WRITTEN QUESTION E-1389/01
by Adriana Poli Bortone (UEN) to the Commission
(7 May 2001)

Subject: Crisis in the oriental tobacco sector in Puglia, Italy

There is crisis in the oriental tobacco sector in Salento (Puglia) due to a reduction in production quotas, which places it at a disadvantage in relation to Greek oriental tobacco in view of the higher level of Community subsidies available for the latter. This being so, does the Commission intend to take action to provide a structural solution to the problems of the tobacco sector by introducing, if only as a temporary measure, Community aid for such products linked to their quality?

Answer given by Mr Fischler on behalf of the Commission
(4 July 2001)

The present crisis for Salentini tobaccos arises in essence from the difficulty of selling them despite the reduction in their production quotas.

Greek oriental tobacco, for which there is good demand, is unaffected. It can be sold at satisfactory prices.

A structural solution to the oriental tobacco problem in Apulia is provided by the production quota buy-back mechanism designed to facilitate voluntary abandonment of tobacco-growing, introduced when the common market organisation (CMO) for raw tobacco was overhauled in 1998.

Before the 1998 changes it was also possible under the tobacco CMO to launch rural development programmes to permit redeployment to other activities in tobacco-growing regions in difficulty.

The Commission has no plans for additional quality-linked measures given that the provisions now in force already include premium modulation according to quality. Under decisions already adopted by the Council these modulation provisions have been further strengthened this year.

WRITTEN QUESTION E-1391/01
by Christopher Huhne (ELDR) to the Commission
(10 May 2001)

Subject: Measurement of returns on public investment

Is the Commission aware of studies undertaken to compare ex ante and ex post returns on public investment in each Member State? Will it rank each Member State in order of its public servants' prowess in accurately forecasting returns on public investment?

Answer given by Mr Solbes Mira on behalf of the Commission
(19 July 2001)

The measurement of returns on public investment is a complex issue as it involves market elements and factors which are outside the economic sphere. Political considerations play an important role. Forecasting the return on public investment appears even more difficult, and ex post assessment of its accuracy equally so. The Commission does not intend to rank national public administrations according to their forecasting capabilities.
In the case of major projects under the Structural Funds and the Cohesion Fund, the Commission insists on a cost-benefit analysis for an ex ante assessment of each project, in accordance with the relevant regulation. An ex post evaluation of 120 Cohesion Fund projects is also nearing completion. The interim conclusions of this study suggest that the results of environmental projects are broadly consistent with expectations. For a number of transport projects the forecasts were too optimistic with regard to construction time but too pessimistic as regards the traffic using the renovated sections. The ex post cost-benefit analyses show that in the end the economic rate of return on many of these projects is over 20%.

WRITTEN QUESTION P-1401/01
by Hervé Novelli (PPE-DE) to the Commission
(3 May 2001)

Subject: Compulsory set-aside of 10% of land

Since 1992, arable land has been eligible for Community per-hectare aid under a scheme including set-aside measures.

This specific scheme was retained at the time of the most recent agreement in Berlin in 1999 on the new CAP reform.

The new regulation has thus continued the downward trend in the intervention price, for which farmers receive compensation at 50% in the form of area aid. This aid is still subject to a requirement to set aside a proportion of arable land — 10%, or more for producers who wish to do so, within limits set by the Member States (30% in France).

This new reform was intended to guarantee the equilibrium of the market, but the successive BSE and foot-and-mouth crises have shown the limits of the reform and have created a lasting imbalance in the marketing chain for cattle and sheep producers.

At the last European agriculture summit, in February 2000, at which no agreement was reached on reforming the beef and veal market, the Commission nevertheless accepted that the Member States could grant national aid to producers so as to compensate them for their losses due to the BSE crisis.

Do you not think it is time for the European Union to accept its responsibilities by proposing more flexible set-aside measures to enable producers either to harvest cereals produced on this land or to permit cattle or sheep to graze there?

Answer given by Mr Fischler on behalf of the Commission
(11 June 2001)

By definition, land set aside under the support scheme for arable crops cannot be used for cultivating any agricultural products except for non-food purposes or, in the case of holdings managed under the rules on organic farming, for growing legumes.

The crises affecting the sheepmeat and beef industries will not be overcome by allowing grazing on land left fallow. A better approach would be to apply suitable measures put forward under the common organisation of the markets in the sectors concerned.

The measures taken by the Commission since late 2000 have already made a significant contribution towards restoring stability on the meat market.