

# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1995/2314(COS)
EC/CEECs relations: development of agricultural relations with CEECs countries in view of their future accession	
Subject 8.20.12 Enlargement's agricultural point of view	
Procedure completed	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AGRI</b> Agriculture and Rural Development		11/12/1995
		PSE <a href="#">REHDER Klaus</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>RELA</b> External Economic Relations		21/02/1996
		GUE/NGL <a href="#">NOVO Honório</a>	
Council of the European Union	<b>REGI</b> Regional Policy		07/02/1996
		EDN <a href="#">DES PLACES Edouard C.M.P.</a>	

Key events			
05/12/1995	Non-legislative basic document published	CSE(1995)0607	Summary
31/01/1996	Committee referral announced in Parliament		
19/11/1996	Vote in committee		Summary
19/11/1996	Committee report tabled for plenary	<a href="#">A4-0384/1996</a>	
10/12/1996	Debate in Parliament		
12/12/1996	Decision by Parliament	T4-0685/1996	Summary
12/12/1996	End of procedure in Parliament		
20/01/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1995/2314(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/4/07370

### Documentation gateway

Non-legislative basic document	CSE(1995)0607	05/12/1995	EC	Summary
Committee report tabled for plenary, single reading	<a href="#">A4-0384/1996</a> <a href="#">OJ C 020 20.01.1997, p. 0003</a>	19/11/1996	EP	
Text adopted by Parliament, single reading	T4-0685/1996 <a href="#">OJ C 020 20.01.1997, p. 0091-0148</a>	12/12/1996	EP	Summary

## EC/CEECs relations: development of agricultural relations with CEECs countries in view of their future accession

OBJECTIVE: this communication aims to set out the general guidelines established by the Commission in the field of agricultural policy to deal with the "agricultural enlargement" of the Community to include the CEECs and proposes possible changes that could be made to the common agricultural policy (PAC) to respond to the challenge of enlargement. SUBSTANCE: the Commission document is based on various reports concerning agriculture in the 10 CEECs likely to join the Community in the years ahead (Poland, Hungary, Slovakia, Romania, the Baltic states, Slovenia, the Czech Republic, Bulgaria). According to the communication, if all these countries were to join the Union, its total area would increase by 60 million hectares and reach almost 200 million hectares, which is an increase of 43% (increasing cultivable land in Europe by 55%). The Commission's estimates suggest that the additional agricultural costs of enlargement could reach between ECU 10 billion and ECU 15 billion per year. This means that it would be difficult to maintain the CAP as it is; it must therefore be amended. Three main scenarios are presented: - maintaining the status quo; - a radical reform of the CAP; - developing the 1992 approach. The Commission rejects the idea of maintaining the status quo, which would eventually require a major review of the CAP and make enlargement too costly. It also rejects a radical reform as the social, environmental and initial financial cost would be excessive. The proposal therefore consists of developing the 1992 approach, which would respond to several challenges: expected imbalances in the market, the Community financing arrangements after 1999, the next round of multilateral trade negotiations (planned for 2000), the consideration of environmental aspects, rural development and the simplification of rules and subsidiarity. From this perspective, the Commission recommends a further reduction in support prices, compensated for, where necessary, by direct payments. This change would be accompanied by better integration of market policies and policies on rural development and the environment. The implementation of such a strategy would enable enlargement to be tackled in a more balanced manner since the price differential between the two blocks would be less marked than at the moment. Moreover, since these countries would not have to introduce significant price reductions, there would be no reason to grant their farmers compensation. However, significant financing could be allocated to programmes on integrated rural development and protection of the environment. Instead of a transition period for the agricultural integration of the CEECs, the document recommends pre-accession measures. Their products would have greater access to the Community, whilst the Commission would ensure that subsidised exports from the EU did not disrupt their markets. Furthermore, since these countries are most in need of assistance to restructure, modernise and diversify their production capacity and to improve their rural infrastructure, they could receive aid under various programmes. To implement these measures, the PHARE programme and association agreements would form a useful framework and could be extended. ?

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The Committee on Agriculture adopted the proposal for a resolution on the Commission study on alternative strategies for the development of relations in the field of agriculture between the European Union and the CEECs with a view to the future accession of these countries. First, the rapporteur, Mr Rehder (PSE, A), listed some impressive data: following the accession of the CEECs, the surface area of the European Union will increase by 1.1 million km<sup>2</sup>, farmland will increase by a third to 200 million hectares; the number of consumers will increase by 106 million, giving a total market of some 500 million persons; in the European Union of the Fifteen, only 6% of the active population is employed in the agricultural sector, which produces 2.5% of GDP, whereas in the CEECs the average is 25%, representing 8% of GDP, which is why the draft resolution does not want to see the CAP weakened by the accession of the CEECs. The adopted text therefore reiterates a series of priorities which must be satisfied: - the application of the CAP reform in 1992 must be analyzed, highlighting both the positive effects, such as the reduction in surplus production, and the negative effects, such as the "regulation jungle" with regard to private initiative; - the outlines for the adaptation of the CAP must be laid down; - the current level of aid granted to agriculture under the Uruguay Round agreement must be maintained; - the effects of creating a free trade zone between the countries of the Maghreb and the Mercosur need to be forecast; - the CAP needs to be amended to take account of the expected growth in the demand for foodstuffs on the world market. The draft resolution then addresses various aspects of the future implementation of the CAP: the involvement of Parliament in the revision of the CAP on the basis of an unrestricted right of codecision; the establishment of a regional framework based on the principle of subsidiarity; the sustainable preservation of rural zones and the promotion of alternative jobs; a policy on the quality and labelling of foodstuffs. As far as the terms of accession of new partners was concerned, the committee on agriculture considered that aid needed to be geared towards restructuring, modernization and diversification of the productive capacity in the agricultural sector in the CEECs and emphasized that any social or ecological dumping must be

prevented. The adopted draft recommends that this be achieved by organizing farmers in CEECs in the form of cooperatives in order to improve the competitiveness of products. In addition, the principle of strict compliance with Community food hygiene standards and veterinary checks and phytosanitary controls is also established with a view to ensuring that efficient health controls are introduced without delay on the new eastern border of the European Union. Finally, the parliamentary committee endeavoured to translate the principles evoked into specific sums in the hope that the fifteen would stop brandishing the "spectre of costs" once enlargement had been properly considered; thus the draft resolution proposes that subsidies granted during the pre- accession stage should be coordinated by a special fund modelled on the Integrated Mediterranean Programmes and that, following the revision of the Structural Funds (i.e. by 31 December 1999), this aid programme for CEECs should be integrated into the present funding system.?

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In adopting the report by Mr Klaus REHDER (PSE, D) on alternative strategies for the development of relations in the field of agriculture between the EU and the CEEC with a view to future accession of these countries, Parliament considered that only after the complete remodelling of the European Union could the integration of the CEEC be a success for both sides. After pointing out that the situation as regards agriculture in the CEEC was not homogeneous and therefore warranted a differentiated approach, the report defended the idea that before the end of the negotiations with the applicant countries the broad outlines of the adjustment of the CAP must be established. Enlargement should not call into question the current level of support to agriculture permitted by the Uruguay Round and should not have an adverse impact on the competitiveness of European agriculture. The report took the view that future GATT negotiations should be concerned not only with mutual reductions of tariffs and the removal of barriers to trade, but also with environmental legislation, the principle of sustainable farming and certain social evils which lead to unfair competition. Urging that future Member States should be kept fully apprized of the reforms pending in the Union, the report considered that they should be provided with assistance geared to restructuring, modernizing and diversifying their production capacity in the agricultural sector. Stressing the need during the pre-accession phase to step up the financial assistance for the CEEC, the report called for an assessment of costs to be made as quickly as possible. ?