

Paris, 3 February 2011

Common Position of the Delegations of the French and German Parliaments on CAP Reform

The Treaty of Lisbon recognizes the role of national parliaments in the proper functioning of the Union. The delegations of the French and German parliaments intend to exercise their responsibility in communicating their position on Common Agricultural Policy (CAP) reform. Works of the two parliaments are part of France and Germany's constructive collaboration, which is also reflected in the paper entitled the "Franco-German Position for a Strong Common Agricultural Policy beyond 2013", adopted on 14 September 2010. Therefore, on Thursday, 3 February 2011, delegations of the French National Assembly, the French Senate and the German Bundestag met in Paris for the first time to discuss post-2013 CAP reform following the European Commission's communication of 18 November 2010.

The delegations of the two parliaments adopted the following common position.

A. CAP Issues

1. The parliaments are pleased to note that the importance and legitimacy of the CAP have been recognized. Food and health security, far from being an outdated or secondary issue, is a strategic objective.

2. European momentum for the CAP and particularly the Franco-German common position paper of 14 September 2010 is an extremely positive sign for the 12 million European farmers, 500 million European consumers and European ideal.

3. Ongoing reform must seek to promote a strong and fair CAP for competitive, market-oriented agriculture ensuring the vitality of regions and working towards a positive contribution of agriculture to environmental protection.

4. The CAP must remain a common policy that is mainly funded by the Community budget.

B. Competitiveness

1. A more market-oriented CAP requires political and economical framework-conditions to maintain and improve competitiveness. This is in line with treaty objectives, the Europe 2020 strategy, and is advantageous for farmers.

2. Increasingly volatile agricultural prices show that competitiveness cannot be the only guideline. They also require that a regulatory framework be maintained. Such future measures should include a safety net to protect farmers in the event of exceptional market crises.

3. Seeking competitiveness is legitimate, but so too are society's expectations. Competitiveness should encourage employment, support the environment, and further the development of our regions.

4. The European model of multifunctional agriculture should be kept. The diverse and various forms of agriculture should be given their rightful place within it.

C. Market Instruments

1. Market instruments should be arranged so as to create an effective safety net. The milk crisis clearly showed that swift, temporary measures could be necessary. It would be a good idea to now review possible ways to make current instruments more flexible and simple.

2. With this in mind, the CAP should help modernize farm management instruments and ensure transparent markets.

3. It could thus promote, on a voluntary basis for Member States and economic stakeholders, establishing contracts among producers, manufacturers and distributors and bolster the influence of producers to balance out relationships in the food chain. All such measures however should remain optional and avoid distortions of competition. They should likewise meet requirements of the internal market.

D. Direct Payments

1. Direct payments are an important contribution to secure incomes and risk protection for farmers. They have become essential for most farms. Moreover, they are fair compensation for the extra production costs incurred by Community standards and help remunerate the provision of public goods to the society that cannot be secured by the market.

2. As proposed by the European Commission, the single payment scheme, which is now an individual allocation of financial resources to farms, should take the form of uniform, per-hectare payments at regional level. The historical reference model used in a number of Member States for the allocation of individual direct payments to farms is no longer compatible with future CAP objectives.

3. Member States' aid levels need to gradually be aligned. This should be done over time and take account of the resources of the two pillars. It would also be a

good idea to factor the overall economic climate and the long-term interests of Member States into the European Union budget.

4. Simplifying the CAP is crucial. This objective should be kept in mind in the overall design of the future CAP.

E. The Environment

1. Agriculture uses nearly half of the surface area of the European Union. The Common Agricultural Policy now has a key role in establishing cross-compliance objectives of the European Union for the environment, which constitutes common heritage. Given environmental challenges (climate, water and biodiversity protection) and the need to conserve farmland, optimal integration of environmental objectives in the CAP serves the interests of both society as a whole and farmers themselves.

2. When coming up with ways to green the Common Agricultural Policy, due consideration should be given to cutting red tape and fulfilling the agricultural policy objectives of the Treaty of Lisbon. Direct payments also remain vital for the future if objectives are to be met.

3. Additional environment-related services have their places in the second pillar to ensure the development of rural areas, as Member States and regions could be given considerable flexibility to promote this or that priority according to their own interest. The idea of variable part-financing rates based on environmental and regional objectives, similar to cohesion policy, is well worth exploration. When it comes to the environmental contribution of the CAP, instruments should be crafted to encourage the use of simple agri-environmental measures based on surface area and taking account of natural handicaps.

F. The Budget

1. An ambitious CAP calls for a substantial budget. It is therefore essential for financially consequential CAP decisions to be taken when working out the European Union budget. Resources earmarked to other Community funds should be taken into consideration along with those for the CAP when resources are being allocated among Member States. However, allocation earmarked for the CAP should take account of the limits of Member States' contributory capacities and the European Union's other budgetary priorities.

2. We would like to see funds remain at their current level so as to provide the CAP with the necessary resources.

3. This could be achieved by continuing to implement the average ceiling set out by the 2007-2013 multi-year financial framework in the Interinstitutional Agreement of 17 May 2006. The allocations of the two pillars should be established for the durations of the programmed period without modulation.

In the same spirit of constructive collaboration motivating the French and German governments, the delegations of their parliaments will communicate this common position to the parliaments of the 25 other Member States of the Union. The greater their adherence, the more legitimate influence national parliaments will have over the proper functioning of the Union.