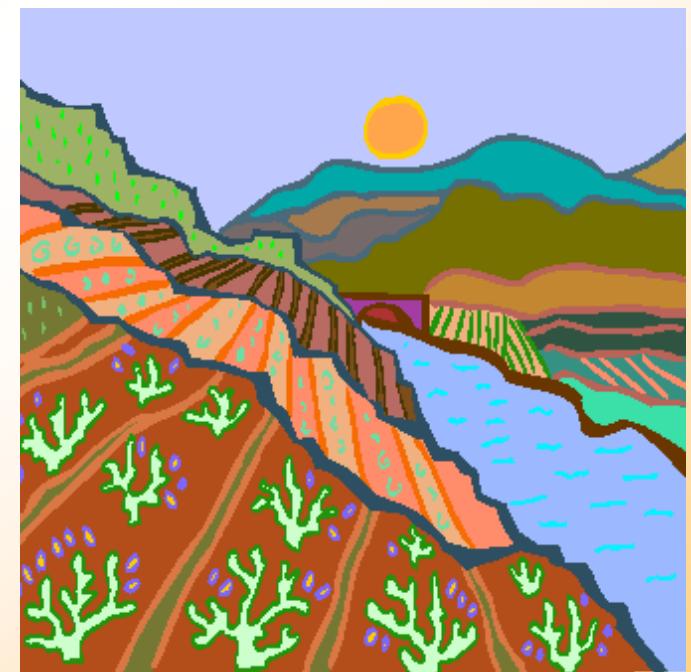




European Economic and Social Committee

**NAT/520
CAP TOWARDS 2020**





ORGANIZATIONAL WORK

- ⇒ The beginning – May 2011
- ⇒ 3 study group meetings
- ⇒ Hearings and meetings with stakeholders
- ⇒ 50 years CAP anniversary
- ⇒ **144 amendments** from 21 colleagues
Only 21 amendments on the total of 144 points were treated with voting
- ⇒ The NAT Section adopted the opinion with clear majority (47 votes in favour, 4 against and 5 abstentions)
- ⇒ In Plenary – 11 amendments. The opinion – adopted with clear majority.
- ⇒ Key principles in my work always have been: positivism, tolerance and mutual understanding of the problems of all MS and stakeholders.



CAP – MISSION POSSIBLE OR MISSION IMPOSSIBLE?!

- ⇒ The CAP has always been a difficult area of EU policy to reform; this is a problem that began in the 1960s and one that continues to the present day. Because it distributes a significant part of EU budget (from 70 % in 1984 to 40% nowadays)
- ⇒ 27 Member States nowadays (6 MS at the beginning). The main difficulty is coming from the fact that 12 new MS joined EU without significant increase of the CAP budget.
- ⇒ Diversified agricultural conditions in the Member States
- ⇒ To identify consensus between the different standpoints on each issue. Achieving a consensus is a very difficult task. Reflection of such conditions as economic and financial crisis, climate change
- ⇒ Yet, the challenges to EU agriculture have become broader (beyond the agricultural markets) and more complex (due to inter-linkages of economic, social and environmental issues and their global dimension).
- ⇒ The main challenge today is: how to ensure sufficient production to meet growing demand, but to do it in a way which is environmentally friendly and contributes to a more climate resilient economy.
- ⇒ The work of the rapporteur is a great challenge and a great responsibility. And very complicated of course. I made a real sincere genuine attempt to reflect as many as possible contributions of colleagues from all MS.



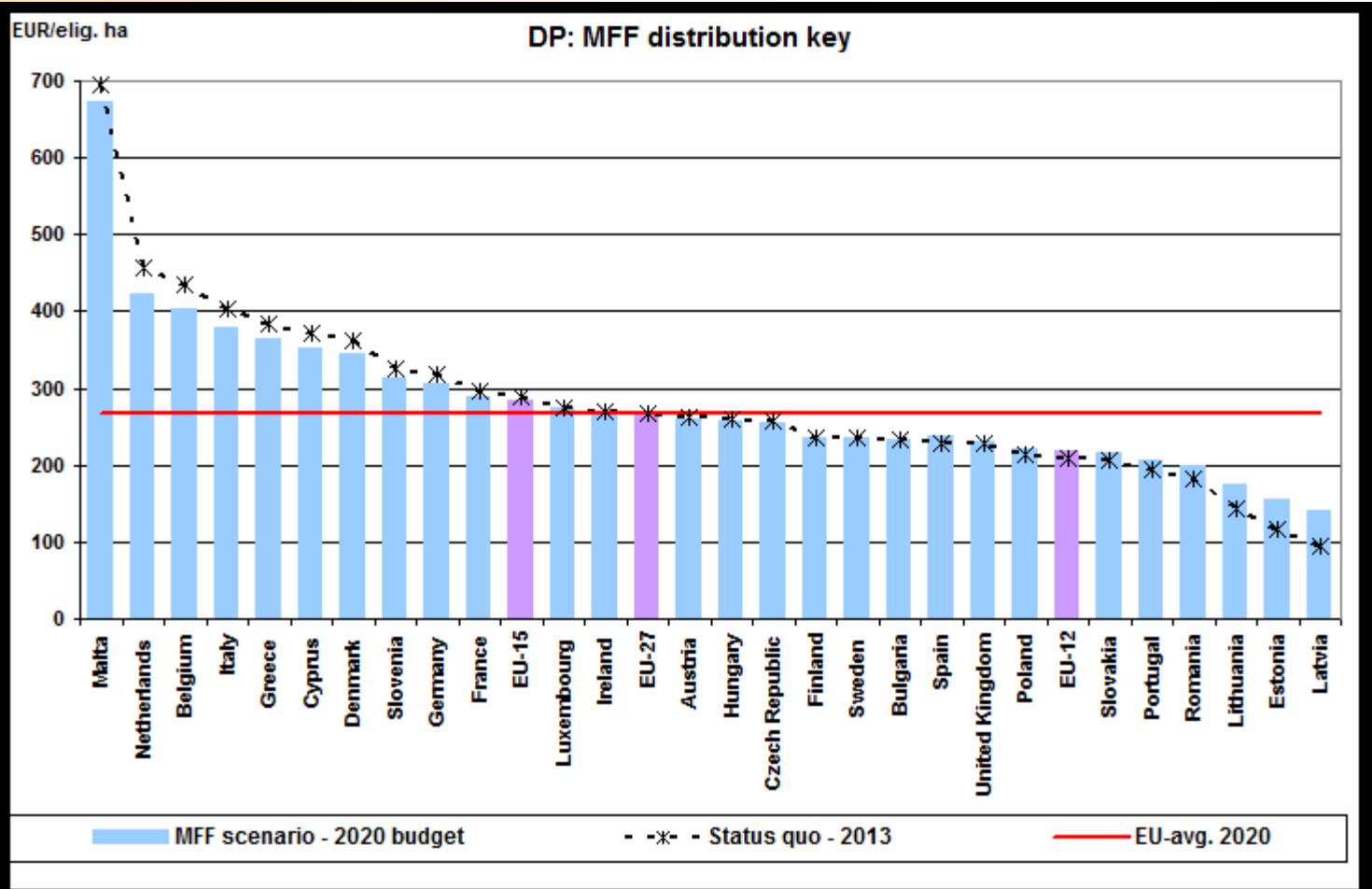
KEY PRINCIPLES

- ⇒ **Balance** (how to respond to the diversity of EU agriculture to provide tailored support without losing the common character of the policy)
- ⇒ **Flexibility**
- ⇒ **Pragmatism** (what could really be implemented)
- ⇒ **Simplification** (while moving towards better targeting maintaining sound financial management and controllability and enforcement)
- ⇒ **Transparency**



SOME MAIN ASPECTS OF THE NEW CAP OPINION

- ⇒ More than ever before, the European agricultural model is indispensable.
- ⇒ The new CAP should contribute to improving socio-economic conditions, employment and the safety of workers in the agricultural sector
- ⇒ The EESC considers that one of the prime concerns throughout the CAP reform process must be simplified procedures and flexible implementation to reflect the diversified agricultural conditions in the Member States and to reduce bureaucracy for farmers and difficulties for the bodies administering payments
- ⇒ Balanced approach to such important issues like greening, capping, convergence
- ⇒ The main features for the future CAP in terms of the redistribution of financial resources among Member States should be balance, fairness and pragmatism, bearing in mind the agricultural diversity across the EU. EESC recommends redistribution of national direct payment envelopes based on objective, non-discriminatory criteria and a balanced and appropriate transition period for the planned fair convergence away from the historical reference principles. The goal is to ensure that no country would be under 90% of the EU average of direct payments at the end of the next budget period.
- ⇒ CAP payments under Pillar I should be targeted at active farmers. Clear definitions of agricultural activity, eligible land and active farmer, as well as better links between payments and activity should be established in order to avoid a limited budget being consumed by unfarmed land and non agricultural activities





SOME MAIN ASPECTS OF THE NEW CAP OPINION

- ⇒ The EESC supports a phased-in reduction by capping direct payments
- ⇒ The EESC welcomes the flexibility between pillars proposed by the Commission. It is of primary importance that Member States in which the level of direct support remains lower than 90% of the EU average should be given the opportunity to transfer funds allocated for rural development to their Pillar I envelope as well. This possibility should also be available for Member States with a disproportionately small Pillar I or which suffer from natural handicaps. The EESC proposes that such choices be possible within a limit of up to 10%.
- ⇒ The EESC has constantly underlined the role that farmers should, and could, play in soil preservation, biodiversity, natural landscapes and the environment, but which they are unable to perform adequately because of the current circumstances. It has therefore supported "targeted direct payments"; the greening component is precisely a step in this direction.
- ⇒ The greening component of Pillar I is a way of creating a stronger and more visible link between direct payments and the environmental public goods produced by farming. The EESC believes that this system should be kept simple, and should ensure environmental outcomes from all farmers across the EU. It should be possible to take into account the specific features of Less Favoured Areas when determining payments. The measure for "ecological focus areas" should be implemented in a manner that avoids agricultural land being taken out of production.



SOME MAIN ASPECTS OF THE NEW CAP OPINION

- ⇒ The EESC considers that the Commission proposals are insufficient to meet the challenge of increasing market volatility and the problems resulting from it.
- ⇒ It is vital to strengthen the position of farmers and their organisations in the food supply chain, in order to secure a better return from the markets. EESC also considers it necessary to create conditions for developing short supply chains managed directly by farmers
- ⇒ The EESC welcomes the proposed closer alignment of the CAP with the EU's 2020 strategy for rural development, with particular emphasis on research, innovation and training. There should be particular focus on training of the most vulnerable groups
- ⇒ The EESC welcomes the move from the "axis" approach to a thematic approach under the Rural Development Policy proposals. We think this will give Member States and regions more flexibility to take account of their own specific conditions
- ⇒ Special attention to mountain and island regions, organic farming, water scarcity and droughts
- ⇒ **The EESC calls for a balanced, predictable, viable, less bureaucratic, flexible and transparent future CAP to attract younger generations to this sector.**



THE EESC CAP OPINION ACHIEVED:

- ⇒ **MORE FLEXIBILITY** IN THE DIFFERENT MS DUE TO VERY DIVERSE MODEL OF AGRICULTURE.
- ⇒ **EQUAL TREATMENT BETWEEN FARMERS** AND TO AVOID MARKET AND COMPETITION DISTORTIONS
- ⇒ **MORE SENSE, CONSENSUS AND MUTUAL COMPROMISE**

- ⇒ **BALANCED REPRESENTATION OF OUR COLLECTIVE CONCERNs AND OBJECTIVES**





THANK YOU!

DILYANA SLAVOVA
EESC MEMBER
CAP RAPPORTEUR