Strategic guidelines for rural development 2007-2013

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The Council held a **policy debate** on the proposed legislative package for the "Health Check" of the CAP since the 2003 reform. The debate focused on two questions drawn up by the Presidency, one on the proposal for further decoupling, and the other on the proposal for specific support measures under a revised version of Article 69 of Regulation 1782/2003.

- Most delegations welcomed the proposal for **further decoupling**, which is in the spirit of the 2003 reform, In their opinion, decoupling provides the necessary impetus to allow farmers to respond to market signals. However, several delegations considered that for certain vulnerable sectors **coupled or partial coupled payments may still be necessary** at least over a transitional period. In this context they highlighted the risks of land abandonment, loss of biodiversity and/or serious irreversible social impacts. With regard to the specific support provided for under a "**revised Article 69**" (new Article 68 in the proposal), several delegations reiterated their request for this to be **simpler and more flexible** so that each member state can choose how to target the support appropriately. Other delegations underlined the importance of ensuring that the measures would not distort trade or competition or reintroduce coupled payments and that to this end the measures envisaged should only be transitional.

- Delegations also had concerns about the proposed restrictions on the financing of this measure. Some delegations considered that there were other possible financing solutions such as using unused funds earmarked for direct payments, reclassifying some of the measures under rural development, and increasing the ceilings imposed). Some delegations also criticised the proposal on mutual funds to provide financial compensation to farmers as a result of animal or plant disease crises and considered that the current text set out in Article 44 of the Single CMO Regulation (Regulation 1234/2007) was a more satisfactory tool.

The future French Presidency indicated its intention to take forward its preparatory work, with the aim of reaching political agreement in November. To that end, it will table policy debates Council level on this item, in July and September 2008.