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COVER NOTE

from: Republic of Cyprus, House of Representatives
date of receipt: 5 June 2012
to: President of the Council of the European Union

Subject: Proposal for a Regulation of the European Parliament and of the Council

- establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy [15396/11 AGRI 679 AGRIFIN 87 CODEC 1656 - COM(2011) 625 final]
- establishing a common organisation of the markets in agricultural products (Single CMO Regulation) [15397/11 AGRI 680 AGRIFIN 88 AGRIORG 178 CODEC 1657 - COM(2011) 626 final]
- on support for rural development by the European Agricultural Fund for Rural development (EAFRD) [15425/11 AGRISTR 57 CODEC 1665 - COM(2011) 627 final]
- on the financing, management and monitoring of the common agricultural policy [15426/11 AGRI 684 AGRISTR 58 AGRIORG 181 AGRIFIN 92 CODEC 1666 - COM(2011) 628 final]
- Opinion on the application of the Principles of Subsidiarity and Proportionality

Delegations will find attached the opinion of the House of Representatives of the Republic of Cyprus¹.

¹ The translation can be found at the Interparliamentary EU information exchange site IPEX at the following address: <http://www.ipex.eu/IPEXL-WEB/search.do>.



REPUBLIC OF CYPRUS
HOUSE OF REPRESENTATIVES



**Opinion of the House Standing Committee on Agriculture and Natural Resources on the
Reform of the Common Agricultural Policy**

The House Standing Committee on Agriculture and Natural Resources examined the legislative package of the European Commission for the Reform of the Common Agricultural Policy of the European Union in a number of meetings.

Following a broad discussion on the subject, the Committee **adopted the following opinion**, which is to be sent to the European Institutions on behalf of the House of Representatives of the Republic of Cyprus in the framework of the political dialogue:

- ***Broadly welcomes*** the Commission proposals on the Reform of the Common Agricultural Policy and the basic principles on which they are based i.e. the convergence and the contribution on the EU 2020 strategy, the promotion of innovation and green growth, the just allocation of funds on the basis of objective criteria, the acknowledgment of farmer's role in the production of public goods and their efforts against climate change, the improvement of competitiveness of all types of European agriculture and the support of small farmers.
- ***Stresses*** the need for further simplification, flexibility and decrease of administrative burden.
- ***Stresses*** the need that these proposals should take into consideration the particularities of each Member State.

Regarding direct payments

- *Welcomes*, in principal, the proposal for the redistribution of resources for direct payments.
- *Considers* it imperative to find a way to avoid the reduction of the financial envelope of small new member states, such as Cyprus, which are affected by structural problems due to size and distance from other markets as well as climate change.
- *Supports* the introduction of multilevel direct payments and greening, but stresses the need for significant simplification of the management and control system and the need to ensure the compliance with environmental commitments with the minimum cost for the farmers and the national authorities.
- *Supports* that farmers who receive small amounts, be excluded from the “greening” commitments.
- *Welcomes* the efforts of the Commission to address the problems and concerns of small farmers and to take into account their important environmental, economic and social role. *Emphasizes* that small Member States should be able to administer more than 10% of their financial envelopes to small farmers.
- *Welcomes* the Commission’s proposal that allows Member States to transfer funds between the pillars of CAP but *underlines* the need to grant more flexibility to Member States.

Regarding Rural Development

- *Agrees* with the three basic objectives and priorities set out by the Commission.
- *Expresses concerns* regarding the introduction of complex ex ante conditionalities, the fulfillment of which may cause delay.
- *Strongly believes* that the principle of proportionality should prevail in all issues related to simplification, in the case of small and very small Member States of the Union.

Regarding the Single Common Market Organisation (CMO)

- *Welcomes* the proposal for a single Common Market Organisation and the new measures proposed, such as the introduction of contractual farming, further support to producer's organizations and associations, measures to increase the bargaining power of farmers and improving the marketing standards system.
- *Supports* the provision that allows the Commission to take emergency measures in all sectors in order to address serious market disturbances using financing from the new crisis management fund, placed outside the Multiannual Financial Framework.

Regarding the financing of Common Agricultural Policy (CAP)

- *Welcomes* the proposal for the financing, management and monitoring of the CAP and considers that there are a number of new and positive elements, such as the clarification and further specification of the cross compliance provisions and requirements.
- *Believes* that there is a scope for the European Commission to pursue further simplification of the system and for including in the basic regulation clear provisions to reduce the cost of administration of the Paying Agencies.