

Information and promotion actions for agricultural products in third countries and on the internal market

2004/0073(CNS) - 15/07/2004 - Legislative proposal

PURPOSE : to improve the promotion of agricultural products in third countries and on the internal market and report on the application of Council Regulations 2702/1999/EC and 2826/2000/EC.

PROPOSED ACT : Council Regulation.

CONTENT : Council Regulations 2702/1999/EC and 2826/2000/EC define, respectively, the provisions for Community support for measures to provide information on and to promote agricultural products in third countries and on the internal market. Both these regulations include an obligation for the Commission to present to the European Parliament and to the Council a report on their application.

The report covers the application of both regulations from the time of their entering into force until the end of 2003. It includes a proposal for modifications of the above regulations, aiming at simplification and improvement of the functioning of the current promotion regime.

The report describes the new promotion policy adopted in 1999/2000. This introduced important changes to the promotion activities carried out earlier. The main innovations consisted of:

- switch over to a system of indirect management by the Commission, where the initiative and management responsibility is in the hands of professional organisations and the Member States;
- harmonised tripartite co-financing for all eligible sectors, where financing is shared between the EU, the Member States and the professional organisations;
- emphasis on the generic character of EU promotion, with focus on sectors and themes instead of individual products.

Implementation of the two Council Regulations establishing the new policy has started only gradually in 2001 for the third countries and in 2002 for the internal market, with the year 2003 being the first year when the system has been fully operative. It is therefore too early to judge the results of the promotion activities initiated under the new regime. A second report on the application of the two Regulations 2702/1999/EC and 2826/2000/EC should be presented by the end of 2006, covering an analysis of the functioning of the regime and the results achieved.

The report outlines the problems and the proposal for amending the two Regulations deals with the following:

- harmonisation of the provisions concerning the submission and selection of proposals, the monitoring of the programmes as well as consultation and technical assistance, applied in the context of Regulations 2702/1999/EC and 2826/2000/EC. Proposing organisations will be given the possibility to implement certain parts of the programmes themselves and to select implementation bodies at a later stage in the procedure;

- fragmentation of financing into small and ineffective programmes must be avoided and a balanced distribution of the available budgetary resources should be ensured, by providing minimum and maximum effective cost limits for programmes submitted;

- the possibility for initiating promotion and information measures by the Commission in third countries will be extended in cases where such measures have a Community-wide interest or no appropriate measures have been submitted by professional or interprofessional organisations. The Commission may also initiate, on the internal market, information measures related to Community regimes concerning quality and labelling of agricultural products and foodstuffs;

- in the light of experience gained with the implementation of the digressive contribution from 60 to 40% in cases of multi annual programmes, the provisions concerning the Community contribution to such programmes are simplified, while maintaining the level of the Community contribution at 50% of the effective cost of each programme;

- programmes submitted by more than one Member State or providing for actions in more than one third country shall be given priority. However, under certain conditions to be determined in accordance with the procedure laid down in Article 12(2), the proposing organisation may be authorised to implement certain parts of the programme.

- the share of the contribution of the Member State(s) and the proposing organisation(s) is made more flexible, leaving, however, a minimum obligatory financing to be borne by the proposing organisation;

- it is highly important that the materials which are used in information and promotion campaigns are checked as regards their conformity with Community legislation. The proposal clarifies the already existing monitoring obligations of Member States in that respect;

Member State(s) contributions to programmes are made in the context of a specific procedure.

The payments made by Member States and/or the proposing organisations may come from parafiscal charges or compulsory contributions. Member States are therefore exempted from the obligation to notify such national contributions as state aid in order to simplify the administrative proceedings concerned, as these contributions should not be considered as state aid within the meaning of Articles 87, 88 and 89 of the Treaty;

- "Ad hoc" working groups of representatives from Member States and/or experts with particular expertise in promotion and publicity matters can advise the Commission in developing the strategy and the implementation measures for the regime. The possibility for consulting such groups is therefore included in the proposal;

- Regulation 2702/1999 will continue to apply after 31 December 2004;

- In order to enable the necessary adaptations for implementing the proposed measures, this Regulation will apply from 1 January 2005.

FINANCIAL IMPLICATIONS :

- Budget heading: 05 08 04 01. In accordance with the procedure referred to in Article 12(2), the Commission may set minimum and/or maximum effective cost limits for the programmes to be submitted under this Article. These cost limits may be differentiated according to the nature of the programmes

concerned. There are no financial implications because these Council Regulations are adapted in order to implement a number of recommendations which would lead to an improvement of the technical operation of the promotion regime.