

"A simple CAP for Europe – a challenge for all"
Conference on the simplification of the Common Agricultural Policy
organised by the European Commission
Brussels, 3-4 October 2006

Conclusions and Perspective

Opening and main messages

- This conference provided an excellent forum for a thorough discussion on the issue of simplification of the Common Agricultural Policy (CAP). The discussion proceeded in a good and constructive atmosphere. Simplification is visibly an important issue for all parties involved in the CAP. Of course, there are different interests and consequently different wishes. That is not surprising but it is good that the differences concerned come into the open, that they are discussed.
- The debate has reminded us why simplification is so important. Complex legislation can put considerable burden on farmers and other operators and increases the administrative costs for Member States. Complex legislation is difficult and costly to implement, to manage and to control and quite often opens a scope for fraud.
- During the conference the Commissioner reiterated her commitment and her determination to forcefully pursue her plans to simplify the CAP. These efforts are part of the Commission's Strategy for the simplification of the regulatory environment in the overall context of the Lisbon agenda for growth and jobs in the European Union¹. In line with this initiative the ultimate goal of all our simplification efforts is the creation of a business environment in which farmers and other economic operators are less burdened by administrative costs and can thus become more competitive.
- However, it should be borne in mind that simplification is not about re-opening debates that have already been concluded in a different forum. Similarly, simplification must not reduce the capability to protect the financial interests of the EU; it should not make controls less effective.
- During the conference we discussed both: technical and political simplification. Technical simplification can help to streamline rules and instruments without changing underlying policies. In this context the Commission's Action Plan was welcomed. What we all want to see now is an "early harvest". But the Action Plan is not static, it has also to be a continuing process. Some suggestions were already made during the conference and further suggestions will definitely be welcome.

¹ See Commission Communication "Implementing the Community Lisbon programme : A Strategy for the simplification of the regulatory environment" of 25.10.2005, Doc COM(2005) 535 final.

- The idea to create a single CMO has met a lot of interest but also triggered some concerns. It will clearly improve transparency and accessibility of CAP legislation. It will avoid redundancies. In one word: It is better Regulation. And equally important: the single CMO is not meant to introduce policy changes through the backdoor.
- In the debate it was also stressed that simplification must be a key aspect of agricultural policy making. To that end, simplification should be at the heart of the legislative proposals when it comes to further policy reforms, as in the case of fruit and vegetables and wine. Also in the context of the health check, simplification should be a key concern. To succeed it will be indispensable for all actors in the legislative process to strike a balance between legitimate political requests and the need to avoid unnecessary complexity. Moreover, we should be aware that simplification is not an objective in itself. It has to be seen together with other objectives which define the contents of our policy. Unless we clearly know where we want to go, we cannot have a simple policy.

Workshops

- Workshop 1 explored the interaction between policy making and the reasons why the CAP is so complex. The decision making procedures in the Community have a potential for creating complex rules. The Commission can only propose new legislation. It is for the Council, i.e. the Member States to decide. In the past this meant that often complex compromises had to be forged to ensure the backing for a certain proposal. We have experienced this quite well in the context of the 2003 CAP reforms.
- We should be clear, however, that good proposals based on sound analysis are also essential to improve our policy making. Solid impact assessments of new proposals can play a key role in this context. They can help to make new legislation as targeted as possible with respect to the policy objectives. And they can also assess the administrative costs of any new proposal. This would increase our capacity to set our simplification priorities on a more rational basis, link them to the policy objectives and focus our efforts on the most promising projects.
- Although there seems to be a consensus that CAP implementation is complex and costly, it appears that we do not really know how much the implementation of the CAP is costing and what measures are more burdensome than others. In this context workshop 2 reminded us that a number of Member States have begun to measure administrative costs. The approaches presented by Member States have certain elements in common, but differ in others. A common approach in the form of an EU method built on these national methods is now available. It was welcomed that the Commission has launched on the basis of this method a study targeted at measuring the administrative costs resulting for farmers from the single payments scheme. This study should serve as input for future work. In that context, some participants stressed that there is a need for intensive cooperation between Member States and Commission in this area.

- Workshop 3 focused on the wishes and expectations stakeholders have with regard to simplification. Unsurprisingly, it became apparent that farmers and operators do not necessarily have the same interests as administrations.
- There was a clear support for technical simplification. Some parties however expressed the feeling that they are not sufficiently part of the process. They do not know how to channel their simplification proposals into the exercise. Additional information and involvement of all interested parties will be necessary. More reluctance was expressed with regard to political simplification, although many stressed the need for a simplification of the cross compliance implementing rules. Looking into these questions is clearly a priority.
- Concerning political simplification, it must be avoided that the simplification debate turns into a discussion about the CAP itself. Simplification means making it work better, not scrapping it!

Concluding remarks

- Simplification can be a technical exercise. But often is a deeply political process. Complexity of legislation can point at the existence of inefficiencies in our policy, which need examination. If the policy objectives are not clear, or if there is disagreement at the time of a political decision, complexity in legislation often is the result. Clearly, simplification is also about making difficult choices and accepting that one cannot defend the particular interest of a small group at the cost of a higher burden for many.
- The conference taught us that there is political will to simplify the CAP. The Commission wants it, the sector wants it and the Member States want it. The conference has provided a good platform for all parties interested in CAP simplification to express their views and conduct a constructive and fruitful debate. Now, we have to carefully consider the various avenues of action that have been outlined and discussed and translate the results of this process into concrete administrative and policy directions.
- We will have to take care that the discussion will be continued in the appropriate forums. The Commission will do its bit to further stimulate the work of its simplification experts group. Moreover, we will intensify the involvement of farmers and other stakeholders in the process. Consultation is crucial in all fields of simplification, even if in the case of political simplification, the final work will, of course, have to take place in the Council and the Parliament in the framework of the debates on the adaptation and reform of policy.
- Simplification is not a free ride. We need all to be involved to ensure the CAP to become as simple and efficient as it possibly can. Let's use this conference as a starting point for the work to come.
