Speech by Commissioner Phil Hogan

EU Budget Focused on Results Conference

"Simplification and Better Regulation"
27 September 2016

[Check Against Delivery]

- Thank you Nadia, and may I thank the previous speakers for their excellent interventions.

- Dear colleagues, the Common Agricultural Policy has delivered food security for the people of Europe for more than 50 years.

- It remains the only EU policy which is truly common and funded on the whole from Brussels. As the policy has evolved, the societal expectation for what it can and should deliver for society has broadened substantially.

- Given its unique role and the proportion of the EU budget for which it accounts, delivering value for money for European taxpayers is absolutely paramount for the CAP. The CAP budget must, therefore, be measured against results.

- The millions of European farmers are "our boots on the ground" - our workforce to get the job done. Through them, the CAP has the capacity to deliver not alone for those direct financial beneficiaries of the policy, but for the tens of millions of people who live in the countryside or who visit and regularly enjoy rural amenities or benefit from a well-maintained rural environment.

- We have a substantial performance framework with Member States including a comprehensive set of indicators, and the EU's Court of Auditors also has a key role to play in supervising expenditure.

- However, we can never be complacent when it comes to accounting for taxpayers' money and we must, therefore, constantly ask ourselves whether we can do better? And, of course, the answer is yes!
• In addition to those aspects with which we traditionally associate the CAP, we can identify improvements to align the policy more fully to the Juncker priorities, which are essential to the Union’s economic revival.

• The Juncker agenda is primarily a drive to increase investment and job creation, following the economic crisis which shook our Union to the core. EU agriculture and related sectors employ approximately 44 million people – making this the largest employer in the EU.

• Estimates show that every €1 Billion of exports generates 14,000 jobs for our people. Given that EU agri-food exports increased by 5.7 per cent in 2015, we can say with confidence that we are keeping jobs in rural areas.

• As well as the jobs, growth and investment agenda, we have our international obligations on environmental sustainability, including the COP 21 Climate Agreement and the Sustainable Development Goals.

• In his letter of intent to the Presidents of the Council and Parliament, President Juncker announced that, in 2017, the Commission would prioritise steps leading to the “Modernisation and simplification of the Common Agricultural Policy to maximise its contribution to the Commission’s political priorities and to the Sustainable Development Goals”.

• If we want to make further adjustments to the CAP, building on this potential of simplification and better regulation, we must constantly ask ourselves if the policy is fit-for-purpose and if it meets the requirements of a modern economic, environmental and social policy.

• We need to reflect on the market events of the past couple of years and consider whether we are equipping farmers with adequate tools to help farmers cope with market volatility.

• We have a shared obligation to ensure that the CAP delivers fully on its environmental objectives, thus strengthening the contribution of the agri-food sector to the EU’s international sustainability and climate obligations.

• And for those who question the ability of the CAP to deliver value added in these areas, let me remind you of the progress already made:
• The policy has helped to reduce GHG emissions from agriculture by 23% since 1990.

• The policy contributed to a reduction of 17.7 % when it comes to nitrates in rivers since 1992.

• **Climate, environment and the prosperity of rural areas are European challenges that need a European answer. And the Common Agricultural Policy provides the vehicle to do so.**

• Just last week, President Juncker said that our agricultural sector is “a strong part of our European way of life that I want to preserve” and committed the Commission to always stand by our farmers.

• We must ensure that we maintain a viable farming community and strong, sustainable rural communities now and in the generations to come.

• Earlier this month, the Commission hosted a 2-day conference in Ireland, where over 350 experts and rural stakeholders elaborated a Declaration on the Future of EU Rural Development.

• **This document, entitled “A Better Life for Rural Areas” contains 10 points which advocate for investing in the potential of rural areas, not only in terms of jobs and growth but also for better integration into other policies.**

• At the beginning of my mandate, I identified simplification as my key political priority. In the nearly two years since then, we have made substantial progress on that agenda. **I have implemented over 20 simplifications to the CAP which have been widely welcomed by farmers and national administrations, to whom they apply directly.**

• **Meanwhile, further proposals are in the pipeline. For example, work on market rules will substantially reduce 250 Commission Regulations to around 20 delegated and 20 implementing acts.**

• A further series of robust simplification actions are part of the recent proposal accompanying the review of the MFF.
These simplifications make life easier for farmers and other operators, allowing them to focus more closely on the potential of their holdings and businesses to deliver jobs and growth.

Ladies and gentlemen, the CAP is no longer just about farmers, but also about providing high-quality food for all the people of Europe. Furthermore, the policy is required to deliver more on public goods, such as the environment, climate action, energy and jobs in rural areas.

To meet these challenges, farmers are our indispensable partners.

They are best placed to generate value-led growth in rural communities.

They understand better than others how to manage our precious resources like soil and water to achieve stronger environmental performance.

I am committed to ensuring that we have a CAP that delivers on its objectives, adapts to meet new challenges and has a budget that can be credibly measured against results.

In order to fulfil President Juncker’s announcement of a process of modernisation and simplification of the CAP, I will publish Policy Options next summer, which will feed into this growing European conversation.

Thank you for your attention.