



HELLENIC PARLIAMENT

**Opinion of the Standing Committee for Production and Trade  
and the Special Standing Committee for European Affairs  
of the Hellenic Parliament,  
concerning the European Commission's Communication:**

***The CAP towards 2020:  
Meeting the food, natural resources and territorial challenges of the future on  
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Agriculture lies at the core of society and economy; it ensures the planet's food security and sufficiency, provides raw materials, protects the environment, generates new employment opportunities and keeps the social and economic web alive and strong in regions. In Greece, agri-food industry is still a major contributor to the domestic GNP. The particularities of the Greek province, characterized by remote areas (mountainous or island) presenting physical disadvantages and intense problems of desertification, make the discussion on C.A.P's restructuring even more challenging.

This discussion is being conducted at a time of extremely harsh circumstances for Greece. However, the financial crisis is an opportunity for restructuring economy's primary sector, towards the direction of a developmental model that will create new production and export possibilities, advance –in economic terms- the balanced social and environmental development of regions and that shall be based on the triptych of equality-identity-sustainability. Therefore, any alteration in C.A.P's structure, organization and extent will bring about multiple impacts in the Greek economy and society.

Regarding the public debate being conducted on C.A.P's first pillar, that is, the annual resources to be provided by the E.U for the common agricultural policy, Greece shares the view on preserving the existing percentage of E.U's GNP. It is imperative that the first pillar remains exclusively under community financing and counterbalance the national austerity budgets. In the period of financial crisis that most of the European countries are undergoing, the drafting of a rational community budget is essential, in order to render security and to adequately respond to E.U's ambitious policy targets, as stated in the EUROPE 2020 development strategy.

In what concerns the distribution of resources to member-states and upon the accession of the new circle of enlargement countries, the goal is to achieve the best possible balanced and sustainable development. E.U's social and territorial cohesion cannot be pursued by means of leveling rationales and simplistic approaches to future resource distribution. The legitimate as well as dictated defense of national interests must be consistent with the principle of community solidarity and the rapprochement of development levels of states and regions. The introduction of environmental criteria , the emphasis on effective and development criteria , the co-assessment of previous level funding, as well as of national and regional particularities, altogether lead to a more uniform and fair fund distribution to member-states, in order that agriculture remains sustainable in all E.U. regions.

C.A.P's second pillar regards rural development policy, which is co-financed by both the community and national budgets. Rural development policies include structural reforms allowing for a transition towards rural economy more flexible and of a higher added value, towards a sustainable agriculture of enhanced production and positively contributing to the environment and the green development, by integrating new knowledge and technological innovation. Therefore, the second pillar's role is of particular importance. However, thoughts for strengthening the second pillar through fund transferring from the first pillar- a tactic followed in the past- is considered wrong. C.A.P's pillars must be complementary and not competitive, and, therefore, the second pillar's budget strengthening must be sought in the total E.U budget.

A more coherent strategy as well as a more accurate targeting of funding are required for more effective resource exploitation, by means of promoting integrated rural

development programs, which will utilize both technology and innovation. They must aim towards competitiveness, development and employment. Resource management by member-states themselves allows for the specialization of their policy priorities and their adaptation to each country's demands and needs. Motives and incentives must be given for the strengthening of friendly- to- the environment policies and the promotion of renewable energy sources. . Moreover, the financial crisis might lead to the emerging of a new category of farmers, coming from urban centers. It is important to provide both these new farmers and existing activities of traditional form with motives for utility investing. For those groups' facilitation, it is advisable to simplify and to make more affective and clear the procedures for submitting, evaluating, materializing, receiving and timely funding of investments.

The critical challenges the new C.A.P is called to face concerning market organization (climate change impact, increasing price instability, limited access to funding, decrease in consumption due to the economic crisis) dictate the taking of appropriate measures for stabilizing the community market and for effective protection of farmers' income. The establishment of a crisis prevention and management fund, the creation of an intervention and storage mechanism, as well as safeguards against imports in periods of prolonged price drop, are all measures pointing to that direction.

Measures regarding the formation of a European food policy oriented towards quality, sufficiency and security must also progress within the same spirit. The smooth function of the whole agri-food chain, from the farmer to the consumer contributes to the sustainability of both agriculture and economy in its total. The E.U , through the new C.A.P is called to undertake initiatives for production concentration, market transparency and the creation of balanced relations in the context of the agri-food chain, blocking at the same time unfair practices and encouraging a more fair distribution of profit margins.