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COMMISSION OF THE EUROPEAN COMMUNITIES

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2007/0095 (CNS)

Proposal for a

COUNCIL REGULATION

**on information provision and promotion measures for agricultural products on the
internal market and in third countries**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Under Council Regulation (EC) No 2702/1999 on measures to provide information on, and to promote, agricultural products in third countries and Council Regulation (EC) No 2826/2000 on information and promotion measures for agricultural products on the internal market, the Community may carry out promotional measures on the internal market and on third country markets for certain agricultural products.

Given the conditions on the market both within and outside the EU, and the situation regarding international trade, it seemed appropriate to use these Regulations to frame an overall, coherent information and promotion policy with two separate underlying pillars: the internal market and third country markets.

This policy has been useful to supplement and reinforce the schemes run by Member States since 2000 by boosting product image in the eyes of consumers in the EU and in third countries, in particular as regards the quality, nutritional value and safety of foodstuffs and the methods of production. By helping to open up new markets, this activity also has a multiplier effect on national and private initiatives.

In the light of the experience gained in recent years and with a view to simplification, a single legal framework should be adopted for the promotion of agricultural products on the internal market and on third country markets, whilst maintaining the specific features of measures that differ according to where they are carried out. With this aim, the proposal is to recast the two Regulations (EC) Nos 2702/1999 and 2826/2000 into a single regulation.

Lastly, this change follows a previous simplification operation, which gave rise to the two regulations mentioned above. Until the end of the 1990s, the provisions for promotion measures were contained in sectoral regulations, which differed in their implementing rules and were frequently amended. As a result they were difficult to apply. It therefore appeared appropriate to harmonise and simplify the provisions by adopting the above regulations and repealing the sectoral regulations and provisions previously applicable to promotion measures.

For the stakeholders of promotion policy, a single legal framework as proposed today would facilitate access to and participation in the scheme. This change would also appreciably reduce and simplify the administrative procedures involved in implementing this policy.

Proposal for a

COUNCIL REGULATION

on information provision and promotion measures for agricultural products on the internal market and in third countries

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas:

- (1) In accordance with Council Regulation (EC) No 2826/2000 on information and promotion measures for agricultural products on the internal market³ and Council Regulation (EC) No 2702/1999 on measures to provide information on, and to promote, agricultural products in third countries⁴, the Community may implement information and promotional measures on the internal market and on third country markets for certain agricultural products. The results so far have been very encouraging.
- (2) Taking account of experience gained, the prospects for market development both within and outside the EU and the new international trade situation, it is appropriate to develop an overall, coherent information and promotion policy for agricultural products and their method of production as well as for food products based on agricultural products, on the internal market and on third country markets, without encouraging the consumption of any product on grounds of its specific origins. In the interests of clarity, Regulations (EC) Nos 2702/1999 and 2826/2000 should therefore be repealed and replaced by a single regulation, whilst maintaining the specific features of measures according to the market in which they are implemented.
- (3) Such a policy usefully supplements and reinforces the schemes run by Member States by boosting product image in the eyes of consumers in the EU and in third countries, in particular as regards the quality, nutritional value and safety of foodstuffs and the

¹ OJ C ..., ..., p.

² OJ C ..., ..., p.

³ OJ L 328, 23.12.2000, p. 2. Regulation as amended by Regulation (EC) No 2060/2004 (OJ L 357, 2.12.2004, p. 3).

⁴ OJ L 327, 21.12.1999, p. 7. Regulation as amended by Regulation (EC) No 2060/2004.

methods of production. Such action, by helping to open up new markets in third countries, is also likely to have a multiplier effect on national and private initiatives.

- (4) Criteria should be set for selecting the products, sectors, themes and markets concerned by the Community programmes.
- (5) It should be possible for the information and promotion measures for agricultural products in third countries to cover both products qualifying for export refunds and products not qualifying for them.
- (6) The measures should be implemented within the framework of information and promotion programmes. To ensure the consistency and effectiveness of programmes to be carried out on the internal market, guidelines for each product or sector concerned, setting out the essential elements of the programme, should be defined.
- (7) Given the technical nature of the tasks to be performed, the Commission should be able to have recourse to a committee of communication experts or to technical assistants.
- (8) Financing rules must be set. As a general rule, so that proposing organisations and Member States assume their responsibilities, the Community should meet only part of the cost of measures. However, in exceptional cases it may be more suitable not to require any financial contribution from the Member State concerned. In the case of information on some Community schemes regarding product origin, organic production and labelling as well as on the graphic symbols laid down in agricultural legislation, in particular for extremely remote regions, financing shared between the Community and Member States may be justified by the need to provide information to the public on these relatively recent schemes.
- (9) To ensure the greatest cost-effectiveness, the implementation of measures should be entrusted, through appropriate procedures, to bodies with the necessary structure and expertise.
- (10) In view of the experience gained and the results achieved by the International Olive Oil Council in its promotional activities, provision should, however, be made to continue delegating to it measures falling within its sphere of responsibility. It should also be possible to seek the assistance of similar international organisations for other products.
- (11) In order to verify the proper implementation of the programmes and the impact of measures, programme implementation should be carefully monitored by Member States and the results assessed by an independent body.
- (12) Expenditure on the financing of measures under this Regulation should be classed in accordance with Article 3(1)(d) or Article 3(2)(b) of Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy⁵.
- (13) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁶,

⁵ OJ L 209, 11.8.2005, p. 1. Regulation as amended by Regulation (EC) No 320/2006 (OJ L 58, 28.2.2006, p. 42).

HAS ADOPTED THIS REGULATION:

Article 1
Subject matter and scope

1. Information and promotion measures for agricultural products and their method of production as well as for food products based on agricultural products carried out on the internal market or on third country markets as listed in Article 2 may be financed, fully or in part, by the EU budget subject to the conditions laid down in this Regulation.

These measures shall be implemented as part of an information and promotion programme.

2. The measures referred to in paragraph 1 shall not be brand-oriented or encourage the consumption of any product on grounds of its specific origins. However, the origin of a product covered by these measures may be indicated in the case of designations conferred under EU rules.

Article 2
Information and promotion measures

1. The measures referred to in Article 1(1) shall comprise:
 - (a) public relations work, promotion and advertising, which in particular draws attention to intrinsic features and advantages of EU products, notably the quality and safety of food, specific production methods, nutritional and health value, labelling, high animal welfare standards and respect for the environment;
 - (b) information campaigns, in particular on the EU system of protected designations of origin (PDOs), protected geographical indications (PGIs) and traditional speciality guaranteed (TSGs) and of organic farming, and other EU schemes for quality standards and labelling of agricultural products and foodstuffs, as well as on the graphic symbols laid down in applicable EU legislation;
 - (c) information measures on the EU system for quality wines produced in specified regions (quality wines psr), wines with geographical indication and spirit drinks with geographical indication or reserved traditional indication;
 - (d) impact assessment of the information and promotion measures implemented.
2. On the internal market, the measures referred to in Article 1(1) may also take the form of participation in events, fairs and exhibitions of national or European importance, in particular with stands aimed at enhancing the image of Community products.

⁶ OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

3. In third countries, the measures referred to in Article 1(1) may also take the following form:
- (a) information measures on the EU system for table wine;
 - (b) participation in events, fairs and exhibitions of international importance, in particular with stands aimed at enhancing the image of Community products;
 - (c) studies of new markets, necessary for the expansion of market outlets;
 - (d) high-level trade visits.

Article 3
Sectors and products concerned

1. The sectors and products which may be covered by the measures referred to in Article 1(1) to be implemented on the internal market shall be determined with regard to the following criteria:
- (a) the desirability of drawing attention to the quality, typical features, specific production method, nutritional and health value, safety, welfare or environment-friendliness of the products in question, by means of thematic or target-specific campaigns;
 - (b) the implementation of a consumer information labelling system and of product traceability and control systems;
 - (c) the need to tackle specific or short-term difficulties in individual sectors;
 - (d) the desirability of providing information on the EU PDO/PDI, TSG and organic production schemes;
 - (e) the desirability of providing information on the EU system covering quality wines psr, wines with geographical indication and spirit drinks with geographical indication or reserved traditional indication.
2. The following products in particular shall be eligible for the measures referred to in Article 1(1) to be carried out in third countries:
- (a) products intended for direct consumption or processing for which export opportunities or potential new market outlets in third countries exist, especially where export refunds will not be required;
 - (b) typical or quality products displaying high added value.

Article 4
Lists of themes, products and countries eligible for these measures

The Commission shall draw up, according to the procedure referred to in Article 16(2), lists of the themes and products under Article 3 and the third countries concerned. These lists shall be revised every two years. If necessary the lists may be amended in the interval through the same procedure.

In selecting the third countries, account shall be taken of the markets of countries where there is actual or potential demand.

Article 5 Guidelines

1. For promotion on the internal market, the Commission shall, in accordance with the procedure laid down in Article 16(2), adopt a strategy defining guidelines for all eligible sectors or products to which proposals for information and promotion programmes must conform.

These guidelines shall provide general indications, in particular concerning:

- (a) objectives and targets to reach,
 - (b) one or more themes to be the subject of the measures selected,
 - (c) the types of measures to be implemented,
 - (d) the duration of programmes,
 - (e) the indicative distribution, by market and type of measure, of the amount available for the EU's financial contribution to programmes.
2. For promotion on third-country markets, the Commission shall, in accordance with the procedure laid down in Article 16(2), adopt a strategy defining guidelines for some or all products referred to in Article 3(2) to which proposals for information and promotion programmes must conform.

Article 6 Organisations responsible for implementing information and promotion measures

1. To implement the measures referred to in Article 2(1)(a), (b) and (c), Article 2(2) and Article 2(3)(a), (b) and (c), in accordance with the guidelines referred to in Article 5(1) and subject to paragraph 2 of this Article, the trade and/or inter-trade organisation(s) representing the sector(s) concerned in one or more Member States or at EU level shall draw up proposals for information and promotion programmes of a maximum duration of three years.
2. Where promotion measures in third countries are decided on for the olive oil and table olive sector, the EU may implement them through the International Olive Oil Council.

In the case of other sectors, the EU may seek the help of international organisations offering similar guarantees.

Article 7 Drafting and forwarding information and promotion programmes

1. Member States shall define the specifications setting the conditions and evaluation criteria for information and promotion measures.

The Member State(s) concerned shall examine the suitability of proposals for programmes and shall verify conformity with the provisions of this Regulation, the guidelines drawn up under Article 5 and the relevant specifications. They shall also check that the programme offers value for money.

After examining the programme(s), the Member State(s) shall draw up a list of programmes selected within the limit of available funds and shall undertake to contribute to financing these programmes.

2. The Member State(s) shall forward to the Commission the list of programmes referred to in paragraph 1, third subparagraph, and a copy of these programmes.

If the Commission finds that a programme which has been submitted or some of the measures therein are not in line with EU rules or, for the measures to be carried out on the internal market, with the guidelines referred to in Article 5, or they do not offer value for money, it shall notify the Member State(s) concerned of the ineligibility of all or part of that programme, within a time limit to be determined, in accordance with the procedure referred to in Article 16(2). Once this time limit has been exceeded and no such notification is sent, the programme shall be deemed eligible.

The Member State(s) shall take account of any observations made by the Commission and shall forward to it the revised programmes in accordance with the proposing organisation(s) referred to in Article 6(1) within a time limit to be set under the procedure referred to in Article 16(2).

Article 8

Selection of information and promotion programmes

1. The Commission shall decide, in accordance with the procedure referred to in Article 16(2) which programmes are to be selected and the corresponding budgets. Priority shall be given to the programmes proposed by several Member States or providing for measures in several Member States or third countries.
2. In accordance with the procedure referred to in Article 16(2), the Commission may set lower or higher limits to the actual costs of the selected programmes, in line with paragraph 1 of this Article. These limits may be adjusted according to the type of programmes concerned. The criteria applied may be defined in accordance with the procedure referred to in Article 16(2).

Article 9

Procedure to be followed in case of an absence of information programmes for the internal market

1. In the absence of programmes to be carried out on the internal market for one or more of the information measures referred to in Article 2(1)(b) submitted in accordance with Article 6(1), each interested Member State shall draw up, on the basis of the guidelines referred to in Article 5(1), a programme and its specification and shall select through a public call for tenders the implementing body for the programme it undertakes to co-finance.

2. The Member State(s) shall submit to the Commission the programme selected in accordance with paragraph 1, accompanied by a reasoned opinion including:
 - (a) the desirability of the programme;
 - (b) the conformity of the programme and the proposed body with this Regulation and, where necessary, with the applicable guidelines;
 - (c) an assessment of the programme's value for money.
3. For the purposes of the Commission's examination of the programmes, Article 7(2) and Article 8(1) shall apply.
4. In accordance with the procedure referred to in Article 16(2), the Commission may set lower or higher limits to the actual costs of the programmes submitted in line with paragraph 2 of this Article. These limits may be adjusted according to the type of programmes concerned. The criteria applied may be defined in accordance with the procedure referred to in Article 16(2).

Article 10

Information and promotion measures to be implemented at the Commission's initiative

After informing the committees referred to in Article 16(1) in a joint meeting or, where necessary, the committee set up by Article 14(1) of Council Regulation (EEC) No 2092/91⁷, the Standing Committee on Protected Geographical Indications and Protected Designations of Origin set up by Article 15(1) of Council Regulation (EC) No 510/2006⁸ or the Standing Committee on Traditional Specialities Guaranteed set up by Article 18(1) of Council Regulation (EC) No 509/2006⁹, the Commission may decide to carry out one or more of the following measures:

- (a) for measures to be carried out on the internal market and on third country markets:
 - (i) the measures referred to in Article 2(1)(d) of this Regulation;
 - (ii) the measures referred to in Article 2(1)(b) and (c), and Article 2(2) of this Regulation, where these measures are of EU interest or where no appropriate proposal has been submitted in line with Articles 6 and 9 of this Regulation;
- (b) for measures to be implemented on third country markets:
 - (i) the measures referred to in Article 2(3)(d) of this Regulation;
 - (ii) the measures referred to in Article 2(1)(a) and Article 2(3)(a), (b) and (c) of this Regulation, where these measures are of EU interest or where no appropriate proposal has been submitted in line with Articles 6 and 9 of this Regulation.

⁷ OJ L 198, 22.7.1991, p. 1.

⁸ OJ L 93, 31.3.2006, p. 12.

⁹ OJ L 93, 31.3.2006, p. 1.

Article 11
Bodies responsible for implementing the programmes and measures

1. The Commission shall use an open or restricted call for tenders to select:
 - (a) any technical assistants needed to evaluate proposals for the programmes provided for in Article 7(2), including the proposed implementing bodies;
 - (b) the body or bodies responsible for implementing the measures referred to in Article 10.
2. After inviting competitive offers by all appropriate means, the proposing organisation shall select the bodies to implement the programmes selected in accordance with Article 7(1).

However, under certain conditions to be defined in accordance with the procedure referred to in Article 16(2), the proposing organisation may be authorised to implement certain parts of the programme itself.
3. The bodies responsible for implementing information and promotion measures shall have specialist knowledge of the products and markets concerned and have the resources to ensure that the measures are implemented as effectively as possible, taking account of the European dimension of these programmes.

Article 12
Monitoring of programmes

1. A Monitoring Group, comprising representatives of the Commission, the Member States concerned and the proposing organisations, shall monitor the programmes selected in accordance with Articles 8 and 9.
2. The Member States concerned shall be responsible for the proper implementation of the programmes selected in accordance with Articles 8 and 9 and for the relevant payments. The Member States shall ensure that the information and promotion material produced in the context of these programmes is in line with EU rules.

Article 13
Financing

1. Without prejudice to paragraph 4 of this Article, the Community shall fully fund the measures referred to in Article 10. The Community shall also fully fund the costs to cover the technical assistants selected in accordance with Article 11(1)(a).
2. The Community's financial participation in the programmes selected under Articles 8 and 9 shall not exceed 50% of the actual cost of these programmes. Where information and promotion programmes have a duration of two or three years, the participation for each year of implementation shall not exceed this ceiling.
3. Proposing organisations shall participate in the funding of the programmes they propose to a level of at least 20% of the actual costs of the programmes, with the remaining funding being borne by the Member States concerned, taking account of the Community's participation referred to in paragraph 2.

The share paid by the Member States and the proposing organisations respectively shall be fixed when the programme is submitted to the Commission in accordance with Article 7(2).

The payments made by Member States or proposing organisations may come from parafiscal charges or mandatory contributions.

4. Where Article 6(2) applies, the Community shall, after approving the programme, grant an appropriate contribution to the international organisation concerned.
5. For the programmes referred to in Article 9, Member States shall be responsible for the share of the financing not covered by the Community.

Member States' financing may come from parafiscal charges.

6. Articles 87, 88 and 89 of the Treaty shall not apply to the financial participations of Member States nor to the financial participations from parafiscal charges or mandatory contributions of Member States or proposing organisations for programmes eligible for Community support under Article 36 of the Treaty, that the Commission deems to be in accordance with Article 8(1) of this Regulation.

Article 14 *Community expenditure*

Community financing of the measures referred to in Article 1(1) of this Regulation shall be held to fall, according to the case, under Article 3(1)(d) or Article 3(2)(b) of Regulation (EC) No 1290/2005.

Article 15 *Implementing rules*

The detailed rules for the implementation of this Regulation shall be adopted in accordance with the procedure referred to in Article 16(2).

Article 16 *Committee procedure*

1. The Commission shall be assisted by the Management Committee for Olive Oil and Table Olives set up under Article 18(1) of Council Regulation (EC) No 865/2004¹⁰ and by the management committees set up under the corresponding articles of the other regulations on the common organisation of agricultural markets (hereinafter called "the committees"). The committees shall act jointly.
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

¹⁰ OJ L 161, 30.4.2004, p. 97. Corrigendum published in OJ L 206, 9.6.2004, p. 37.

3. The committees shall adopt their rules of procedure.

Article 17
Consultation

Before drawing up the lists provided for in Article 4, defining the guidelines under Article 5, approving the programmes referred to in Articles 6 and 9, taking a decision on the measures in accordance with Article 10 or adopting the detailed implementing rules under Article 15, the Commission may consult:

- (a) the Advisory Group on Promotion of Agricultural Products set up by Commission Decision 2004/391/EC¹¹;
- (b) “ad hoc” technical working groups comprised of members of the committees or experts in promotion and advertising.

Article 18
Report

Before 31 December 2012, the Commission shall submit to the European Parliament and the Council a report on the application of this Regulation, together with any appropriate proposals.

Article 19
Repeal

Regulations (EC) No 2702/1999 and (EC) No 2826/2000 are hereby repealed.

References made to the repealed Regulations shall be construed as references to this Regulation and shall be read in accordance with the correlation table in the Annex.

Article 20
Entry into force

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

¹¹ OJ L 120, 24.4.2004, p. 50.

ANNEX

CORRELATION TABLE referred to in Article 19

1. Regulation (EC) No 2702/1999

| Regulation (EC) No 2702/1999 | This Regulation |
|---|---------------------------------|
| Article 1 | Article 1 |
| Article 2 | Article 2 |
| Article 3 | Article 3(2) |
| Article 4 | Article 3(2), last subparagraph |
| Article 5(1) | Article 4 |
| Article 5(2) | Article 5(2) |
| Article 6 | Article 5(3) |
| Article 7(1) first subparagraph | Article 6 |
| Article 7(1) second subparagraph and (2), | Article 7(1) |
| Article 7(3) | Article 7(2) |
| Article 7(4),(5) and (6) | Article 8 |
| --- | Article 9 |
| Article 7a | Article 10 |
| Article 8(1) and (2) | Article 11 |
| Article 8(3) and (4) | Article 12 |
| Article 9(1) to (4) | Article 13(1) to (4) |
| --- | Article 13(5) |
| Article 9(5) | Article 13(6) |
| Article 10 | Article 14 |
| Article 11 | Article 15 |
| Article 12 | Article 16 |
| Article 12a | Article 17 |
| Article 13 | Article 18 |
| Article 14 | Article 19 |
| Article 15 | Article 20 |

2. Regulation (EC) No 2826/2000

| Regulation (EC) No 2826/2000 | This Regulation |
|--|------------------------|
| Article 1 | Article 1 |
| Article 2 | Article 2 |
| Article 3 | Article 3(1) |
| Article 4 | Article 4 |
| Article 5 | Article 5(1) |
| Article 6(1), first subparagraph | Article 6 |
| Article 6(1), second subparagraph and (2), | Article 7(1) |
| Article 6(3) | Article 7(2) |
| Article 6(4) to (6) | Article 8 |
| Article 7 | Article 9 |
| Article 7a | Article 10 |
| Article 8 | Article 11(1) |
| Article 9 | Article 13 |
| Article 10(1) | Article 11(2) |
| Article 10(2) and (3) | Article 12 |
| Article 11 | Article 14 |
| Article 12 | Article 15 |
| Article 13 | Article 16 |
| Article 13a | Article 17 |
| Article 14 | Article 18 |
| Article 15 | Article 19 |
| Article 16 | --- |
| Article 17 | Article 20 |