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Speaker of the Sacima of the Republic of La

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Mr. José Manuel Barroso President of the European Commission

Riga, 14 July 2011

Dear Mr Barroso,

I would like to draw your attention to the fact that during today's extraordinary plenary sitting of the Saeima of the Republic of Latvia, members of parliament held a debate on two essential issues related to the next multi-annual budget framework of the European Union for 2014–2020 and the recent Communication of the European Commission on "A Budget for Europe 2020".

Following the debate which was held in our parliament, the Saeima has unanimously adopted two statements, which address Latvia's priorities for the next EU multi-annual budget – the Statement on an Equitable Common Agricultural Policy of the European Union after 2013 and the Statement on the EU Budget's Financing for Reducing Social and Economic Disparities after 2013.

In view of the existing general agreement, as well as considering the initial phase before the negotiations on the next financial framework begin, the parliament of Latvia calls on the European Union to develop an equitable Common Agricultural Policy with fair direct payments to farmers from all EU member states, as well as to maintain the existing level of cohesion funding.

I herewith enclose both statements for your consideration and I would like to express hope for a positive outcome when the final decision is reached in due course and that the idea and values of Europe in letter and spirit of the Lisbon Treaty will become even closer to the hearts and minds of its citizens.

Please accept assurances of my highest consideration.

Yours sincerely,

Solvita Āboltiņa

Speaker of the Parliament

Republic of Latvia

## **STATEMENT**

## Fair and equitable EU Common Agriculture Policy after 2013

The Parliament of the Republic of Latvia (Saeima)

welcomes the policy papers of the European Council, that express the commitment to ensure fair competition within the European Union, as well as the view expressed by the European Commission in its Communication (November 18, 2010) that the direct payments of the Common Agriculture Policy (CAP) should be equitable and balanced and calculated taking into account economic and environmental criteria;

supports the Resolution adopted by the European Parliament regarding the CAP after 2013, which calls for a fair distribution of CAP funding across the European Union and objective criteria must be found in order to define a fair system of distribution.

concludes that the method of calculation of the direct payments after 2013 defined by Communication of Commission "A Budget for Europe 2020" (June 29, 2011) will not guarantee fair and equitable competition for the Latvian farmers with farmers from other EU Member states. In case of further substantial differences between Member States with regard to the amount of the direct payments, unjustified low direct payments will negatively affect practically almost whole Latvian population- producers and consumers- as well as the national economy in general.

reminds that Latvian farmers since 2004 are receiving the lowest level of direct payments in EU comparing to other Member States, which restricts Latvian farmers to exercise equitable opportunities within the European Common Market.

and invites EU Member States, European Parliament and the European Commission:

- 1. To establish such a CAP direct payment system that would ensure truly fair and equitable competition conditions for all farmers of the European Union;
- 2. To adjust the distribution of the direct payments defined by the Communication of the Commission "A Budget for Europe 2020" (June 29, 2011) in such a way to avoid substantial differences between the highest and lowest level of direct payments in European Union;
- 3. to set the amount of the direct payments for Latvia according to the new method of calculation in full use starting from January 1, 2014 due to the fact that the transition period for Latvia has already been applied from 2004 till the end of 2013;
- 4. To provide an adequate funding for both direct payments and rural development policy in order to promote sustainable development of agriculture and rural development within the European Union.

Speaker of the Saeima

S.Āboltina

## **STATEMENT**

## on the EU budget financing for the reduction of social and economic disparities after 2013

The Parliament of the Republic of Latvia (Saeima)

recalling the Title XVIII of the Treaty on the Functioning of the European Union, notably its Article 174 to "aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favored regions";

stresses the important role of the EU budget in the achievement of Cohesion Policy goals, notably the growth and development in less developed countries and regions, as well as the need to reflect the principles of solidarity and fairness in the EU budget;

stresses that the Cohesion Policy has to reflect the solidarity of EU Member States with the less developed EU countries and regions by concentrating the Cohesion Policy financing mainly in these countries and regions;

regrets that the European Commission in its communication from June 29, 2011 "A Budget for Europe 2020" proposes to cap the Cohesion policy allocation at the level of 2.5% of the Gross National Income (GNI), which will result in a considerable reduction of existing and potential public and private investments in the convergence countries;

and **invites** the EU Member States , the European Parliament and the European Commission to keep providing adequate financing for development programs and infrastructure in convergence countries so as not to endanger successfully launched and effectively functioning investment programs, which promote growth of these countries and consequent advancement towards the EU average development level,

Speaker of the Saeima,

S.Āboltiņa