

## Communications & Opinions



### The changing climate for rural development and its finance in Europe: The RISE Foundation\*

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Let me start my presentation by summarizing the aim and main innovations of what some people have been calling the Fischler reform, recall the main challenges we have been facing and the strategy we adopted in addressing them, and finally conclude by dealing with the financial challenge and the need to do something ourselves, notably as landowners, tired as we are of watching public authorities turning a blind eye to the main challenges facing Europe and the world.

The CAP reform of 2003-2004 was aimed at helping European farmers and the up- and downstream industry reconcile the needs of modernization and restructuring with the acknowledgement of their community function, and the recognition of the positive externalities generated by agriculture, rural activities and spaces. Aware that all countries in the world have agricultural policies, which they (often wrongly) consider appropriate to their internal and external interests, I acted with the conviction that the EU needed to keep a strong, competitive and sustainable agricultural policy, for its own as well as for the world's sake, and conserve and renew its countryside. To that effect, I was convinced that the CAP needed to be updated in order to adapt to changing circumstances and new realities.

To that effect it was necessary to change the image of European agriculture as a major surplus producer and often a polluter jeopardizing long-term sustainability, into that of a competitive sector, notably as regards food quality and traceability and into a sustainable activity. To do so was not a problem as far as quality and health were concerned. But it was in regard to sustainability, because Ministers and farmer representatives tend to have a short-term view, and therefore aim at minimizing difficulties for their constituencies so as to enhance their staying power and hand over the hottest potatoes to their successors. CAP reform proposals traditionally lead

EU farm Ministers tend to paint catastrophic effects for the relevant farmers, which may not, and mostly do not take place (for example, lastly, a drastic reduction in Italy's hard wheat production, which has not happened). Reform proposal therefore tend to end in a dead alley wherefrom they are difficult to resurrect.

#### ***(Slide 1: Fischler Reform Innovations)***

Sustainability was not a credible objective without introducing a sort of *polluter-pays principle*, even if in the more limited form of a loss of public payments whenever the farmer fails to respect the so-called *cross-compliance* rules. Public opinion would no longer have tolerated that CAP rules are sacrosanct, when environmental rules are respected only in the breach. This was the reason why the reformed CAP specified that the farmer had to respect

around twenty existing EU environmental Directives (I actually proposed some 35), which had been adhered to mostly in the breach.

Apart from cross-compliance, the reform introduced a few other radical new ideas such as the *decoupling* of CAP support from production with a *Single Farm Payment*, the *capping* of direct aids, *cross-compliance*, and a *financial discipline*, and stressed the function of farm families as suppliers, not only of agricultural products, but also of services to society. I expected these proposals, which were presented as a step in a reform process, to be accepted on account of their merits, while helping softening widespread hostility towards the CAP.

The design of the reform was based on strategic motives, which were rooted in a cool, precautionary assessment of Europe's and the world's main environmental challenges, the long-term outlook for world food demand and supply, and the prospects of public financial support in the EU.

I will briefly refer to the three key challenges farmers, agro-food industry, rural actors and indeed society at large are facing, which need to be collectively addressed in all possible ways if we want to secure a future to our neighbourhoods, our rural people and spaces, our countries, and contribute to our own as well as to the world's food needs and to sustainability.

These challenges are the environmental challenge, the food challenge and the financial challenge related to the two previous ones.

## **The Environmental Challenge**

*(Slide 2)*

Our lives are and will increasingly be affected by environmental problems, which are persuasively described in Jared Diamond's recent book "*Collapse*" (Penguin) on how societies choose to fail or succeed. Societies' survival depends on how they solve their serious environmental problems, most of which involve ceilings on natural resources.

Four main problems have become serious only recently: fossil fuels, photosynthetic ceilings on sunlight supply, toxic chemicals (insecticides, pesticides and herbicides), and gases such as carbon dioxide or methane.

Others are not new. For example the destruction of natural resources, biodiversity losses, net losses of soils due to water and wind erosion, the lack of fresh water, alien species, etc.

The frequency of these problems has been increasing with environmental degradation, population pressure and its impact on the environment, rising living standards, and immigration from low-environmental-impact countries. They are interlinked time bombs with fuses of less than fifty years. Any of them alone could do great harm, but all of them will have to be solved in one way or another within the next generation. This will inevitably be done, either in pleasant ways of our choice, or in unpleasant ways not of our choice, such as poverty, political instability, warfare, starvation, disease epidemics, or collapses of societies. If we collectively fail to find good solutions, also our higher lifestyles to-day will eventually be affected by waves of immigrants fleeing from collapsing societies and knocking at the doors of the richer ones.

All of the problems I referred to are directly and often heavily or at least indirectly linked with agricultural and rural development policies. All agricultural policies are in need of reform and action, and appropriate measures should be taken that are suitable to each case. It is not in our interest to stop the reform process by pressing home that our farmers cannot compete with countries with more space, better climate and lower costs of production such as Australia. More important is to reason in terms of comparative long-term sustainability, than short-term cost.

Take Australia, which Diamond has defined as “the most unproductive continent”. Much of it is, as he describes, useless for any form of agriculture, and in much of the rest of the country the soils have on average the lowest nutrient levels, the lowest plant growth rates, and the lowest productivity in the First World. Rainfall is often insufficient and unreliable to raise crops to maturity more than half the time, and often far less. Agro- forestry suffers from slow tree growth rates due to poor soils. Australia’s rivers and coastal waters are relatively unproductive and overexploited. Its renewable resources are overexploited and declining. Australia is the continent with the least fresh water (80% of which is dedicated to agriculture contributing to 3% of GDP), with proportionately the smallest area covered by forests (20%), and the only continent that has cleared as much as 90% of its original vegetation.

With this picture, to say that the Australian farmer is privileged compared to Europe’s is a fallacy. As a result of extra expenses due to disproportionately high fertilizer and fuel costs, Australian farmers selling to local markets often cannot even compete against overseas growers except in specialized *niches*. About 80% of Australia’s agricultural profits are derived from less than 0.8% of its agricultural land. Most of Australia’s remaining agriculture is in effect a mining operation destroying the land, expensive for the consumer and uneconomic to the individual farmer. Australian land use has gone through many cycles of land clearance, investment, bankruptcy, and abandonment. Some economists think the country should do away with much of its agriculture and could become a net agricultural importer.

The declining sustainability of Australia’s agriculture and society may be particularly serious, but there is little doubt that much of the world is going in the same direction, and that we in Europe would be well advised to steer more and more in the opposite direction by progressively improving the sustainability of our agriculture, particularly in the context of accelerating climate change.

The New CAP has addressed that challenge by reforming both the first and the second Pillar accordingly. Further measures will be required down the road. We are all aware how difficult it is to apply cross-compliance measures and improve sustainability. It is likely that it cannot be fully done without resorting to the relevant sanctions in case of failure to respect cross-compliance provisions.

Although Europeans are admired, in particular in the US, for their urban zoning leading to a more land-efficient and energy efficient approach, they can and must do much better, notably in order to stem the depopulation and desertification of growing parts of their countryside, thereby avoiding the fate of many other nations. This obviously requires public commitment, as well as money.

If third countries like the US refuse to reform their own agricultural and rural development policies and their urban zonings, this should be no excuse for Europe to put on hold its own

reforms and/or stop its own reform process. European actions should **not** depend on parallel actions by third countries, unless Europe is prepared to risk eventual collapse of its own environment, not to say of its own society. Some of Europe's stakeholders may complain about loss of (short-term) competitiveness. But irresponsibility should not stop common sense! When the US tried to undermine the Kyoto process they could not choke it, nor will they manage to stand in the way of Kyoto's successor agreement. Similarly, no EU member should stop the CAP reform process towards long term sustainability, because it is common sense.

I believe the US will come around on Post-Kyoto with the commitment of the converted, and must thank for this in particular Al Gore, who just got the Oscar for his documentary "The Inconvenient Truth". The Americans may even become more active on sustainability than the EU. In this connection, some western US states have already made a commitment to reduce gases linked to global warming. Europe should make sure that it keeps its lead on this.

EU rural policy as well as agricultural policy must from now on be conducted and adapted taking into account the contribution that the EU can make to tackle the world's, and incidentally also Europe's most serious environmental problems in the interest of its own people. This makes also sense economically over the longer term.

## **The Food Challenge**

### *(Slide 3)*

The second challenge is to structure EU policy so that a return to over-production in Europe is avoided, while preserving Europe's capacity to produce enough food in a sustainable way for a world in which food scarcity has been taking place in various highly populated areas and is likely to grow. It has been calculated that the addition of some 70 million people every year claims nearly 3 million hectares for housing and other purposes, nearly 400,000 hectares of which (much of it cropland) for roads, highways and park lots alone.

Grain demand tends to expand beyond supply, which is diminishing, notably in China, India (including its Punjab bread-basket), the United States (in particular the southern Great Plains and the South-West), Australia and a number of other countries like Kazakhstan. Thus, according to a recent World Bank report, China's annual grain production has gone down by 50,000 tons from 1998 to 2004 and the northern part of the country "is literally drying out". These trends cannot be compensated by an increase in Brazil's grain land and creation of new rural settlements there, apart from the consequences of that for the environment (domestic soil sustainability and rainfall recycling in Brazil, and biodiversity and climate effects worldwide).

In this context, it is worth underlining once more how agriculture, energy and environment are interlinked, and refer to the intensive debate about **biomass and bio-fuel** as means to deal with all three at the same time. I strongly favour a role for farmers in energy production, but urge all concerned to act in accordance, not with short-term fashion, but with long-term market prospects and human needs.

The big question is: how can we best balance food demand and supply, save energy and water, and preserve the environment, all at the same time? Overproducing food and over consuming fossil energy and water worsens the environment. Under producing food and energy leads to high food prices and political instability. Bio-mass and bio-fuels reduce energy dependence, without reducing water consumption, but may increase food prices and

worsen the food balance. We are indeed witnessing a mounting competition between food and fuel and a structural shift in US and European agricultural markets. When oil costs more than \$60 (€47) a barrel, farmers have an incentive to convert corn, wheat, soy beans and sugar cane into fuel. Last year, as petrol prices climbed, farmers (particularly in the US) transferred production from food and feed to energy, thereby driving up food prices. As US production of corn-based ethanol tripled over the past three years prices have shot and stocks have fallen to their lowest level since the early 1970s. The USDA (Department of Agriculture) has forecasted that 55m tonnes of US corn will be converted in 2007 into ethanol – 14m tonnes more than in 2005. Considering that US corn accounts for 70% of world exports and that US corn exports average 40-50m tonnes a year (with a potential to feed some 130m people), the US conversion rate of corn into ethanol must have a major impact on world corn prices as demand outstrips supply. Even small shifts in world production can have big price effects. For instance the use of the 10% of world sugar output which was transformed into ethanol in 2006 contributed to double the global sugar price to a 25-year high. A further steep price increase for relevant commodities can be expected if the legislated target of US ethanol production of 7.5bn gallons by 2012 is met, notably for corn because it would lead to a major loss of US corn exports corresponding to the total grain harvest of Canada or Brazil. Things would even worse if Congress and producers responded to the US administration's call last month for mandated renewable fuel production of 35bn gallons a year by 2017, with ethanol accounting for about 15bn of this, a threefold increase on current output. The US Congress is worried enough to schedule hearings on bio-fuel funding and the impact on food prices.

Europe has so far relied only on voluntary mechanisms to promote ethanol so that the production shift there can be expected to be less remarkable, unless EU legislation changes. But there is too little awareness here about the link between an over-reliance on ethanol/bio-diesel production on the one hand, and food availability and prices on the other. When crop prices rise, the introduction of the Single Farm Payment allows EU farmers to react rapidly.

In conclusion, while I support farm production diversification from food to fuel, we should be aware that, beyond certain limits, it results in higher food prices (good for the farmer in the short term, bad for the poor) with limited effects on energy self-sufficiency, so that one is entitled to ask whether the best use of diminishing water resources is to produce more fuel and less food (in particular meat). Besides, fuel may be a riskier source of farm income as its profitability depends on changing oil prices. Should our policy-focus not rather be on reducing energy consumption and managing water resources better?

The Earth Institute among others believes that the reasons why world food supply is tightening are mainly falling water tables and diversion of irrigated water towards the cities. Water shortages translate into food shortages. While individuals drink only two to four liters of water (in different forms) a day, it takes 2,000 liters of water to produce the food an individual consumes daily.

But water is not the only key factor of food supply. Other factors conspire to worsen the picture such as: continuing over ploughing and overgrazing, increasing bio-mass production for fuel, a growing shift towards grain-based meat production in poorer countries, shrinking harvests with rising temperatures, and so forth.

Technology can of course help to increase sustainable food production, but up to a point. Till farming techniques help retain water, raise soil carbon content, reduce energy needed for cultivation, as well as wind and water erosion, but cannot do more than slow the negative trend. New technologies capable to raise land productivity are shrinking and will be of

diminishing help as yields of wheat, rice, and corn press against the ceiling ultimately imposed by the limits of photosynthetic efficiency.

This overall negative prospect of world food imbalance cannot leave anybody indifferent. With 3 billion people expected to be added to the world by 2050 (two thirds of whom in Asia and Africa) and 8 countries alone<sup>1</sup> accounting then 4.7 billion people, most of whom have neither the climate, nor the soil or other conditions necessary to feed themselves in the future, the political economy of Europe's agriculture cannot ignore the negative trends regarding the *global commons*. Nor can the rest of the world ignore the key role that Europe is called to play in the forthcoming period of food scarcity. Future world demand of food requires that EU farmers continue to play their role in feeding the world.

The new CAP is designed to avoid food surpluses. But to the extent that world overproduction may be replaced by food scarcity, we could expect less competition among the producers of staple food for access to food markets, and more likely competition among net-food-importing countries for access to supplies. We would, and probably will then see import barriers in this connection replaced by export limits, and if Europe or other countries producing bulk farm products experienced periods of excess domestic demand, they will tend to repeat what several other countries have already done in such a situation, particularly recently: impose export limits.<sup>2</sup> After being accused of dumping its food surpluses on world markets, one could well see the EU accused of withholding supplies from hungry people!

### **The Financial Challenge.**

Continuing, substantial public support is essential in order to help tackle the environmental and the food scarcity challenges I just described. But such support appears unlikely to materialize.

In this context, let me stress here loud and clear that I do not reckon that it is too much to devote one per cent of total EU public expenditures (EU+MS) to farm and rural support. It should be reminded that farmers alone represent some 6% of EU population, and rural regions cover more than 80% of the EU-15 area and about 40 % of the total population still lives in rural areas. These percentages are of course higher in the newly enlarged EU. Nevertheless, financial support for the CAP has already been heading downward.

And yet, the public financial support to the first pillar of the CAP can be expected to move downward. While agricultural prices can be expected to move upward allowing farmers to increasingly live from market revenues, the income effect may however be reduced, if not cancelled if a deal is struck in Geneva, which on current indications may cause income losses to EU farmers totalling up to €20 billion a year. According to the OECD, this could push land values down and production intensity up.

As to EU rural development support, it already has lost some €40 billion over the next seven years (including co-financing) and may suffer further reductions as from 2014. Consequently, the services that farmers provide to society risk receiving insufficient compensation.

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<sup>1</sup> India (1.5 bill, China (1.4 bill) USA (0.4 bill), Indonesia and Pakistan (3-3.5 bill each) and Nigeria, Bangladesh and Brazil (with an average of 0.25 billion each)

<sup>2</sup> Canada and Australia have already done so in 2002, Russia in 2003 and Viet-Nam temporarily refused food import requests by China in 2004.

Let us be clear: The consequence of such developments will not be – as some believe – a further intensification of farming. It will be the opposite. The more our farmers need to compete with their overseas competitors, the more they are forced to introduce the same industrialized, intensive practices with all the negative consequences for the environment, the landscape and the biodiversity

The EU budgetary prospects are particularly worrying because Member States are in the process of condemning the EU budget to irrelevance over time by “renationalizing” parts of it, where they can. Thereby they can try to shore up internal support by distributing more money to certain domestic constituencies directly instead of anonymously (for them) through Brussels.

These are the reasons why, as far back as 2002, I feared that EU public support was on the way down, and believed that rural depopulation and decline in many areas could not be kept in check, let alone reversed without complementary private initiatives, local motivation and adequate private financing. I therefore felt there was a need to increase the relevant resources, although the difficulties of the pending CAP reform led me to postpone action to that effect.

In the light of the general landscape of the world’s environment and per capita food resources outlined earlier, I was and remain convinced that, while the agricultural reform process has to continue in Europe and hopefully take place also in the US and elsewhere including the developing countries, the CAP remains a necessary, permanent feature of the EU as well as for balancing world food demand with supply.

### **The EU Must Revitalize its Countryside and Help Feed the World**

Let me conclude as follows. The three challenges I just outlined – environmental sustainability, food balance and appropriate finance - , which concern not only the CAP itself, but also the world as a whole, are the strategic reasons of the last CAP reform and for the continuation of the reform process.

The new direction taken by the reform is the most appropriate in the present and perspective overall European and world context, and also the most likely to save the CAP as it adapts to new realities. I also hope it will help making our society more aware of the linkages existing between agriculture, rural development, the environment, commerce, tourism, the food industry and quality, infrastructural costs and overall employment.

I am glad that EU farm ministers reached a virtual consensus on the reform, whose rationale they eventually adopted, but I must add that the subsequent response of the EU Heads of State and Finance Ministers jeopardized the vision of shifting support towards the second Pillar in order to improve sustainability and promote rural development. Selected budget cuts in the framework of the Financial Perspectives 2007-2013 ended up by overturning the core of my reform philosophy regarding the importance of the second pillar. This was an unfortunate development, because the European Council has thereby ignored what the Council (Agriculture) had already decided. It has thereby failed to appreciate that overexploitation of natural resources, together with urbanization and globalization have become the most serious challenges to the physical integrity of the countryside, and its way of life, and that something has to be done about it. This situation is being made more worrying by two other factors: firstly, rural actors are increasingly marginalized from the public decision-making process; and secondly, public budgets for rural development are expected to be further reduced after

2013. Those who understand the rural predicament because they live with it have little power, whereas those who have the power of the purse don't understand it or prefer to look the other way.

I regret that the Lisbon and other European Council debates ignored the contribution that rural development makes to employment, despite attempts to stress this point. EU decision makers mostly ignore also the possible consequences of weakening CAP support such as: the risk of Member States introducing contradictory policies that may hamper the Single Market; the consequences in some areas of land abandonment in terms of nature (which needs caring), and accelerated urbanization (which involves infrastructural, environmental and other costs); the consequences in other areas of production intensification and pollution, or the implications of reduced farm output. What would for instance be the budgetary costs of catering for the additional urban or sub-urban dwellers, produced by accelerated rural desertification? Would an end of the CAP result, would it not, in contradictory policies by the member States possibly causing the collapse of the internal market? Or would it reduce European farm production to such an extent as to have a major impact on (higher) world prices with serious humanitarian, economic and political consequences in particular for food importing developing countries?

My message here is a) watch out for false promises packaged with catch-words such as sustainability, not followed by concrete measures; b) beware of those who say that the CAP, however far its reform process goes, is "out of step with the need for Europe to respond to the challenges of globalization" (UK Vision), and c) let's get organized to do what we can do on our own to contribute to our vision of a sustainable countryside.

I will now focus on this latter point.

Within the new "globalization" context, in which agriculture is progressively losing farmers, favour and public support, we landowners (if I include my five hectares) will lose out if we don't look ahead, make our lobbying more sophisticated and devise new instruments to improve our image.

## **The RISE Foundation**

### ***(Slide 4: The Rural Charter)***

As far back as 2001, in my assessment that the CAP was losing supporters, we at the Commission started thinking of possible new instruments in order to gather additional financial means to help strengthen the rural environment from private sources, but the reform took too much of our time to open a new reflection. If I remember well, the issue was inserted in the Council conclusions on the 2003 reform.

In 2006, having left the Commission one year earlier together with my then Chief of Staff here present, we undertook to outline, with the agreement of the FCS and the ELO our principles and vision regarding rural development, and to create a foundation to foster them. This has led to the International Charter for Rural Conservation and Renewal, in brief The Rural Charter, and to the Articles of Incorporation (or statute) of a new foundation, which is an instrument of the Charter.

The Rural Charter recognizes that the market system has proved insufficient to ensure a proper distribution of activities without appropriate public policy and corrective mechanisms.

It outlines our vision for rural development, and our resolve to enhance rural development beyond what is feasible with existing instruments regarding not only areas in decline, but also dynamic ones.

The general aim of the Charter's new instrument is the Rural Investment Support for Europe Foundation. Hence the name RISE Foundation<sup>3</sup>

*(Slide 5: What is RISE and its Scope?)*

RISE got its Public utility status last autumn, became a member of the King Baudouin Foundation's Trans Giving Europe Network, and obtained initial financial support from the BNP Paribas, who is also its partner and is sponsoring this gathering. RISE is starting a capital campaign this month.

RISE is a unique multidisciplinary instrument for the promotion of rural conservation and renewal, and of cooperation between landowners and rural communities. Its vision is that of the ELO and the Friends of the Countryside. It is a self-supporting philanthropic venture, separate from these two organizations, fostering bottom-up private investment in rural areas, mostly in Europe. It is the only Europe-wide independent foundation devoted to rural development.

*(Slide 6: Our Vision)*

**Our Vision** is a strong, vibrant and dynamic countryside, where people have a high quality of life, and where the values of self-reliance and sustainable development are shared by all. A countryside where natural heritage is preserved and cultural traditions are kept alive;

Competitive rural regions, that build on their human and natural assets, and deploy their endogenous talents in order to meet the challenges of globalization and urbanization;

Committed rural actors, who trust their individual and collective capacity to make a change. Farmers, landowners, rural entrepreneurs, institutions, and countryside lovers, who join together in an unprecedented collective effort and have the power, the resources and the commitment to build a better future for the rural population.

*(Slide 7: Our Mission)*

**Our Mission** is to remove the barriers – structural, cultural and economic – that hold our countryside back; promote economic cooperation, synergy and social integration; stimulate positive developments in rural areas through innovative pilot projects; use the best Research and Development to speed up innovations for the countryside; mobilize resources and develop financial vehicles to conserve and renew the countryside, uphold the interests of rural people, notably those who own land; and contribute to a better understanding between city and countryside and to a more motivated rural population, by promoting new ideas and new forms of dialogue.

The main objectives of RISE are summarized in *Slide 8*.

Besides the main object of the Rise Foundation, it is worth stressing its potential value as an instrument to attain a number of **additional purposes**, which are of particular interest to FCS members:

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<sup>3</sup> See: «[www.risefoundation.eu](http://www.risefoundation.eu)»

Firstly, the creation of a **new medium** for gifts, testamentary dispositions and legacies for landowners, notably when they lack heirs. Landowners might indeed choose to bestow their property to the Rise Foundation entrusting it to manage it as a permanent resource for philanthropy, or otherwise use it as they may determine for charity purposes.

*(Slide 9: Purposes of Special Interest)*

Secondly, an additional purpose of RISE is to foster, with the help of one or more financial institutions, a **package of financial instruments** aimed at building up the Foundation's capital such as, for purely illustrative purposes: hosting other foundations for a fee, creating or participating in funds providing revenues for philanthropic purposes (micro-credits), or managing mutual funds transferring profits to the Foundation's capital. The financial package should help defend and preserve the countryside in its widest sense.

Thirdly, the creation of a network of attractive and environmentally friendly private properties to be called **Friends' Habitats**. The Foundation could support such a network with an annual award to landowners deserving special recognition. Participation to such a network could incidentally prove helpful in making expropriations more difficult. If in addition the Foundation invested also in the environmental value of certain Friends' Habitats, this might help making any relevant expropriations even less likely.

Fourthly, the development of a **tool** to help boost, conserve and **transmit the sense of value** among the present and future generations of landowners and supporters by offering to them a common instrument of philanthropy, which upholds their values.

Our task is not simply the self-defence of our interests, as well as of high principles, but to support those principles through our personal and collective action.

This is in the best interest of the landowners and the surrounding rural communities alike. Improving the living conditions of rural communities helps sustain the value of neighbouring properties. Improving the latter increases in turn the attractiveness of the surrounding countryside and the job opportunities there. It helps prevent depopulation, desertification and a collapse of rural services. Lack of infrastructure, notably of public interest services, means loss in land values affecting the life styles of landowners, tenants and labourers alike.

Creating a foundation is very much in the spirit of our times. Witness the recent accord between Buffett and Bill and Melinda Gates creating the most endowed foundation in history.

I fully realize that I am proposing for all of us a quantum leap. A new instrument of public utility such as Rise can help update, redefine and better serve our vision, which remains unchanged, but may hopefully be pursued more effectively.

I see no risk of confusion between well established organizations like RISE and FCS on the one hand, and ELO on the other. Although their vision is the same - and I attach importance to keeping it so - , their mission and composition is different.

Success is not a foregone conclusion, of course. Ours is an ambitious undertaking, which deserves a try. It will need internal as well as external support to its capital and/or projects support which is of course voluntary. It also needs a skeleton staff, which is in waiting, and could start only if and when €500.000 becomes available for the first two years. I am

confident that if we obtain the support necessary to start operations, we can soon be in business.

Any help is therefore particularly welcome. If any of you has suggestions Corrado, Thierry and I are here for that.

The purpose of the capital campaign which RISE is launching is to attract the attention of potential private investors, banks, other foundations, the European institutions, national Governments, NGOS such as the environmental organizations on this new instrument of philanthropy.

In this connection, may I ask a few questions without any particular order, or appeal for immediate answers? Could your Grupo de Empresas Agrarias act as a relay for the Foundation, using it as an additional instrument of action? Would it be willing to promote or speak about it, suggest any potential donors known to its members, and/or collect worthwhile private project proposals, which are in line with the RISE statute and vision, cannot be entirely self-financed, make a first selection and transmit them to the Board of the Foundation? Could one or more Spanish Friends consider making a significant contribution to the starting capital of Rise? Your views, wishes or submission can be sent to Vicente Sanchez and to Corrado Pirzio-Biroli at 67 Rue de Treves, Brussels. Please do not send any money. If anyone thinks making a pledge, we should first be given the opportunity to assess whether tax exemption can be obtained despite Spain not yet being a part of the Transnational Giving Europe network.

Any interesting project you may have could be submitted to the PNB Paribas contact group for possible financing, provided the next RISE Board meeting the 11<sup>th</sup> of June so agrees.

We have of course been thinking of some possible projects, whose feasibility would have to be thoroughly assessed. The first, which I shall call the **Green Curtain**, consists in a nature corridor along the former Iron Curtain. The second concerns the connectivity of peripheric rural areas without a **broad-band internet connection**. The third regards the transformation of plant waste into **green carbon**.

In closing, I wish to thank once more Vicente for taking this initiative to discuss with the G.E.A and its guests the CAP reform, its motivations, its future and prospects for doing something about it.

Estoy abierto a cualquier cuestion o suggestion de vuestra parte.

Muchas gracias por vuestra atención, nos vemos durante la cena.