

Bucharest, 7th December 2011 <u>Courtesy translation</u>

OPINION

of the ROMANIAN SENATE, on the

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

COM(2011) 625 final

The Senate of Romania has checked the compliance with the subsidiarity and proportionality principles of the 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 — COM (2011)625 final, according to the provisions of the Treaty of Lisbon (Protocol no.2).

Taking into account the report of the Committee on Agriculture, Forestry and Rural Development, the Plenum of the Senate, during its session of the 6th December 2011, has found that the examined proposal is in compliance with the principle of subsidiarity and the principle of proportionality. Nevertheless, following the analysis of the content of the proposal and in the perspective of the negotiations to come on the adoption of the reform package of the common agricultural policy, the Senate considers as necessary a further analysis of the following issues:

- a) Implementation of a more ambitious approach of the equity and convergence objective as regards direct payments, set by the European Commission within the debates on the future of CAP, to ensure a faster reduction of differences between the levels of direct payments;
- b) Careful reanalysis of direct payments green component implementation, in terms of institutional implications, budgetary impact and specific requirements that farmers must meet to access it. Considering that natural resources are equal by definition in all regions, the amount allocated for the green component should undergo equally and have the same value per hectare, wherever in the Union;
- c) Proposal that the transfer rate of funds between the pillars of CAP to be up to 10% in both directions, with financial performing carried out under the N +2 rule, thus emphasizing the flexibility and subsidiarity of decisions on agricultural policy taken by the Member States;

- d) Proposal to exclude the voluntary payments for areas facing natural constraints from all direct payments subject to capping; in the case of Romania and Bulgaria, for the years 2014 and 2015 to not apply capping, since we are still in the *phasing-in* process. It is also necessary to find how to implement direct payments capping for large beneficiaries so as to avoid increasing the national budget co-financing effort;
- e) Possibility to increase the 2% percentage from the national ceiling as well as the eligible area for the young farmers;
- f) Possibility, within the scheme for small farmers, to establish an increased upper limit for farmers who will not transfer / sell the farm and who will participate in the *European Partnership for Innovation* network.

PRESIDENT OF THE SENATE VASILE BLAGA