

**Final minutes of the Civil Dialogue Group on Quality and Promotion**  
**01/07/2016**

The meeting was chaired by Mr Jochum.

- Approval of the agenda and minutes of the last meeting

The agenda and the minutes of the previous meeting were adopted.

- Annual Work Programme 2017

- *Commission's macro-economic market analysis: export projections, growth potential, evaluation of trade agreements, and removal of barriers*
- *Presentation and discussion on the next Annual Work Programme for 2017*

The Commission representative presented the Commission's macro-economic analysis on export projections for EU agri-food products, based on growth potential and import capacity in third countries, evaluation of trade agreements and removal of barriers<sup>1</sup>. Indeed, this market analysis and the contributions from stakeholders contributed to the preparation of the Annual Work Programme for 2017.

The EC representative also presented the draft work programme for 2017, which will be adopted by means of implementing act in the autumn following the legal procedure. Two main trends were shown:

- An increased focus on third country projects, with the aim to achieve in the end 30% projects for the internal market and 70% for third countries;
- A considerable increase in the budget for multi-programmes from the previous year, as indicated in the financial statement that accompanied the reform proposal.

The budget for simple programmes would be again divided in geographical areas based on the macroeconomic analysis. On the contrary, the budget for multi-country programmes would be allocated in three subchapters:

- Sustainable agriculture and the role of agriculture for climate change – this budget would be dedicated to actions in the internal market to promote measures to mitigate climate change and examples of how agriculture contributed to biodiversity, GHG emissions reduction. The EC was working on the terms of reference for this sub-chapter.
- Two other sub-chapters for both the internal and the external market, one on quality schemes (organic products would fall under this chapter) and one on the merits of EU agri-food products.

The chair thanked the Commission and the floor was open for questions and comments.

Some participants raised concerns on the division of budget for multi-programmes. Sub-chapters should not be overlapping.

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<sup>1</sup> For more detailed information, please check the Power Point presentation

A Copa representative reminded the importance of simple programmes in the internal market as well. It was also recognised the need to enhance consumer recognition of our EU quality schemes trying to find the balance within the total budget for simple programmes on the internal market.

A Sacar representative explained that reducing the number of regions and introducing climate change as an action were positive developments. It was also highlighted that the share dedicated to quality was too high. The importance of the internal market and the need to increase the budget for multi-country programmes were also underlined.

A FoodDrinkEurope representative asked for clarification on the action on sustainable agriculture for multi-country programmes and the need to give processed products the opportunity to apply to that action as well.

An Origin representative referred to the last Eurobarometer showing that there is little knowledge of EU quality schemes and the importance of EU promotion of these quality schemes.

A Cogeca representative reminded the importance of establishing certain criteria to allow proposing organisations to target several of the prioritised third countries within one programme.

- Implementation of the new EU Promotion Policy:

- *Debriefing and state of play of the first call for proposals (number of proposals submitted, main targeted actions, state of play of the evaluation, etc)*
- *Exchange of views on the main questions submitted to CHAFEA helpdesk during the call*

During the submission phase, CHAFEA helpdesk received more than 100 phone calls and 440 emails. Most of the questions referred to the rules on eligibility and programme implementation.

A survey conducted immediately after the submission deadline showed that the majority of applicants were satisfied with the electronic submission system, the call documents as well as with the feedback provided by the helpdesk.

With respect to the submitted proposals, the CHAFEA representative explained that the budget of the applications for promotion projects in 2016 was in general 3 times the available budget for simple programmes and 8 times the one for multi-country programmes. It clearly showed that the competition between projects was very high. Only topics 6 “Central and South America and the Carriibbean” and 7 “South East Asia, meaning Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor Leste and Vietnam” received less proposals. The budget left over would be reallocated according to the procedure set out in the annual work programme. Underutilisation in one topic could lower the level of competition among the proposals for the same topic but the quality of proposals must be assured according to certain thresholds.

Experts evaluating the proposals looked in particular into the coherence between the market analysis and the envisaged strategy. As evaluation was ongoing, CHAFEA indicated that it could only provide feedback on the lessons to be learned in the Autumn.

Also in the autumn, CHAFEA would set up a webpage to provide technical support service and a networking platform for organisations and potential partners.

CHAFEA announced that in 2017 it would publish the calls earlier than in 2016, to give more time (probably 1 month more) to applicants.

Several representatives thanked CHAFEA and the Commission for all the efforts to establish the system.

Several representatives asked for more information on the sectors applying.

- Debriefing on the High Level Missions to Mexico/Colombia and China/Japan and information and discussion on the preparation of the next High Level Missions

The Commission Representative explained that following the missions to Colombia and Mexico in February and China and Japan in April, the EC will organise a mission to Vietnam, Singapore (only B2B) and Indonesia (SIAL inter-food exhibition in Jakarta) on 2-9 November 2016. The call for expression of interest would be launched in the following days.

For 2018, the EC was considering the possibility to organise missions to the Gulf region (Iran), Canada and Africa (Nigeria).

The EC recalled that the missions should be seen as part of a longer-term strategy which showed results in the long run, e.g. lift of ban on beef by Japan after the mission.

Several representatives thanked the Commission for the opportunity to participate in the missions and recalled the importance of the missions to facilitate access and contacts with retailers, especially for SMEs, and to ensure continuity/follow up of the missions.

The EC explained that there was a new electronic registration system through CHAFEA.

- Presentation and exchange of views on the preliminary findings concerning the possibility to further simplify the quality policy

The Commission representative detailed the background to this discussion on further simplifying the quality policy. The process had begun some time ago, following a request by President Juncker to Commission Hogan.

After the non-paper including some ideas and questions, the Member States and stakeholders were invited to contribute. No decision had yet been reached.

On-going work is now focused on the “Lisbonisation” of the Spirit drinks regulation. In particular, on the simplification of procedures. The use of logos, definitions etc. would stay the same. The process was currently at the stage of an informal pre-consultation with the Legal Service.

On the other hand, no consultation with the Legal Service has yet taken place with regard to the implementing and delegated acts for wine GIs. The EC is mainly working on those procedures that did not exist yet in the legislation: i.e. minor modifications to product specifications, and transitional national protection.

The EC explained that there were no immediate plans of a general simplification of the EU quality policy.

The Chair thanked the Commission and opened the floor for questions/comments.

Several representatives highlighted the need to focus the simplification discussion on the administrative procedures but not on the specificities of each sector.

- Information on the procurement and competitive procedures on the selection of implementing bodies

The Commission representative presented the guidance on competitive procedure which was prepared in order to ensure the best value for money and to avoid conflict of interest

It was explained that the basic act requires a competitive procedure in all cases, irrespective whether a proposing organisation is non-public or public. Then, Member States have to establish a competitive procedure laying down the criteria for non-public organisations.

- General reflection on quality as a tool to differentiate and diversify the food market

The Chair launched a discussion on quality and its importance as a tool to differentiate on the market and diversify the food market. It is then necessary to analyse the horizontal and vertical quality. European minimum standards to be respected by everybody that do not lead to differentiation to be complemented if operators decide so by vertical quality (e.g. milk vs. organic milk, cheese vs. GI cheese etc.)

It is also necessary to analyse the structures, the right product for the different markets and the recognition from the markets. Several questions were also launched to the group to have a first discussion.

A Cogeca representative explained that the approach from the Commission in the past was to consider as quality the GIs and organic products. But the concept is much wider. It is important to ensure that private standards developed do not restrict access to the market. Indeed, the EC should intervene to give some objective rules. The Commission should not regulate everything but establish certain principles that should be defined when a quality standard is defined (transparency, objectivity, etc.).

A CELCAA representative raised concerns on certain national initiatives that distort the internal market. It was underlined that origin per se is not an indication of quality. Origin is important but already defined by Geographical Indications.

A Eurocommerce representative stressed the need to be careful with the standards to avoid disproportionate quality standards that may lead to food waste.

An EFFAT representative underlined the importance of agricultural workers and the environment in which they may work. The concept of quality should also cover the quality of working conditions.

A FoodDrinkEurope representative agreed with the comments raised by CELCAA. The EU Food Industry is facing an increasing fragmentation of the internal market with recent national developments.

A Copa representative referred to the definition of quality provided by ISO that lists the characteristics to be met. It is important to analyse if quality is seen from a b2b or b2c point of view. It is also necessary to include the price in the debate. Quality systems need to create added value for farmers and not to be used as an obstacle in the market. It could be relevant to analyse if there is a need to review the Guidelines.

A CELCAA representative stressed that quality is not determined by a Regulation, quality as such must be recognised by the consumer.

An EPHA representative underlined that the debate on the quality of products also has to be linked with the concept of quality of diets.

An ERPA representative reminded that in the sector of poultry and eggs there is segmentation. There are compulsory marketing standards in eggs and voluntary standards in poultry meat that are fundamental. With sufficient checks they guarantee consumer confidence. Then, GIs are important as a supplement to these technical specifications. It helps to diversify and to maintain family holdings as well.

A Euromontana representative reminded the variety of producers and consumers in the EU. For the horizontal approach to Quality it is necessary to ensure that everybody complies. Markets are dynamic and the EU has an important role to reward producers and help them to move towards improving their supply and better products.

- Implementation of Regulation No 1169/2011 on the Provision of Food Information to Consumers:

- *Update and discussion on the implementation of voluntary origin labelling of foods (Art. 26.3)*

The Commission representative gave an update on the draft implementing act on voluntary origin labelling of foods (Art. 26.3). After submitting the first draft of the implementing regulation twice to the MS and once to stakeholders, the EC was analysing all the comments received and finalising the proposal. The ISC would be probably launched after the summer break, for adoption by the end of the year.

The main goal of the legal basis is to provide the modalities, how this information should be provided. Concrete examples were requested. Nevertheless, the Commission does not have a legal basis for this. However, later in the year, the EC would start working on a guidance document on concrete elements, to be published after the adoption of the regulation.

Cross references to specific legislation (AGRI, GROW, MARE, question of trademarks) are essential.

The chairman stressed the importance of common principles for the National Authorities to act.

A FoodDrinkEurope representative raised the registered trademarks that should not be considered as an indication of origin because they simply identify the name, the address and the status of the producer. Clarification was indeed asked regarding the trademarks. It was also welcomed the reference to vertical legislation.

A FACE representative stressed the importance of having a very detailed description of the provenance from which the product is coming. For a local consumer it is important to know the region.

The Commission Representative explained that there are many factors to take into account including misleading practices, presentation, indication or consumers' perception. The article 26.3 will be applied on a case per case basis. What the Commission will do is to provide together with the regulation some guidelines with more concrete elements.

- State of play of the discussions on the European Commission's proposal on official controls and the link to quality certification schemes for agricultural products and foodstuffs

The Commission Representative provided an update on the official controls' regulation. After several trilogies, the political agreement on the regulation was achieved. The regulation is to be applied with the Plant Health Regulation.

The chairman asked whether the EU system was going to take into account the private quality certification schemes. How the relationship between the official controls and these schemes was going to be established from a practical and legal point of view.

The Commission Representative insisted on the risk based approach and the need for Member States to follow it and to coordinate it. Documentary checks are on the basis of the checks.

A Cogeca representative underlined the lack of a framework for better integration between official controls and private controls.

An ERPA representative asked if the new regulation established certain frequency for the controls.

The Commission Representative referred again to the risk based checks. For certain sectors with higher risks, there are empowerments for the Commission to establish certain frequency. During the Autumn, an official text will be ready to facilitate the discussions on the future implementation.

- AOB:

In view of the meeting of the chairmanships of the Civil Dialogue Groups, the chairman asked if there was any suggestion regarding the organisation of the meetings.

A FACE representative asked to receive the documents and material in advance to ensure good and fruitful discussions.

The chairman thanked the Commission Services, the participants and the interpreters and the meeting was closed.

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*Disclaimer*

*"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at Community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."*