



EUROPEAN COMMISSION

Brussels, 19 OCT. 2012
C(2012) 6896 final

Dear President,

The Commission would like to thank the House of Representatives of the Republic of Cyprus for its Opinion on the future of the CAP {COM(2011) 625_626_627_628 final}. In particular, the Commission welcomes the support for the main priorities and principles of the legal proposals. In response to some of the main issues raised in your Opinion, I would like to make the following remarks.

First, with regard to your concerns on simplification, this has to be balanced with the need for efficiency, control and better targeting of support. The Commission proposals lead to significant streamlining of cross compliance of market measures and of the part of direct payments which is directed to small farmers. We share the view that benefits accrued by the redesign of the CAP should not incur significant costs for farmers and administrations. However, simplification cannot be viewed in isolation from the main objectives of the CAP, i.e. the need to make European agriculture more responsive to the challenges of food security, environmental degradation and climate change and to contribute to more balanced territorial development. Accordingly, Member States with a good record of controls may reduce the number of on-the-spot farm checks, which, however, cannot be eliminated altogether as public expenditure needs to be duly justified and accounted for.

We take note of your concerns on the introduction of ex ante conditionalities. To reinforce performance, new conditionality provisions have been introduced to ensure that EU funding creates strong incentives for Member States to deliver Europe 2020 objectives and targets. The rationale for strengthening 'ex ante' conditionality for the Rural Development fund is to ensure that the conditions necessary for their effective support are in place.

We also take note of your concerns on the level of the national envelope of Cyprus in both pillars. With regard to Pillar I, the proposed convergence in direct payments is essential given that large differences still exist among Member States and farmers in the levels of direct support. On rural development, as in the past, we propose that the annual breakdown by Member State be made by the Commission, based on objective criteria as

Mr Yiannakis OMIROU
President
House of Representatives
CY – 1402 NICOSIA
CYPRUS

well as on past performance. We would like to reassure the House of Representatives that the flexibility proposed to allow Member States to transfer up to 10% of funds from Pillar I to Pillar II and to devise strategic national or regional programmes will enable Cyprus to target spending where it is needed most.

The Commission hopes that these clarifications address the concerns raised by the House of Representatives and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*