



MFJ deal exposes shortcomings of CAP reform

Brussels, 11/02/13 - Following a two day long negotiation on the Multiannual Financial Framework the EU's heads of state announced their compromise in a quasi jubilant fashion. The two day long bickering between austerity hawks and pro growth doves resulted in a mutually acceptable conclusion thus avoiding a much dreaded, although unlikely from the onset, stalemate.

It has become evident that the almost frantic search for a compromise among the contending parties has resulted in a shift further away from the original goals and aspirations for the next programming period. Even though compared to other funds the CAP suffered relatively smaller losses, one cannot help but notice how the Commission's intentions for genuine reform were casually swept under the carpet.

ELARD maintains that despite the current financial crisis, which reinforces the pro austerity sentiments among some Member States, Rural Development and the Greening of the CAP should have been spared from additional cuts and legal backdoors. In light of the present grim financial reality, rural areas have the potential to act as hubs for sustainable economic growth, innovation and job creation. Over the past 20 years the hard work of LEADER Local Action Groups in rural areas has demonstrated that this can indeed be the case.

ELARD is particularly concerned about the fact that the Rural Development budget was reduced even further in the final negotiations to €85 billion, which translates to a decrease of 14% compared to the current situation. What is more, we view the decision that Member States will be allowed to transfer a part of their Rural Development budget to Pillar I as one that may have a significant negative impact upon rural areas and their population as a whole. Allowing Member States to transfer from 15% up to the astonishing 25% of their Rural Development budget to Pillar I will undoubtedly hinder the development of rural areas particularly in countries where this is much needed.

As for the much acclaimed Greening of the CAP, it looks like following the MFJ negotiations we will have to settle for a much paler shade of green. The fact that each Member State will have the flexibility to create its own list of greening measures and that Ecological Focus Areas (EFA) will not take land out of production could result in valuable management practices for protecting water quality, biodiversity and soils being totally excluded.



European LEADER Association for Rural Development – AISBL

Finnish Presidency January 2011 – December 2013

ELARD believes that Europe's continued attachment to the outdated and potentially growth hindering spending on agriculture's direct payments, at the expense of sustainable rural development and the environment, does not allow for a real and much needed reform of the CAP. **We therefore call on MEPs and Heads of State to reconsider and avoid the business as usual practices by opting for a genuinely reformed, socially responsible and greener CAP.**

On behalf of ELARD's Board and Members:

Petri Rinne
President of ELARD