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## REPORT

on natural disasters (forest fires, drought and floods) - agricultural aspects  
(2005/2195(INI))

Committee on Agriculture and Rural Development

Rapporteur: Luis Manuel Capoulas Santos

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on natural disasters (forest fires, drought and floods) - agricultural aspects (2005/2195(INI))

*The European Parliament,*

- having regard to its resolutions of 5 September 2002 on flooding in Europe<sup>1</sup>, of 13 January 2005 on the outcome of the Buenos Aires Conference on Climate Change<sup>2</sup>, of 14 April 2005 on the drought in Portugal<sup>3</sup>, of 12 May 2005 on the drought in Spain<sup>4</sup> and of 8 September 2005 on natural disasters (fires and floods) in Europe this summer<sup>5</sup>,
- having regard to its resolutions of 16 February 2006 on implementing a forest strategy for the European Union<sup>6</sup> and on risk and crisis management in the agricultural sector<sup>7</sup>,
- having regard to the Kyoto protocol to the United Nations framework convention on climate change of 11 December 1997, and the ratification thereof by the European Community on 31 May 2002,
- having regard to the scientific report by the International Institute for Sustainable Development and the Commission's Joint Research Centre's report on climate change and the European water dimension<sup>8</sup>,
- having regard to the research project into flood risk management under the Commission's sixth framework programme (2002-2006)<sup>9</sup>,
- having regard to the Institute for European Environmental Policy's report on climate change and natural disasters<sup>10</sup>,
- having regard to legislation currently in force on State aid in the agricultural sector<sup>11</sup>,

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<sup>1</sup> OJ C 272 E, 13.11.2003, p. 471.

<sup>2</sup> OJ C 247 E, 6.10.2005, p. 144.

<sup>3</sup> OJ C 33 E, 9.2.2006, p. 599.

<sup>4</sup> OJ C 92 E, 20.4.2006, p. 309.

<sup>5</sup> Texts adopted on that date, P6\_TA(2005)0334.

<sup>6</sup> Texts adopted on that date, P6\_TA(2006)0068.

<sup>7</sup> Texts adopted on that date, P6\_TA(2006)0067.

<sup>8</sup> [http://ies.jrc.cec.eu.int/fileadmin/Documentation/Reports/Inland\\_and\\_Marine\\_Waters/Climate\\_Change\\_and\\_the\\_European\\_Water\\_Dimension\\_2005.pdf](http://ies.jrc.cec.eu.int/fileadmin/Documentation/Reports/Inland_and_Marine_Waters/Climate_Change_and_the_European_Water_Dimension_2005.pdf).

<sup>9</sup> [www.floodsite.net](http://www.floodsite.net)

<sup>10</sup> Institute for European Environmental Policy (2006): *Climate change and natural disasters: Scientific evidence of a possible relation between recent natural disasters and climate change*, policy brief for the European Parliament's Environment Committee (IP/A/ENVI/FWC/2005-35), 25 January 2006.

<sup>11</sup> Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid (OJ L 142 of 14.5.1998, p.1), supplemented by Commission Regulation (EC) No 1/2004 of 23 December 2003 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises active in the production, processing and marketing of agricultural products (OJ L 1 of 31.1.2004, p. 1) and the Community guidelines for State aid in the agriculture sector (OJ C 28 of 1.2.2000, p. 2 and OJ C 232 of 12.8.2000, p. 19).

- having regard to the regulation establishing the European Union Solidarity Fund<sup>12</sup>,
  - having regard to the 'Forest Focus' regulation<sup>13</sup>,
  - having regard to the regulation establishing the European Agricultural Fund for Rural Development (EAFRD)<sup>14</sup>,
  - having regard to the decision establishing a Community mechanism to facilitate cooperation in civil protection<sup>15</sup>,
  - having regard to the communications and proposals put forward by the Commission on a European forest strategy (COM(1998)0649), on the *Global Monitoring for Environment and Security* (GMES) spatial programme (COM(2004)0065), on risk and crisis management in agriculture (COM(2005)0074), on the reform of the Solidarity Fund (COM(2005)0108), on the rapid response and preparedness instrument for major emergencies (COM(2005)0113), the strategic guidelines on rural development (COM(2005)0304), on flood assessment and management (COM(2006)0015), and the draft Commission regulation on exemptions relating to State aid to small and medium-sized enterprises in the farming sector, of 8 February 2006, the biomass action plan (COM(2005)0628), and the future 'EU action plan for sustainable forest management' whose presentation is announced by the Commission for June 2006,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development (A6-0152/2006),
- A. whereas agricultural and forestry production is an economic activity closely bound up with the natural world and, for that very reason, at the mercy of climatic phenomena (drought, frost, hail, forest fires and floods), and exposed to health risks (plagues, epidemics) and pollution (acid rain, unintentional genetic transfers),
- B. whereas drought, one of the factors most influencing forest fires, is a recurrent environmental emergency which forms one of the gravest problems confronting Europe's Mediterranean countries and the Iberian peninsula,
- C. whereas the constantly increasing frequency of unexpected natural phenomena can endanger the viability of holdings and lead to their being abandoned, particularly in the case of very small holdings and of areas suffering from structural handicaps with the ensuing economic, social and environmental risks,

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<sup>12</sup> Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3.).

<sup>13</sup> European Parliament and Council Regulation (EC) No 2152/2003 of 17 November 2003 concerning monitoring of forests and environmental interactions in the Community (Forest Focus) OJ L 324 of 11.12.2003, p. 1), amended by Regulation (EC) NO 788/2004 (OJ L 138 of 30.4.2004, p.17).

<sup>14</sup> Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 277 of 21.10.2005, p. 1).

<sup>15</sup> Council Decision 2001/792/EC of 23 October establishing a Community mechanism to facilitate reinforced cooperation in civil protection assistance interventions (OJ L 297, 15.11.2001, p. 7).

- D. whereas the structural causes of forest fires are directly linked to the rural depopulation phenomenon affecting the southern European countries, which is likely to intensify with implementation of the single payment per holding system; whereas these causes are thus of a socio-economic nature,
- E. whereas natural disasters negatively impact on sustainable development insofar as they accentuate rural depopulation, intensify erosion and desertification problems, damage ecosystems, endanger biodiversity, and seriously jeopardise the quality of life of rural communities,
- F. having regard to the particular combination of circumstances characterising the protective woodlands of the Iberian peninsula and southern Europe, which differentiates their characteristics from those of the productive woodlands of central and northern Europe,
- G. having regard to the repeated statements made by the Community institutions in support of multifunctional farming throughout the Union,
- H. whereas the natural threats stemming from climate change are compounded by other threats to the survival of the European countryside, such as the increased competitiveness of third-country imports which European producers now have to face, while taking on ever higher production costs thanks to the Union's increasingly stringent quality and food safety requirements,
- I. whereas the most recent reforms of the common agricultural policy (CAP), hand-in-hand with the ongoing opening-up of the market and the gradual weakening of the regulatory mechanisms of the market in agricultural products and globalisation of agriculture, are increasing the instability of European markets, which urgently need new crisis management instruments,
- J. whereas agriculture, owing to its multifunctional nature, and forestry help to keep the population in rural areas, thereby contributing towards the prevention of and protection against natural disasters,
- K. whereas the ever-increasing frequency of natural disasters and health and market crises are not adequately provided for in terms of response mechanisms at Community level, a shortcoming glaringly highlighted by the fact that drought and frost are not covered by the Solidarity Fund,
- L. whereas the forest fire problem has also been worsening thanks to the progressive abandonment of the countryside and farming and their traditional activities, the failure to maintain the forests properly, the existence of large areas of woodland where monoculture prevails, and the planting of unsuitable trees, and the absence of an effective protection policy with suitable instruments and funding at Community level,
- M. whereas the EU needs to recognise the specific features of natural disasters in the Mediterranean region, such as drought and fires, adapting its existing instruments in terms of prevention, research, risk management, civil protection and solidarity, as well as of a specific Community programme for forest protection, with suitable financial resources and targeted on risk prevention and management for forest fires,

- N. whereas the shortcomings already experienced with regard to Community actions are exacerbated by the diversity of mechanisms to combat natural disasters which exist at national level, and by the disparities between these mechanisms, which infringe the principles of cohesion and solidarity that contribute to the European social model and the supranational integration process,
- O. whereas the abandonment of agricultural land, the low direct profitability of forested land and the high cost of its maintenance do not encourage good forest management on the part of owners, leading to an accumulation of undergrowth, wood and other combustible material; whereas in areas where the woodland is socio-economically profitable there are considerably fewer fires,
- P. whereas there are serious problems in maintaining the efficiency of firefighting systems, since the seasonal nature of the work means that staff tend to be temporary while it is difficult to provide adequate training and the equipment is underused, and there is a particular problem in finding sufficient airborne resources,
- Q. whereas both the prevention and consequences of some disasters are not of a national dimension but call for cooperation between Member States and with third countries which have common borders with the European Union,
1. Welcomes the communications and proposals recently put forward by the Commission concerning enhanced response capacity to disasters and crises, flood assessment and management, Solidarity Fund reform, an improved civil protection mechanism, fresh rural development guidelines for 2007-2013, exemptions with regard to State aids in the agricultural sector, and risk and crisis management in agriculture;
  2. Believes that an adequate response to natural, health-related or technological disasters should be forthcoming via the Solidarity Fund, the Veterinary Fund, rural development policy, regional policy, the regime of State aids to agriculture and the measures against forest fires within the Forest Focus programme and the new Life+ programme; believes, however, that, so as to catalyse a genuine Community strategy for dealing with disasters, these mechanisms all need to be rendered more flexible, particularly by including under the remit of the Solidarity Fund eligibility criteria that are better adapted to the circumstances of individual disasters, including drought and frost, that these mechanisms should be endowed with increased financial resources and that particular attention should be paid to the most vulnerable producers and geographical areas;
  3. Believes that the Solidarity Fund should continue to cover intervention in the case of disasters which are, though significant, under the damage threshold laid down but embody severe and lasting repercussions on the living conditions of the inhabitants of a given region, with the possibility of extraordinary assistance existing in such cases;
  4. Urges the Commission to submit a legislative proposal introducing a flexibility clause which would enable the policy instruments existing to deal with natural disasters in the agricultural sector to be properly financed, from CAP headings which now go unused every year;
  5. Points out that international cooperation is a condition of preventing and dealing with

some types of natural disaster; stresses, particularly in the case of rivers which flow through various countries, that there is a need to draw up, finance and monitor cross-border programmes;

6. Believes that the CAP derogation measures applied by the Commission in natural disasters (postponement of payments, release of intervention cereal stocks, authorisation of use of set-aside land for grazing livestock, inter alia), positive though they are, fall very far short of what is required to cover the losses caused, and indeed are not always even decided on with the rapidity required;
7. Stresses that the existence of a wide network of agricultural SMEs and an agricultural policy promoting more sustainable production methods, notably as regards water and soil use, is a vital precondition for fighting the effects of drought and forest fires;
8. Believes that rural development policy could play a useful role in the prevention of natural disasters; stresses that the drastic reduction in resources for rural development hinders the drafting of action plans to prevent and repair damage caused by natural disasters; recommends, however, that national and regional rural development plans give priority to measures aimed at the causes of the disasters (the fight against erosion, repopulating woodland with appropriate species, preservation of firebreaks, hydraulic projects, upkeep of forests, and water-saving agro-environmental action, inter alia);
9. Urges the Commission to provide financial and legislative support for measures to reduce the combustibility of forests, such as encouraging the profitability of forests and their sustainable management, using residual forest biomass as a renewable energy, encouraging owners' associations with a view to forming viable administrative units, and developing the potential of forests for the preservation and generation of jobs in the countryside;
10. Calls on the Member States and the Commission to implement a programme for the exchange of experiences on the application of new technologies for the management and monitoring of the risks and effects of forest fires, and to draw up procedures for European-level validation of the qualifications of technical staff;
11. Calls for the continuation in the next financial programming period of the aid granted in the past to farmers for creating and maintaining firebreaks, which provide the best guarantees as regards protecting the countryside;
12. Deems it essential, furthermore, that within the framework of the rural development plans, priority should be given to actions tending to combat the structural problems of the rural environment (population loss, abandonment of farmland, the protection of the countryside from intensive building, deforestation, and the excessive fragmentation of woodland ownership, inter alia) which, if they are not held in check, will increase future levels of potential risk;
13. Believes it is essential, in the context of the new financial framework for 2007-2013, to establish a Community programme for protection against forest fires, with a view to promoting awareness campaigns and risk prevention and management measures in respect of forest fires, suitably funded and complementing agricultural and structural policy;

stresses that such a programme must take account of the specific characteristics of the Mediterranean forests;

14. Requests that within the context of the strategic guidelines on rural development 2007-2013, there be an increase of the co-funding percentage for specific measures relating to forests, the fight against erosion, hydraulic infrastructures and Natura 2000;
15. Is convinced that serious market crises constitute unforeseen and exceptional events which expose farms to risks that may be as great as those caused by natural disasters, and that specific support from the Union is required;
16. Reiterates its commitment, voiced in the report on risk and crisis management in agriculture, to urge the Commission to:
  - set up a public insurance scheme jointly financed by farmers, the Member States and the European Union, with a view to creating a better policy framework for risk management and crisis prevention;
  - set up a consistent and affordable reinsurance scheme for all Member States under the CAP;
17. Believes that this possible new risk management instrument will need to include a specific insurance for forests, to cover at least the costs of rehabilitating the woodlands and the environment in areas where fires have occurred, and that, with the modulation proposed by the Commission, it will be difficult to obtain the strong public support required in order for this instrument to be effective;
18. Calls on the Commission to submit cohesive proposals for crisis management in agriculture which include rational methods and realistic sources of funding to act as an effective incentive for farmers to use them and as a flexible tool for regulating the market without giving rise to the risk of distorting competition and without disrupting the smooth operation of the internal market;
19. Believes that it is urgently necessary to follow up the concerns expressed in the Commission's communication on risk and crisis management in agriculture and for the Commission to carry out the in-depth studies needed for setting up a system to stabilise prices or incomes, in terms of whether the features of the present single payment scheme (SPS) are or are not maintained, so as to guarantee European farmers a system of protection similar to that enjoyed by their main trading partners;
20. Reiterates that a genuine strategy to deal with the effects of disasters in agriculture cannot be restricted to emergency measures, and that training, information, prevention and awareness-raising activities need to be put in place, to be funded within the framework of the civil protection mechanism, the Forest Focus programme, rural development policy and the European Regional Fund; insists, with regard to forest fires, on the need to step up active prevention, optimisation and coordination of firefighting methods and systems, encouragement of the participation of society, improved research into the causes of fires and stronger action against crime;



21. Stresses the need to draw up a forestry policy which includes measures for the sustainable management and combating of natural disasters; calls for the setting-up of a fire-fighting network to facilitate the financing of action plans and the acquisition of resources to be used, with appropriate coordination, not only at European level but also between States; notes the need to adopt rules on sound management of forests and mandatory reafforestation in the event of natural disasters;
22. Calls on the Commission to include, in its future action plan for sustainable forest management, concrete measures for the implementation of programmes for active prevention and the environmental education of the rural population, with a view to explaining new ways of handling the forest environment and enhancing awareness of the future role of woodlands in their area and the benefits arising from their conservation;
23. Calls for awareness campaigns, at EU level, to be targeted on rural society, the owners of woodlands and city-dwellers, with particular attention to schoolchildren and young people, voluntary organisations and the media, with a view to promoting a change of attitude towards the use of fire;
24. Believes that the drawing-up of risk maps and management plans should not be restricted to flooding, as in the Commission's current proposal for a directive, but should cover drought and forest fires, with maps being drawn up of areas at high risk of fires and drought within the EU together with the corresponding management plans;
25. Reiterates its call for the creation of a European drought monitoring centre which would be responsible for the study and the mitigation and monitoring of the effects of drought, and which might comprise permanent arrangements for the exchange of information which would support the prevention of fires throughout the Union;
26. Calls for the inclusion in the future action plan for sustainable forest management of specific risk prevention measures enabling monitoring and planning in respect of combustible forest materials and the management of forest areas; also calls for this plan to further the evaluation of externalities in respect of forest areas, the consideration of their social and economic value, and the attempts to find new support instruments applicable to the sector;
27. Calls for a proposal for a directive to be submitted on fighting and preventing fires, to enable optimisation of the use of the various Community instruments in existence, including the European Agricultural Fund for Rural Development (EAFRD), in order to tackle the problem, and to improve coordination among regions and Member States;
28. Instructs its President to forward this resolution to the Council and Commission.

## EXPLANATORY STATEMENT

### 1. An agricultural approach to natural disasters

The Community-wide scale of the natural disasters which occurred in 2005 convinced the European Parliament that the time had come for a qualitative shift in favour of a supranational strategy to combat such disasters, leading to the adoption of the Resolution of 8 September 2005 (P6\_TA(2005)0334).

This own-initiative report follows on from that resolution, and deals with the agricultural aspects of natural disasters; alongside the reports drawn up by other Committees - Environment and Rural Development - the objective is to stimulate thinking as to how to improve Community action against disasters, and feed into the work already done in this area by the Commission<sup>16</sup>.

Furthermore, aware of the clear difficulty in separating agricultural, territorial and environmental issues, it tackles these as a whole, but *from the agricultural point of view*, with a view to consolidating sustainable development of agriculture and the rural environment within the Union consistent with the *European agricultural and social model* and preserving the *multifunctionality of agricultural activity*.

### 2. Agroforestry, a sector exposed to natural threats

Agroforestry production is an economic activity *sui generis* closely linked with the natural world and for that very reason particularly at the mercy of climatic phenomena, and exposed to biological health risks and pollution.

In specific cases, these factors endanger the viability of holdings, particularly the smallest, a circumstance which constitutes an a posteriori contradiction of the repeated statements made by the Community institutions in favour of multifunctional agriculture throughout the Union.

### 3. The public policy deficit in dealing with biological, natural and technological threats

Traditionally, the public authorities intervene to reduce unforeseen threats, whether by using market regulation mechanisms for cyclic crises, or else emergency support measures for large-scale natural disasters, including health crises.

However, the ongoing liberalisation and opening-up of the agricultural markets, and the growing budgetary restrictions under which both national and Union finances are labouring, is watering down the ability of the agricultural policy instruments to support holdings during market or health crises or disasters.

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<sup>16</sup> Proposals on the reform of the Solidarity Fund (COM(2005)0108), on assessing and managing floods (COM(2004)0472 and COM(2006)015, on the serious emergencies rapid response preparation instrument (COM(2005)0113), on improving the civil protection mechanism (COM(2005)0137), on strategic guidelines for rural development for 2007/13 (COM(2005)0304), on the management of agricultural crises (COM(2005)074) and amending the arrangement for State aid in the agricultural sector (8 February 2006, not yet published).

(a) *Supranational response mechanisms*

The agricultural measures applied to large-scale natural disasters<sup>17</sup> are always ad hoc and are not always decided on with the necessary rapidity. Exactly the same can be said about the Veterinary Fund when it comes to outbreaks of epidemics.

Furthermore, actions on protecting and improving forest management within the context of the Forest Focus programme, but *which reduce the amount of action available under the previous Regulation*<sup>18</sup>, are anything but the catalyst that could enable us to establish a genuine common strategy in favour of forest ecosystems, as is shown by the ruling of the EC Court of Justice which expressly states that the effects of the Council regulations remain in force until such time as the Council adopts, within a reasonable space of time, fresh regulations with an identical purpose<sup>19</sup> - something which to date does not appear to have happened.

In the same way, the effectiveness of the current *Solidarity Fund* in the agricultural sector leaves much to be desired, and not least because its field of application does not include drought.

(b) *Domestic response mechanisms*

These shortcomings at Community level are exacerbated by the sheer diversity of prevention measures and counter-measures at national level, and the disparities between them<sup>20</sup> which lead to a pattern of differentiated treatment in terms of producers and geographical areas that fails to reflect the principles of cohesion and solidarity that European integration demands.

(c) *In conclusion: an operational shortfall vis-à-vis increased risks*

It is paradoxical that this negative development of public policies should coincide with an unmistakable increase in the number of unforeseen events causing financial loss to agricultural holdings. To put it briefly, the coming together of various factors is resulting in increasing levels of risk; the already indisputable process of climate change can be instanced, alongside the expansion of new genetic technologies and, finally, the consolidation of the globalisation process.

It should be pointed out that this last-named includes the ongoing importing of plagues and epidemics, and unintentional contamination by genetically modified organisms, whose rapid spread is facilitated by globalisation. If we add this to the instability caused by the increase in opening up of markets, the only conclusion to be drawn is that the Union's public intervention is not capable of coping with the circumstances, and needs new mechanisms to enable it to

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<sup>17</sup> These include: postponing direct payments, making intervention cereal stocks available to producers at favourable prices, authorising the use of set-aside land for livestock feeding, taking a flexible approach to animal density by area rules or holding on to animals.

<sup>18</sup> Council Regulation (EEC) 2158/92, 23 July 1992, on the protection of the Community's forests against forest fire.

<sup>19</sup> CJEC ruling of 25 February 1999, cases C-164/97 and C-165/97, European Parliament v. the Council of the European Union.

<sup>20</sup> Compensation funds, seasonal credits, insurance, tax arrangements, civil protection mechanisms, existing fire prevention and fire-fighting measures, forestry population and clean-up policy, amount of investment in hydraulic projects, stringency and compliance with planning laws, etc.

tackle the large-scale disasters which repeatedly devastate agroforestry.

#### **4. Recent experience: the lessons of the natural disasters of 2005**

The preceding statements are alas fully corroborated by the natural disasters which hit many Member States and candidate countries in 2005. Six - Austria, France, Germany, Italy, Portugal and Spain - were visited by European Parliament delegations, which established extremely useful contacts with local, regional and national authorities and representatives of civil society, whose readiness to make themselves available and to cooperate should be highlighted.

- (a) Torrential rain, avalanches and floods hit Sweden, the Baltic States, southern Germany, Austria, the Czech Republic, Croatia, Slovenia, France, Hungary, Italy, Poland and Romania.
- (b) The south of Europe was hit by exceptionally severe and prolonged droughts, particularly Portugal, Spain, Italy and France. The water shortages highlighted the extent to which non-irrigated and pastoral farming are vulnerable to weather conditions, and also the need for long-term policies on managing scarce water resources and encouraging water saving practices. Finally, the lack of rainfall had a negative impact on flora and fauna, thus exacerbating an already alarming problem of forest fires in the Mediterranean area.
- (c) Fires destroyed thousands of hectares of forest and scrub in the southwest of the EU. In 2005, 484 000 hectares were burned, on top of the 345 000 hectares of 2004 and the 740 000 hectares of 2003, with loss of human lives in some instances. It is clear that the high summer temperatures and the lack of rain were a key factor, but there were others which hampered the rural development measures applied by the national authorities: the exodus from the countryside and the resultant ongoing abandoning of farming activities which have traditionally preserved forests; the lack of incentives to collect biomass; the excessive fragmentation of forest ownership; reforestation using species inappropriate to the Mediterranean climate; inadequate technical and human resources for fighting fires; inadequate monitoring of human activity at times and in areas of high fire risk; and, finally, permissiveness with regard to building on farmland or forestland.

#### **5. The rapporteur's proposals**

With a view to establishing a genuine Community strategy against unforeseen events which affect holdings and the rural environment, your rapporteur believes that the solution involves *creating a new model* resting on three pillars, to protect farmers against natural disasters or unpredictable factors which have identical results, involving the consistent integration of existing or imminent Community measures, national instruments in the Member States, and new instruments which need to be introduced:

- I. A disaster management system**
- II. A risk management system**
- III. A stabilisation system, with two alternative scenarios**

## **I. Disaster management system**

A management system aimed at the agricultural sector should have two components: one at national level, for less major disasters, encouraging preventive action and capable of tackling the damage done, by helping farmers to resume their activities. Secondly, at Community level, allowing assistance mechanisms to be triggered to provide significant support to farmers hit by major disasters.

The former would best be handled by means of the existing mechanisms within the Structural Funds, namely the current EAGGF and the future EAFRD. Both of these, via the national rural development plans, provide for support for restoring agricultural and forest production potential affected by natural disasters, specifically by the rebuilding or restoration of farm and forest infrastructure of a collective nature or the fixed capital of agricultural holdings damaged as a result of natural disasters, whether climate-related or other.

The latter should be met by State aids and whatever Community instruments are deemed appropriate, namely the increased scope Solidarity Fund, with extended cover, which is currently being reformulated and extended to embrace other disasters, notably drought.

## **II. Risk management system**

An essential component of the proposed model is the existence of an effective and widely-used risk management system, managed at national level by each Member State. This system should constitute a prevention network vis-à-vis the major risks which hit the European farming industry on a regular basis.

The instruments to be used should be extremely flexible, with a key role being given to agricultural insurance and reinsurance, mutual funds and even, possibly, more innovative instruments such as futures, derivatives and options markets.

The system could be funded under STRAND 1 of the national rural development programmes, under the umbrella of the EAFRD Regulation, and specifically the one percentage point of modulation.

## **III. Stabilisation system**

The changes currently taking place in CAP support levels and composition justify the establishment of a third, horizontal system, directly or indirectly helping to stabilise agricultural income.

Should it happen that as a result of the commitments being given in the current WTO negotiations, that there should be a significant reduction in the current levels of tariff protection, Community agricultural prices are going to find themselves far more subject to the fluctuations of the corresponding world prices; this will make it essential to adopt measures which will, in exceptional circumstances, guarantee the stabilisation of Community agricultural prices and thus indirectly contribute to stabilising EU farmers' incomes.

Measures of this kind should be enough to ensure the stabilisation of agricultural incomes in the EU if they maintain the features and opportunities for action which stem from the current single payment arrangements currently in force.

Acknowledging that over the next few years, there are going to be changes to the single payment which will deprive it of its current coverage, we need to introduce a system for directly stabilising incomes, with a wider field of action than merely stabilising agricultural prices.

In this context, it is essential that the Commission, as a matter of urgency, carry out the necessary studies, exploring this problem in depth, so as to create a solid basis for the appropriate decisions on these two types of alternative scenario.

Of the various types of instrument currently available at national level, the assessment to be carried out uses the following as its points of reference:

- the counter-cycle payments system currently in force in the USA as a basis for devising a future system for stabilising Community agricultural prices;
- the CAIS (Canadian Agriculture Income Stabilisation) as a basis for devising a future EU agricultural producers' income stabilisation system.

In both cases it is essential that the systems guarantee wide coverage, in terms both of products and of geography.

The funding of this type of system should be worked out in the context of the savings associated with future savings in expenditure, with intervention and export refunds.

Finally, the Union, over and above its emergency mechanisms, needs to lay more stress on *training, information and prevention activities*. These measures should in any case be funded outwith the CAP, under civil protection, the Forest Focus programme or the rural development programmes. In the last-named case, the most obvious prevention measures (such as fighting erosion, forest repopulation, upkeep of forests, hydraulic projects or agro-environmental action to improve water management) should be obligatory and/or be guaranteed minimum coverage in national or regional programmes so as to ensure that all European farmers enjoy similar treatment under identical circumstances. In this context, the drawing up of risk maps and management plans should not be restricted to flooding, as in the case of the latest proposal for a directive from the Commission, but also be extended to drought and fires. Training and information measures should be covered within the ESF.

## PROCEDURE

<b>Title</b>	Natural disasters (forest fires, drought and floods) - agricultural aspects			
<b>Procedure number</b>	2005/2195(INI)			
<b>Committee responsible</b> Date authorisation announced in plenary	AGRI 27.10.2005			
<b>Rapporteur(s)</b> Date appointed	Luis Manuel Capoulas Santos 13.7.2005			
<b>Discussed in committee</b>	22.11.2005	25.1.2006	21.3.2006	24.4.2006
<b>Date adopted</b>	24.4.2006			
<b>Result of final vote</b>	+	22		
	-	3		
	0	--		
<b>Members present for the final vote</b>	Thijs Berman, Niels Busk, Luis Manuel Capoulas Santos, Giuseppe Castiglione, Joseph Daul, Albert Deß, Carmen Fraga Estévez, Duarte Freitas, Jean-Claude Fruteau, Ioannis Gklavakis, Lutz Goepel, María Esther Herranz García, Elisabeth Jeggle, Heinz Kindermann, Diamanto Manolakou, Rosa Miguélez Ramos, María Isabel Salinas García, Agnes Schierhuber, Willem Schuth, Czesław Adam Siekierski, Csaba Sándor Tabajdi, Witold Tomczak, Janusz Wojciechowski			
<b>Substitute(s) present for the final vote</b>	Hans-Peter Mayer, Karin Resetarits			
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	--			
<b>Date tabled</b>	27.4.2006			
<b>Comments</b> (available in one language only)	--			