CAP2020

IEEP Policy Briefing

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Welcome to the second issue of IEEP's CAP2020 Policy Briefing. Published each month, it provides authoritative analysis on the latest developments on the road to reform of the EU's Common Agricultural Policy (CAP). In this briefing, we examine the extent to which the EU Budget Review will provide an impetus for further reform, drawing on an analysis of the responses made by the 27 Member States to the European Commission's recent stakeholder consultation.

The EU Budget Review: What does it mean for the CAP?

The CAP is at the heart of the debate invoked by the ongoing EU budget review[i]. It was the most commented on and controversial topic of the European Commission's recent stakeholder consultation on the future of the budget. The Commission's summary of the 300 responses received concluded that there is a relatively broad consensus on the need for continued reform of the CAP, although opinions are divided on the extent of reform required. This broad conclusion was largely expected, given that the CAP accounts for the greatest proportion of EU expenditure (see box below). While the more immediate and more modest policy changes brought about by the Health Check have now been agreed by Europe's farm ministers, the EU budget review provides the frame for a wider and almost certainly more comprehensive discussion on the future of the CAP in the years ahead.

The CAP Budget for 2007-2013[ii]

The proportion of the EU budget spent on agriculture has declined since the 1980s, from a peak of almost 70%, to around 40% of the total budget in 2008.

Over the 2007-2013 period, approximately €377 billion is set to be spent on the CAP from the EU budget. When national co-financing of the rural development fund, the EAFRD, is accounted for, this rises to €434 billion.

The total allocated expenditure for Pillar 1 is €286 billion for the 2007-2013 period, of which €246 billion is allocated to the EU-15 Member States. The total Pillar 2 budget, as provided for by the EAFRD, over the same period is €90.8 billion. When national co-financing is accounted for this rises to €148.5 billion.

Our analysis of the responses of the 27 Member States reveals a preoccupation with five key issues which are examined in more detail below. We begin, however, with three wider observations.

First, the positions adopted by Member States in the course of the Health Check do not necessarily concur with the positions taken in the consultation on the EU budget. Some convergence may have been expected given that the Health Check and budget consultation took place in parallel. It is conceivable, however, for Member States to have adopted a more conservative and short term strategy in the Health Check, based on the logic of 'juste retour' (i.e. a position based on whether a Member State is a net contributor to or net beneficiary of the EU budget), while also supporting fundamental change of the CAP in the more longer term horizon set by the consultation on the EU budget.

Countries that are normally associated with a more progressive outlook on agricultural policy, such as Denmark, which supports the elimination of direct aids by 2025, were notably mute on key aspects of the Health Check negotiations, such as modulation. Denmark, along with the Netherlands, who also support phasing out income support, did not object to the recently drafted Presidency Conclusions on the 'Future of the CAP After 2013', which were disputed by fellow reformists, the UK and Sweden. Thus, it seems that the positions of some Member States – almost without doubt intentionally - are disjointed at present, perhaps as part of a strategy that seeks to soften the impact of immediate changes whilst pursuing transitional reform to the desired goal in the longer term.

Second, the budget review is likely to afford a more accurate insight into the positions of respective central governments in relation to the CAP. Whilst the position on the Health Check would have largely been controlled by agricultural ministries, responses to the budget review consultation have, in general, been prepared by the Foreign Ministry, the Prime Minister's Office or the Treasury (Finance Ministry) of the Member State.

Third, the budget review invites scrutiny from a wide range of stakeholders who do not usually engage with discussions on agricultural policy. These diverse actors are less likely to see the necessity to continue spending a large proportion of EU funds on a sector which accounts for less than ten per cent of total employment in most rural areas (although there are some strong regional variations)[iii]. In such a debate, calls for a cut in the overall CAP budget are highly likely. The extent to which some of these stakeholders would support the refocusing of the remaining agricultural budget to pay farmers to deliver benefits – or public goods - for the European population at large, is somewhat uncertain at present. There is also some uncertainty as to the extent this array of stakeholders will remain engaged in the budget review, now that the consultation has closed and the negotiations ahead refocus on the European Commission and the relevant government departments.

Member States Responses Set the Ground for Debate
We have reviewed the submissions of the 27 Member States to the consultation undertaken as part of the EU Budget Review. The responses differ in terms of

the level of detail with which they approach the CAP (the discussion on 'Agriculture and Food Security' in the French submission, for example, extends to a mere seven lines). Many of the arguments put forward are not yet fully realised. In what is a politically charged policy domain, this perhaps reflects the astuteness of the Member States in not wanting to reveal their cards or to commit to any particular vision at this stage.

However, most Member States acknowledge the need for, and likelihood of further CAP reform. A number of countries, including Denmark, and, somewhat surprisingly, Malta, argue that the character of these reforms should be far more radical than those made to date. Sweden and the UK are notable in their strong support of substantial reform, as part of a broader strategy to significantly reduce CAP expenditure. Beyond such overarching expressions of intent, the responses as a whole reveal a preoccupation with five key issues, all highly interlinked, that are likely to characterise the discussions on the budget over the coming years. They are:

- Budgetary flow, in terms of a Member State's contribution to the EU budget and the amount returned to it through the CAP.
- The need to continue providing direct payments to farmers.
- The need to develop the role of Pillar 2, but with differences of opinion on the size of its budget and its funding source.
- The synergies between rural development and cohesion policy.
- The potential co-financing of CAP payments.

We summarise some of the common themes and discussion points below. A detailed summary of each Member State's response to the consultation, as relevant to the CAP, is provided at the end of this document.

Budgetary Flow is an Important Consideration

In the Agenda 2000 reform and the Mid Term Review reform of 2003, one key delineator of a Member State's position on CAP expenditure was whether it was a net contributor to, or a net beneficiary of, the EU budget as a whole. A second was the value of the overall budgetary flow returned to it in the form of CAP payments. To a certain extent, this 'juste retour' attitude continues. Some Member States, mostly net beneficiaries of the EU budget because of the CAP (Bulgaria, France, Greece, Hungary, Ireland and Poland), stress the ongoing importance of a strong CAP to their agricultural sectors and to the EU as a whole.

The need for greater parity in the level of CAP payments received by the new and older Member States is presented by a number of the new Member States (Czech Republic, Hungary, Latvia). Hungary points to the importance of the CAP, along with cohesion policy, in 'catching-up to the average EU … standard of living'. Romania, in particular, asks for direct aids to be maintained after 2016 - the first year that the level of direct payments in Romania will be on a par with the EU-15. In a similar vein, Lithuania calls for the allocation of CAP funds between Member States with differing levels of economic development to be reviewed with a view to reducing disparities in agricultural development. Not all new Member States, however, follow this argument. The Czech

Republic, for example, makes a case for gradually reducing CAP expenditure, including through the removal of 'price support and quantitative protectionist measures'.

A Clear Division of Opinion on the Future of Direct Payments

One of the most controversial issues raised in the consultation responses is whether to reduce, or even phase out, direct payments under Pillar 1. Almost half of all Member States (Czech Republic, Denmark, Estonia, Germany, Italy, Lithuania, Malta, Netherlands, Portugal, Sweden and the UK) feel that expenditure on direct payments should be reduced. A number of countries, most notably Denmark, Sweden and the UK call for these payments to be phased out altogether. Malta, for instance, argues that 'support under the first pillar still commands a significant proportion of the EU budget in spite of its relative inability to ensure the delivery of public goods by the farming community in the same manner as the second pillar. This distracts from the financing of policies and priorities'. Other Member States (Austria, Belgium, Greece, Hungary, Ireland and Romania) support the continuation of these payments.

Significantly, the case for phasing out Pillar 1 spending appears to be supported by the Budget Commissioner, Dalia Grybauskaite. She states that she can envisage farm subsidies as they stand being phased out in the long-term, if not for the next Financial Perspective commencing in 2014, then for the one beginning in 2021[iv].

There is a Broad Commitment to Pillar Two, but Divergent Views on the Size of its Budget and its Funding Source

If the budget expended on direct payments in Pillar 1 is to be reduced, the resulting question addressed by many Member States is to what use the resulting funds should be put, if any. For some Member States, such as Sweden and the UK, the saved resources should exit the CAP altogether and be spent on pursuing other priorities, such as fighting climate change. Member States such as Estonia, Denmark and Portugal, argue that resources previously allocated to Pillar 1 should be used to increase the budget of Pillar 2. A large number of countries (Austria, Cyprus, Czech Republic, Estonia, Finland, Greece, Italy, Lithuania, Malta, Portugal Slovakia and Belgium) argue that the Pillar 2 budget should be increased, but do not commit to specifying where the money should come from. Pillar 2 spending, many of these countries specify, should be targeted towards sustainable rural development which could be utilised to deliver a number of environmental objectives such as biodiversity and habitats conservation, water management and carbon sequestration. The Netherlands, for instance, suggests a system of rewarding the public services provided by farmers that go beyond the legal baseline.

A number of Member States (Denmark, the Netherlands, Sweden and the UK) emphasise that the future CAP should be focused on the approach currently used for Pillar 2, but did not call for increased resources for this pillar. The UK, for example, calls for a 'reshaped pillar two …… focused on delivery of environmental benefits to society that would not otherwise be secured from the market'. However, it is not clear how these benefits will be adequately secured without increasing financial resources.

There is a Growing Need to Explore the Link Between Rural Development and Cohesion Policy

DG Regio and DG Agriculture are responsible for the two largest areas of EU expenditure, so at a time when both cohesion and agriculture policy are under review, it is welcome that links are drawn between these two areas. To this end, a small number of Member States (Czech Republic, Sweden and Denmark) put forward the suggestion that there should be greater synergy between rural development programmes and cohesion policy[v]. Sweden, for example, argues 'the interplay between rural development policy and cohesion policy should be further analysed in order to identify synergies and improve efficiency', and so provide a holistic approach to achieving economic development in rural areas. The growing interest in the nature of the relationship between regional policy and the socio-economic aspects of rural development policy raises important questions about their respective budgetary allocations, and in particular the future focus of EU rural development policy.

There are Contrasting Opinions on Co-financing

Italy and the Netherlands argue that the co-financing of the Pillar 1 budget should be considered as an option in the future. Italy states that co-financing does not amount to the renationalisation of the CAP. However, 11 Member States (Austria, Belgium, Czech Republic, Denmark, Estonia, Greece, Hungary, Lithuania, Luxembourg, Poland and Romania) equate co-financing with renationalisation and so argue that co-financing of the CAP should not be pursued. Hungary, in particular, asserts that it 'firmly opposes the possibility of renationalising the CAP'. It argues that 'national co-financing would most probably lead to competition for subsidies among Member States and distortions in the functioning of the internal market in agricultural products'.

Sweden presents a more refined argument in presenting a case for some co-financing. It argues that only cross-border public goods should be funded at the EU level, whereas other more local public goods should be funded by national governments. In practice, however, the development of a methodology to determine the extent to which public goods are transnational is challenging.

The EU Budget Review: Next Steps

Following the conclusion of the stakeholder consultation in November, the Commission is now drafting a White Paper in which it is expected that three options for reform of the EU budget will be presented. Each option will be progressively more radical. This format enables the Commission to present a breadth of options without having to make difficult decisions on the appropriateness and political acceptability of each. Such decisions will fall on the Council and the European Parliament over the course of 2010 and 2011.

While originally scheduled for publication in spring 2009, the paper may be pushed back until late autumn. The European Parliament elections in June, as well as the nomination of the new Commission over the summer and a potential second Irish referendum on the Lisbon Treaty in October, will all influence the ongoing timetable for the budget review process. Any delay is also thought to reflect José Manuel Barroso's desire to be reappointed as President of the new Commission. It is suspected that he is anxious not to stir up controversy amongst Member States – the EU budget is, after all, a hotly contested subject – and, at the same time, he wants to be seen to be taking into account the views of the European Parliament on whose votes his continuation in office also depends. A provisional, and somewhat speculative, timetable for the budget review is as follows:

February 2009
European Parliament Budgets Committee agrees own initiative report on EU Budget review.

April 2009
European Parliament Plenary adopts own initiative report on Budget review

June 2009
Elections to the European Parliament

July 2009
New Commissioners (and President) nominated

October 2009
Second Irish referendum on EU Treaty (?)

Autumn 2009
Commission publish White Paper on the budget review.

January 2010
Formal installation of new Commission.
Mid-term evaluations of all EU spending programmes ongoing until September.

March 2010
European Parliament Budget Committee seeks to use mid-term reviews to make changes to spending programmes 2011-2013.

Autumn 2010
EP Budget Committee draft report on White Paper.
European Council debate on budget review.

July 2011
Deadline for Commission proposals for Financial Perspective commencing in 2013[vi].

As may be expected, the tone of the debate has a rich and varied hue. The arguments, however, ultimately boil down to a Member State's position on a number of essential points – the broad objective of the CAP, whether one of income support or the provision of public goods, or a hybrid of the two, the level of expenditure required to achieve these objectives, and the importance of other priorities competing for a slice of the budget, including the Lisbon agenda, climate change and energy security. There are no big surprises in the consultation responses, but the overlap in the timetable with the agreement on the Health Check has served to render transparent inconsistencies in national positions, as well as some of the strategies at play. That said, given the apparent breadth of support for Pillar 2 as exemplified in the responses to the budget consultation, the resistance to the Commission's proposals on modulation by farming ministers appears to have been a strategic own goal.

There is no clear 'winning side' or majority position at this stage of the process and everything is still to play for. What appears critical now is that DG Agriculture emerges from the shadows to take leadership, and to start making a robust and rigorous case for continued expenditure on agriculture. There is now a risk, with the inevitable hiatus created by a new Commission and Parliament from mid 2009 to early 2010, for the debate to fizzle after its initial exuberance, and therefore it will be up to stakeholders to keep attention focused on these issues, to systematically develop the arguments and evidence base, and to form broader alliances outside the agricultural sphere.

A Summary of Member State Responses to the Commission's Consultation on the EU Budget Review, as Relevant to the CAP

Issue	Reform the CAP?	On the Future of Pillar 1	On the Future Pillar 2	Other Issues
Austria		Support current Pillar 1 spending. Payments should reward compliance with high standards (environmental, food safety etc). No further modulation with national co-financing.	Increase support and align with sustainable development and traditional farming methods.	
Belgium	Maintain a CAP but continue reform process.	Maintain pillar 1 measures. No co-financing.	Increase funding for pillar 2 but not through increased modulation.	
Bulgaria	Maintain the CAP.			Maintain 'the right balance' between funding under cohesion policy and the CAP.
Cyprus	Maintain a CAP but seek to enhance efficiency and effectiveness.	CAP should support high quality agricultural production, consumer protection and food security and promoting further environmental protection etc.		Supports an institutional framework for the management of crises.
			Increase support for Rural Development Policy and use to compensate for disadvantages in terms of physical and geographical characteristics.	
Czech Republic	Gradual reduction of CAP spending.	Reduce spending on Pillar 1. Remove remaining price and quantitative protectionist measures (*sic*). No co-financing of direct payments.	Increase support for rural development. More effective targeting towards sustainable rural development, environmental protection, biodiversity, food security and supply of quality food for the EU market.	Equal treatment of farmers across all Member States. Greater synergy has to be achieved between rural development programmes and cohesion policy.
Denmark	Maintain a CAP but continue reform process.	Phasing out of direct aids should be completed by 2025. A limited amount of Pillar 1 funds should be transferred to Pillar 2. The CAP should not be	Transitional support for restructuring as a result of phasing out direct payments. In the long-term, funds should be targeted at cross-border environmental problems specifically	Rural development funds specifically tailored to poorer areas should be integrated into the Cohesion Policy.

Issue	Reform the CAP?	On the Future of Pillar 1	On the Future Pillar 2	Other Issues
		renationalised. The level of co-financing of modulated funds should be reduced.	related to rural development. The CAP should support the provision of public goods.	
Estonia	Maintain the CAP but continue reform process.	Incremental decline in dependence on direct payments. No support for co-financing. The resources saved within Pillar 1 should be used to increase the funding for Pillar 2.	The CAP should also contribute to tackling the objectives of climate change and energy policies.	
Finland	Maintain a CAP but continue reform process.	Support should not be tied to historical reference levels. Minimum and maximum levels could be set for direct payment to channel support at small and family farms.	Rural development funds should be increased substantially so as to ensure the balanced development of all rural areas within the Community.	
France	Maintain the CAP but adjust to future priorities	The CAP must: ensure the food security of European consumers based on a steady, accessible, healthy and safe food supply; help the fight against climate change and for environmental improvement; preserve the balance of our territories.		
Germany	Maintain a CAP but continue reform process.	The CAP should have the following priorities: enhance international competitiveness of rural regions; adjust technical and social infrastructure as required; ensure environmentally friendly and ecologically compatible land use.		Encourage private sector solutions to resolve production and revenue risks.
		Elimination of price support and production quotas must continue. Priorities of CAP should include: enhance international competitiveness of rural areas so creating jobs within and outside agriculture.		
Greece	Maintain the CAP	Size of Pillar 1 budget to be maintained, with additional funds needed to strengthen Pillar 2. No support for co-funding that would lead to overall or partial renationalisation of the CAP.	In favour of reinforcing Pillar 2, especially since this Pillar will cover new actions that are meant to deal with climate change and globalisation.	Inequalities due to the excessive funding of large-scale agricultural should be mitigated. Develop new protection mechanisms.

Issue	Reform the CAP?	On the Future of Pillar 1	On the Future Pillar 2	Other Issues
Hungary	Maintain the CAP.	Pillar 1 to provide incentives for environmental and sustainable agricultural production, secures safe and high quality food, as well as animal welfare etc. CAP should not be renationalised.	Rural development policy improves the conditions of economic development, increases the standard of living in rural areas all over Europe, and strengthens cohesion among Member States and regions.	CAP should be based on solidarity and equal treatment. Overall EU spending may need to be increased.
Ireland	Supports only gradual changes to the CAP.	The CAP and rural development policy play an important role in protecting the rural environment, preserving the unique character of European rural heritage and supporting economic development and territorial cohesion. The CAP and rural development policy should contribute both to sustainability objectives as well as providing a secure and sustainable food supply.		
Italy	Continue CAP reforms along current lines.	Continue the process of gradually transferring financial resources from Pillar 1 to Pillar 2. Introduction of co-financing of direct aids.	Pillar 2 should support high quality agricultural production and environmental protection (land and landscape conservation, biodiversity, management of natural resources, animal welfare), consumer protection, food security; and ensure a balance with food production.	
Latvia	Maintain the CAP and reassess in order to make more modern.			Support equal treatment of Member States. Funding should be 'adequate' to contribution made by beneficiaries.
Lithuania	Maintain the CAP but regards reform as inevitable.	The reform process will decrease funding to Pillar 1. The CAP should not renationalised.	The role of Pillar 2 should be strengthened. CAP should support: provision of high-quality food, uniform standards for food safety and quality, cross compliance with other standards, a safety-net system, the even development of rural territories, effective and efficient risk prevention and crisis	Evaluate the effectiveness of measures under pillar 2. Review allocation of CAP funds with the aim of finding ways to reduce disparity in agricultural development.

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Issue	Reform the CAP?	On the Future of Pillar 1	On the Future Pillar 2	Other Issues
			management.	
Luxembourg	Maintain a CAP but continue reform process.	No renationalisation.		
Malta	Maintain the CAP but continue reform process	Speed up the phasing out of direct subsidies and so reduce the budget.	The second pillar should be strengthened. Community financing needs to integrate the provision of public goods such as environmental protection into European farming.	
Netherlands	Maintain a CAP and continue reforms.	Phase out income support. EU spending can set standards on environment etc but also should be limited to encouraging competitiveness and innovation. Payments supplementary to income should be financed through the Community framework but could also have partial national financing.	Compensation may be appropriate in areas with disadvantages if society wishes land-based agriculture to continue. Detailed policy will in part be formulated at national level. Reward public services and services by farmers that go beyond legal requirements using a project-based approach.	Encourage private initiatives to assist in event of very serious disruption of the market due to climate event etc. May need to start shift to new CAP system before 2013.
Poland	Maintain the CAP.	Co-financing of direct payments would be a threat to EU value added. CAP should play a part in food security and quality, animal welfare and public health.	The CAP should play a role in fighting climate change and environmental protection.	The size of the budget is a limiting factor.
Portugal	Maintain a CAP and continue reform process.	Strengthening modulation is a key aspect of CAP reform. It would more than double the current transfers from Pillar 1 to Pillar 2.	The CAP should help meet future challenges: fighting climate change, water management, food security, rising food prices etc.	
Romania	Maintain the CAP but recognise reform is	Maintain direct aid. This should encourage public goods such as fertile soil, well preserved landscape and quality products etc through cross-	Supports a rural development policy that will address the needs of rural space and that will help mitigate the effects of climate change	Direct aid helps to overcome structural problems and reach convergence between Member States.

Issue	Reform the CAP?	On the Future of Pillar 1	On the Future Pillar 2	Other Issues
	inevitable.	compliance. Co-financing Pillar 1 will deepen the gap between developed and less developed Member States.		
Slovakia		Pillar 1 should be directed at the long-term aim of improving the agricultural competitiveness of the EU countries.	Increase funding for rural development in view of its high value added in support for sustainable development of the landscape and rural areas, reduction of regional disparities and strengthening of social cohesion.	
Spain	Maintain a CAP and continue with reforms.	Great caution is advisable when looking at the CAP instruments as certain changes could have far reaching political, economic and social effects on Member States.		Need to carry out a study of the cost of no CAP.
Sweden	Substantial reforms of the CAP leading to substantially lower expenditure and redeployment of expenditure.	There is a lack of EU value-added in Pillar 1. Market support and production constraints should be abolished by 2013 and direct support phased out.	The CAP should supply cross-border public goods through targeted measures. Increased focus on rural development which should be designed and financed by national governments except where clear cross-border public goods.	Budgetary restraint important. Health Check should not close the door to reform of future expenditure. Need a holistic approach to rural development which incorporates interplay between rural development and cohesion policy
United Kingdom	Substantial reform of the CAP needed. Reduce spending on agriculture.	Spending on Pillar 1 should be phased out.	Payments under a reshaped Pillar 2 should be focused on delivery of environmental benefits to society that would not otherwise be secured from the market.	Spending from the CAP should be redirected to pay for other priorities including fighting climate change.

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About IEEP

The Institute for European Environmental Policy (IEEP) is a leading centre for the analysis and development of environmental and related policies in Europe. An independent, not for profit organisation, the Institute has offices in London and Brussels. IEEP brings a non-partisan analytical perspective to policy questions and engages in both pressing short-term questions and long-term strategic studies. We are a registered charity.

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[i] The promise of a comprehensive review of the EU's spending and sources of revenue formed part of the mandate received in 2005/6 'to undertake a full wide-ranging review covering all aspects of EU spending, including the Common Agricultural Policy ... and to report in 2008/9' (Source: Declaration No 3 attached to the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management, OJ C 139, 14.6.2006, p.15.). Consequently, in September 2007, the Commission launched a consultation based on a Communication describing a number of new policy challenges which could influence where the EU directs its efforts in future and at the same time making an assessment of the added value of EU spending (Reforming the Budget, Changing Europe: A Public Consultation Paper in View of the 2008/2009 Budget review. (SEC (2007) 1188). 12.9.2007. European Commission. http://ec.europa.eu/budget/reform/library/issue_paper/consultation_paper_en.pdf).

[ii] Sources are European Commission (2008) The EU Rural Development Policy: Facing the Challenges; European Commission (2007) The Common Agricultural Policy Explained; and IEEP (2008) Funding for Farmland Biodiversity in the EU: Gaining Evidence for the EU Budget Review. A Report for the RSPB.

[iii] European Commission (2008) The EU Rural Development Policy: Facing the Challenges.

[iv] Interview in: Budgeting for Changing Times. E! Sharp November – December 2008. The view of Dalia Grybauskaite is informed by a study on EU spending commissioned by DG Budget which assessed current and potential future EU spending against a number of criteria. This study found that historic precedent appears to be the main argument used for the continued existence of direct payments and market intervention. In contrast, economic or strategic principles play a much smaller role. As a result, the authors of this report claim that these types of payment should be abolished at the EU level. The report is referenced as follows: Begg, I., Enderlein, H., Le Cacheux, J., and Mrak, M. (2008) Financing of the European Union Budget. Study for the European Commission, Directorate General for Budget. http://ec.europa.eu/budget/reform/library/issue_paper/study_financingEU_de_en_fr.pdf

[v] This issue was highlighted by the Budget Commissioner at the stakeholder conference on the budget review held in Brussels in November and also at DG Regio's own major conference in Paris on Territorial Cohesion and the Future of Cohesion Policy on 30 October.

[vi] This is unless the current Financial Perspective is extended in order for the Commission to be able to take the lessons learnt from the mid-term review in 2010 into account in the budget review. This would be difficult to do in the current time line and there are calls to extend the current FP until 2015 to provide scope for a proper review.