has been done on the basis of critical observations from the Court of Auditors and our own evaluation studies. Choosing more objective natural handicaps for the definition of these areas will imply that some formerly eligible areas will not be eligible anymore. The Commission has proposed to the Council a new methodology based on climate and soil criteria, which is being verified by MS. In any case the Commission will examine further steps to mitigate the impact of this redefinition.

In her concluding remarks Mrs. Saraceno emphasised the significant simplification that has taken place with the new regulation (one single funding instrument, one programming mechanism) and the need to approach rural development in the framework of the Lisbon agenda objectives of higher growth and employment. This may be achieved by improving the competitiveness of the agricultural sector, strengthening its environmental sustainability and diversifying the rural economy.

### **Comments and questions:**

MEP Lena EK

European decisions impact economy and biodiversity and produce dramatic social changes. To be successful the wording of the proposal of regulation must be economically coherent. If EU wants to compete with USA a consistent budget is needed for rural economic growth. Natura 2000 in itself doesn't mean economic growth, it is a specific issue needing a specific budget.

MEP Véronique MATHIEU

The CAP Reform is not easily accepted by professionals (modulation, cross compliance) and it would be unfair for the farmers to pay for Natura 2000. A specific budget is most needed. Professionals worry.

Thanks by Mrs Agnes SCHIERHUBER

Thanks by M. Michl EBNER

### **3. Urgent legislative matters in the EP**

No issues are raised under this agenda item.

### **4. Any other business**

No issues are raised under this agenda item.

### **5. Next meeting**

The next meeting is scheduled for **Wednesday 13<sup>th</sup> April** on the Proposal for a Directive “Humane trapping standards”. V. MATHIEU will chair this meeting.

As all agenda items have been dealt with and nobody asks for the floor, the *President-Coordinator* thanks all participants and closes the meeting.