

FINAL REPORT CIVIL DIALOGUE GROUP ON QUALITY AND PROMOTION

6TH DECEMBER 2016

Welcome by the Chair of the group. Indications of languages available during the meeting.

Approval of the agenda and the minutes of the meeting of 1/07/16

The agenda of the meeting and the minutes of the previous meeting were approved without amendments.

Election of the Chair and Vice-Chairmen of the CDG

The Commission announces the elections taking place for the positions of Chair and Vice-Chairs of the group. There are three candidates, all applying for a first term, namely:

- Mr Romain Cools (SACAR, BE) candidate to the position of Chairman
- Mrs Rosanna PECERE (FoodDrinkEurope, IT) candidate to the position of Vice-Chair
- Mr Giulio BENVENUTI (COGECA, IT) candidate to the position of Vice-Chair

The candidates briefly introduce themselves. The group decides to vote by a show of hands. Mr Benvenuti is elected unanimously, Mr Romain and Mrs Pecere are elected but with one abstention each. .

The new Chair takes position and thanks the outgoing chair, Mr Christian Jochum (Copa-Cogeca, AT) for his excellent work in the past years.

QUALITY

1. Presentation and exchange of views on the legislative proposals in the area of quality policy

A Commission representative introduced this item by giving a state of play of the legislative work:

Regarding spirit drinks: On 1 December the Commission proposal was adopted, and on the same day the Commission sent the proposal to the Council and the European Parliament. The proposal aims at replacing the current legislation on spirit drinks and the work is twofold: Lisbonisation of the previous Regulation ([Regulation \(EC\) 110/2008](#) – still in force), so that when the new Regulation is adopted it will be supplemented by a delegated act and implementing rules. The intention is also to simplify the procedures as much as possible. This has been done by proposing the procedures for registration for GIs of spirit drinks and their specifications. Procedures to become similar to other agricultural products.

The proposal includes procedural rules for registration, opposition, amendments and cancellations. Inspired by the similar rules for agricultural products and food stuffs. Taken as a model and adapted to GIs spirits specificities, not just copy-paste. Spirit drinks specificities have been kept. Rules on protection, definitions, use of logo and concerning the relation between GIs and trademarks have not been changed. Only the procedures.

Procedure for registration: At present, need for technical files. In the future if the proposal becomes Regulation, there will be the usual repartition between a product specification and the single document (summary) that has to be published for opposition with the main rules of the GI.

Opposition procedure: abandon the current one which is very complicated and has no room to have an agreement between the parties. In the proposal, a period is given to the applicant and opponent to find an agreement that can satisfy both parties.

Amendment: in delegated and implementing acts. Large subsidiarity will be given to Member States, they will be competent for minor amendments, and they will approve them directly.

Established GIs: Nothing changes. Currently they are ruled by Article 20 of Regulation 110/2008 and Article 9 of Regulation 716/2013 (implementing rules). According to these Articles the Commission is currently checking the compliance of the existing GI with the definition of spirit GIs. After the entry into force of the new Regulation the existing GIs will be in the Register and the Commission will have two additional years to continue that compliance check.

Controls: same provision as in Regulation 110/2008 as regards the controls to be carried out to verify the compliance with the product specification. The provision concerning the controls on the market (check of the use of the names and of the labelling in the market places) has been added.

The chair thanks the Commission and opens the floor for questions and comments.

A participant makes comments regarding keeping temporary labelling and full subsidiarity for Member States (particularly given reduction of staff in DG AGRI). Keep protection for PDOs and PGIs. The European system is not exclusive. More grounds for protection at national level.

Commission: Regarding the question of wine GIs, in the last meeting of this group it was already explained that the Commission is working on the implementing and delegated act. After the Commission has received comments from Member States and wine organisations, with regard to notably that there shouldn't be a separated implementing / delegated acts for wine, but that what is currently in [Regulation 607/2009](#) should stay together. The Commission has decided that there won't be separated acts for wine GIs. The rules that are currently in the implementing Regulation, will stay in one act. This means that the current three chapters – the structure of [Regulation 607/2009](#): labelling & presentation, traditional terms and GIs for wines - will be maintained. One implementing act and one delegated act covering these three chapters. This has been announced to Member States in the Committee meeting in October. The Commission is planning to merge all the three chapters together and continue discussions in the framework in the Committee (implementing rules) and expert group (delegated act). Regarding the comments on temporary labelling, this is among the issues where no decision has been taken, the Commission is reflecting and discussing, no decision yet. The issue of the transfer to an Agency of the rules on the registration procedure is not included in the Delegated and Implementing acts which will align Regulation (EC) No 607/2009. The delegated powers of the Commission are listed in detail in Regulation (EU) No 1308/2013 and no power to adopt new rules on the transfer to an agency of the registration procedure is granted. Same for the proposal to adopt rules granting Member States extended powers as regards the national protection of PDO PGI. Therefore, these issues are not covered by the implementing and delegated act on wine.

A participant asks if there is a timetable by when there will be the new Regulation.

Commission: the proposal for the spirit drinks Regulation was adopted and is now with the Council and the Parliament. The first meeting of the working party in the Council will be on 9 December 2016. Further work, it is up to the Council and the Parliament to prepare their timetable. No time estimation is possible.

As regards the delegated and implementing act for wine, the Commission is progressing, now the work will go in parallel on the three chapters and depends on the procedures: implementing acts need a vote in the Committee before adoption; delegated acts the Commission adopts, and then the Council and the EP have two months, and extra two if necessary, to revoke.

In answer to another question regarding controls, the Commission responds that controls work as for other foods, there are authorities and control bodies for the compliance for the product specifications. The other kind of controls concerns the surveillance on the market (that the names are used correctly). This kind of control can only be performed by competent national authorities and cannot be delegated to control bodies.

General reflection on how to make GIs a true European story

Copa Cogeca introduces the subject: What is the role of quality in the food market? If you look at recent months and the pig meat market and the dairy market, this is a consequence to having produced too much of these commodities. We need to work out on what we need to do with this volatility and how to counter it. Quality is one possibility to allow us to deal with the supply and look at these several markets. Russia impact (Austria only exported 1/3 of the cheese they used to). In Austria prices reached the lowest. Lots of organic production (13% of raw milk is organic). With the two specialised markets (organic and hay milk) they manage to counter act the situation in the market. Differentiation on the market can work. Define a legal framework that it is harmonised at EU level. More stable prices and less volatility, possible to have production structures, without harming conventional farming. Different personal preferences and different needs for different consumers. Meet this specific demand. Quality doesn't necessarily mean better just different, although it usually implies higher costs. Also looking at the future, the trend is that we will continue with oversupply in the market. Quality can be a major strategic point in future agriculture.

The chair thanks Copa-Cogeca and opens the floor for questions and comments.

Quality policy of the EU has been in place for 25 years, we have good basis. The south of EU has many of GIs. If it is only regional products for smaller producers, is it really worth while? We need to look at different opportunities for protection and how they are used. We cannot only protect production under GIs. Quality policy is important but not the panacea for price volatility.

Quality is of course important for farmers. Regarding organic, major risk in the short term. If the production of quality products increases, there could be an oversupply which could result in a collapse in the organic sector, as there is in the conventional sector. There can also be over production and collapsing the prices. Quality is important, but a far bigger problem is that we don't have brands, which would allow farmers to get proper prices. If we have a good product with a brand that guarantees prices is very important. Brands that consumers can identify with quality. For the GIs, in Belgium: small country, with different languages and different regions. Can we work together with the dairy sector in Luxembourg? If you are in a border region and you have a cross border partner, that could be interesting. Small countries are in favour of GIs, but they encounter certain limits, e.g. if we want to export we need to take care to what level they are applicable.

In Italy we have high quality products but they are not protected, GIs can be used to identify our products. Quality is not always recognised. More details in the label. EU origin but also country of origin, the territory, the holding, to provide transparency to the consumer who pays for this high quality products.

Two main principles: first the quality rules need to be used to avoid confusion among consumers. Convey a clear message that the consumer can understand properly. For example, place of farming. But then quality also encompasses another element: sharing rules at EU level to promote agreements between those that are producing, those that are transforming and those that are selling. Gather all those who have an interest in the chain.

Copa-Cogeca contributed to the first set of comments: Everything that from the consumer point of view helps them to choose products is positive. Visible brands. For example we have a trade mark that is an organic brand for milk. The role of quality indicators at EU level; for example it is important to consider GMOs. Differentiate products, not just the processing but the raw materials itself. The goal is not to have a 100% of the market covered by quality labels, but if we could have 10/15% (in Austria is 25%) it could help the market. Market and demand evolves, and we have forecast for the future of the increased consumption of food.

Further discussion:

Agriculture and agricultural organisations, in some countries quality production is an important issue, and this has meant that with the intervention of the Commission, rules have been introduced. We need supply of raw materials, from Europe and outside, and these should be quality products. When there are not enough quality products, prices go up. If the Commission wants to fragment the EU market, regionalisation, this runs counter to the principle of free movement. The EU should protect quality with common rules, but not transfer to the specific sectors the possibility to define the conditions of quality. It doesn't matter where the raw material comes from. The quality protects tradition.

We should discuss this again, it needs to be continued in the future. Complex issue. quality is not only linked to origin, but also to organic, mountain products... The Commission has developed many tools, which are not just origin. We need to take into account the whole wealth of tools. We need to look at the whole supply chain, need to bring together all actors of the supply chain and industry. In this group there are representatives of consumers, small scale and industrial production. But do we have the distribution sector? They are not always here and they are strategic partners when we talk about quality. The Commission needs to focus not only on brands but on the whole chain. We need to get over our small requests and move over, consumers are already moving over. Also sustainability (planet) of the model needs to be taken into account. Take all these dimensions into account.

We need to talk about our own European history. Interesting topic, perhaps appropriate to have workshops organised to discuss this matter. Re-nationalisation of the single market, create 28 independent markets within the single market. How to generate additional value. Look at this within the chain. Producers and farmers need to reach agreements. Farmers need to increase quality at the demand of the consumer. There are projects that have proven successful like hay milk, that consumers have endorsed.

EFNCP : If we want to make GIs a true European history it must be a true history and we should be honest with consumers. GIs are defending and promoting products linked with territories and even more, PDOs, must possess characteristics exclusively due to a particular geographical environment with its inherent natural and human factors. So for the case of livestock products, animals should be feeded with local resources, wich is not the case for much of our actual PDOs. Also there are PDOs that exclude raw milk cheeses. The regulations must improved in order to avoid this kind of issues that make Gis not a true story

Quality for consumers is also quality of choice. If products are all similar to one another then the cheapest one is chosen. Therefore, protection across EU should be supported. Local fresh products made from fresh material. Foodstuffs must be safe, but also a specific approach for smaller producers might have to be considered allowing for greater flexibility.

GIs should automatically be tight to a particular area, type of production, we need to be honest. If you want to sell under an EU brand, taking advantage of cultural heritage, then maybe we just need good marketing, but what really makes a difference is the territory, we need to be fair with the consumer.

The Chair of the group made the following comments: complex discussion, possible reflection on doing some work in workshops. Consumers are rapidly changing! Markets are evolving. Discussion on renationalisation, quality, branding, toolbox of instruments needs to be adjusted or better used, role of retail and distribution (very strategic partners, but balance in the supply chain necessary, big discussion for policy makers, can we create a true value chain and can GIs play a role?), small countries specificities, risk of too much success for differentiated products...

The European Commission makes the following comments: Two main messages came out of the discussion, namely that there is a broad range of quality and that the EU already offers many tools => let's try to match them, and match them better. The GIs are one of these tools, and they are an important one, representing €55 billion selling value and €11 billion of exports. The EU is including many of these protected GIs in international agreements, opening up towards new markets. However, GIs are the names of products that have specific characteristics, quality and specifications due to the territory they originate from. Their reputation is given by the territory. Sometimes the discussion on GIs is mixed up with labelling rules (food information for consumers), while this is a different topic. GIs have certain specificities due to the geographical area where they are produced. In this perspective, it is true that GIs work well in smaller geographical areas. Europe has developed many tools, the latest was on mountain products, which is an optional quality term. There is specific legislation on organic farming. Also branding was mentioned: trademarks, certification marks, but those are different tools.. For GIs what is important is the link between the product characteristics and the geographical features. In 2010 the Commission has also issued guidelines on voluntary certification schemes, which can be applied by public authorities or the private sector. But these tools can always be improved and the Commission is open for discussion.

2. Implementation of Regulation 1169/2011 on the Provision of Food Information to Consumers

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

The Commission has a new draft on the implementing Regulation. There have been meetings with stakeholders, Member States and other colleagues. There has been an evolution of the text, new flexibilities for food business operators. Latest draft available (latest not last) taking into account comments from the advisory group two weeks ago, also from Member States. Deadline until yesterday to submit comments for Member States. Received many comments, analysing them and will submit still some changes, not big ones, but evolution of the draft. Then it needs to be shown to the hierarchy and then inter-service consultation.

Regarding the latest draft: Legal basis information to be provided when the origin differs to that of the final food. The legal bases of the regulation is to provide on the modalities. Impact assessment and study. The legal basis on modalities, how it should be provided and not when.

Scope: Art 26.3 of the regulation. Indication of the primary ingredients, some flexibility, not at the same level as the final food (for example city level): today in the draft possibility to choose between different levels (EU, not EU, or EU & not EU, regional level, MS levels, region within EU). Possibility to provide with one of this level as regards primary ingredient. A statement “name of the primary ingredient, does not originate from xxx – the country or the origin indicated in the final food”. The wording is flexible. Presentation of the information is that it should be applied the same font size as the regulation info to consumers. If words are used, same field of vision (75% size at least), if it is picture or symbol, then primary ingredient same field of vision (if possible and appropriated), or it should be market in a visible place.

The chair thanks the Commission and opens the floor for questions and comments.

Brands, graphic visual elements, are they also covered by this rules or not? Flexibility: is too broad, and becomes so vague that you are not conveying any information to the consumer. In article 2, the primary ingredients, country of origin, place of provenance. No definition of primary ingredient, place of farming... With the current wording everything is possible. Art 44. Is there some possibility to better define this? Place of provenance?

Three and a half years have passed... hopefully adoption end of the year, coming into force April 2019? After so long, rudimentary way of addressing the problem. Commission proposal, non-binding guidelines, is not answering the questions of the stakeholders (legal certainty and clarity) Brands, are they covered? Why not? Legally is possible. Brands should not mislead the consumers about the origin. Have the legal services been consulted? If you talk about voluntary information, application of 26.3. Description of place of origin, lack of reference. No legal structure, need clarification.

If we talk about flexibility even if it didn't come out of the impact assessment, this is already included in the original regulation (basic act) so why again? This is a voluntary information, so why so much flexibility, if there is not all the information, then why include it?

European Commission: Flexibility, is about the modalities. The way the modalities should be harmonised, flexibilities. So we stick to the regulation, the legal basis. Modalities to be feasible, well understood and meaningful to the consumer, and good balance between operators' burdens and consumer needs. This is at DG SANTE level, contact with relevant services, at technical levels, decision beyond technical aspects. Trademarks: impact assessment based on a very large study. What terms can trigger the perception of the consumer that the presentation provides with origin information. Perception of the consumers. Different legislation follows different objectives, complementing each other. The consumers have been asked, 7 different terms (symbols, trademarks...) and the trademarks was consider as the second term that makes believe to the consumer that it is an origin indication. Consulted with DG TRADE. Trademarks are accepted on a technical level and not on consumer perception. But then in practice, member states can indicate if they are misleading to the consumer. It depends on the trademark and the country where it is used. It is a case by case scenario. Cannot be decided if it is in or out. In this regulation we don't have legal basis for it. No definitions are given because we can't even if agreement of MS, because no legal basis for it (only implementation). Definitions are in the basic act. There are Q&A published, soon new ones. Guidelines but not in the regulation. 26.2 is about misleading of origin of the final food, whereas 26.3 is about the primary ingredient. Voluntary basis. The discussions are not closed, we are looking at ways to respond to concerns, but we are limited by the basis of the legislation (definitions and what is in or out, is for the basic act).

Regarding the timing: given the feedback mechanism, there is a further delay of two months, so hopefully process finished in the first half of 2017 at the latest.

Regarding the legal service consultation: The interaction 26.2 and 26.3 should be clarified in the regulation. It is still a draft which we hope to improve. Yes, contact with the legal services, but their position will only be final with the final draft, but the draft won't go out without their advice. Also the trademark issue needs to be looked out. Consultation with Member States.

b) State of play of recent national developments on mandatory origin labelling and the next steps

Commission report: despite pressure for milk and milk products to know the origin from consumers, there is no equivalence with willingness to pay for this information. On this basis, the commission concluded that at EU level there is no need to go ahead. Voluntary information, complemented with vertical rules is the best approach. This information might be justified for some categories at national level => notification procedure with justifications (conditions). Until now 6 notifications. France, Lithuania and Italy, Commission did not sent comments to these notifications, so they can be adopted. Already adopted by France and Lithuania. Other three notifications from Finland, Greece and Portugal. Notifications currently being assessed. They are experimental (limited in time) and they are committed to draw conclusions in a report. Some will be abandoned when the commission will publish regulation on voluntary origin information.

The chair thanks the Commission and opens the floor for questions and comments.

Are those six Member States proposing similar national rules? Are there instruments from the commission side to assess and collect different experiences?

Spain is drafting a decree for labelling of milk. Extra cost particularly for the process product. Milk will not be imported, although cheese would.

The Italian proposal is awaiting approval by the Parliament. The time frame to adapt the labels is very restricted, so all labels that have already been made will have to be destroyed: cost and environmental problems. The Commission should look into this, look at harmonisation so that we don't have each Member State with a different system.

Also important is the fact that this does not apply to third country products. There will be the reports from the countries, will the commission set any criteria for the drafting of these reports? Same level of assessment or is it decided by Member States?

It was asked to better clarify the principle of mutual recognition: some Member States could have different interpretation, asking for product from a third country bringing origin indication because is commercialised in Italy. The Commission replied that mandatory origin rules apply to the stakeholder of the Member State concerned only.

It was asked the Commission whether it would set some common criteria for the redaction of national reports. The Commission was reflecting on that and was aware that, in order to be a useful exercise, the reports should be harmonised.

EFNCP asked the Commission if a farmer who produced cheese only with his own milk can put in the label "produced with milk from my farm" or something similar, if the producer can justify that it is a true information? And the Commission answered YES, it can be done.

EFNCP also shared a short reflection: To put the origin of a product in the label should be something naturally easy. So, we should ask ourselves, what kind of world we are building up if we spend hours and hours and euros and euros talking about that.

Which products are covered by the applications of these countries? Is the commission sure that they will have no influence on free movement of goods? No concerns?

Commission response: Complex dossier, technical and political issue. Member States are divided almost equally in those in favour and those against such measures. Difficult discussions. The Commission has limited powers. With the current economic climate the discussion is also political. WTO consultations is up to Member States, the Commission recommends it but cannot oblige them. Some were not aware of this obligation. For some is too late because already adopted. Some thought that with mutual recognition clause, the rules only apply to EU Member States, so no potential burden to trade. Now the new notifications, they will notify to TBT (but is their decision). Evaluation has been raised in the discussions, agreement that in order to have something useful for these pilots, the report should be very informative and somehow harmonised. At this stage the discussion there is willingness to have something harmonise, final decision on the criteria or communication to the Member States, not decided yet. Transition periods to change the labels are not identical in each Member State, national decision, so parties need to contact national authority, no remit of the commission. On the scope of the national products: most of them milk, and milk products (traditional products of the country in question), but Finland and France also have meat and certain meat products.

3. New Official controls regulation: presentation of the main changes, state of play and next steps¹

Commission presentation: currently revision of the text by lawyer linguists for consistency and correcting mistakes (no change to the substance of the text, although article numbering might change). This week on Wednesday text to be sent to the Council, COREPER vote on 14 December and adoption forecasted in the Environmental Council on 19 December. With this Council position (December 2016), then it will be the turn for the European Parliament (Environment Committee vote in February, plenary vote in March 2017 - estimation). Then publication and entry into force. Whatever happens in Parliament application as from 14.12.2019 because of link with the Plant Health Regulation. The clock is therefore ticking for the implementing and delegated acts.

Simplification: Regulation 1151/2012 now repealed and replaced by a coherent framework. The scope of the regulation is very vast. When it comes to Marketing standards (PDOs, PGIs, etc): is part of the regulation although Regulation 1308/2013 (wine) not, UNLESS possible fraud is identified.

Structure of the new regulation:

- General principles (art 1-15): Subject matter, scope & definitions; Competent Authorities; general requirements.
- Sector specific requirements (art 16-27) – one size does not fit all: products of animal origin; residues; animal welfare; plant health; GMOs; plant protection products; organic production; PDO/PGI/TSGs; new risks.
 - Art 26 specific requirements for PDOs, etc. Enforcement measures cannot be delegated (still competent authorities). It can be delegated if the rate of controls is increased. Two empowerments, one by delegated acts (DG AGRI) one for implementing acts. Both by DG AGRI. Might adopt (empowerment, but is not a must) might be triggered by pressure.

¹ For more detailed information, please refer to the Power Point presentation provided to participants.

- Other sector specific requirements (art 28-108): imports, EURL, administrative cooperation.
- Common provisions (art 142-167).

Different units involved:

- Products of animal origin / Food hygiene (G4),
- Residues (E2),
- Animal health & welfare (G2),
- Plant health (G1),
- GMOs (E3),
- Plant protection products (E4).

Financing of Official Controls: Political decision is the need of adequate resources for all types of controls. The fees are not submitted to any particular delegated power, what comes into force comes into force (no modifications possible). Cost elements and transparency is been improved but no more.

Discretion on the calculation of the fees (competence of Member States, not the Commission). Discretion possible on the following: remotely located operators, traditional method products, low throughput, and good records of compliance.

Now the work will start for the implementing acts, stakeholder involvement. Website section explaining text: http://ec.europa.eu/food/safety/official_controls/review/index_en.html

The chair thanks the Commission and opens the floor for questions and comments.

Modulation of the costs, are you also modulating the fact that Member States can exclude certain operators to be completely excluded of costs?

Art 34 of Regulation 1151/2012 on quality schemes for agricultural products and foodstuff: Monitoring obligation for optional quality terms, is this not covered by the Official Controls Regulation?

Commission: Financing, you have what you have and then optional fees (some operators will still have to pay a fee, for what is not listed it remains an option to the MS either no fee or fee). If MS opt for a fee they must apply the same principle of the regulation (same cost elements, same rules of transparency). MS must find the sufficient money to finance the controls, that is a must.

Regarding the Art 34 of Regulation 1151/2012: three chapters in quality: PDOs/PGIs, TSGs and optional quality terms is the third. Official controls for the other two (PDO/PGI & TSGs). That's why article 34 covers the third part. In line with having a lighter scheme for these optional quality terms.

4. Geographical indication protection for non-agricultural products at EU level – Next steps

European Commission: In 2015 unanimous decision for European Commission to propose single European system for GIs for non-agri products. In 2016 the commission has been working on different documents, including draft inception impact assessment and now waiting for a decision on publication on this assessment. Once published, they will launch the impact assessment itself. The file has now reached the highest political level, so hopefully beginning of 2017. Workshop in October where confirmation that this has a strong potential in particular for small structures in

weak and small areas, and link with other economic areas like tourism. After impact assessment decision on how to follow the file.

The chair thanks the Commission and opens the floor for questions and comments.

France has already received the first recognition of a GI for non-agri product: Siège de Liffol (for seats). Sensitivities are taken into account not to undermine other GIs in the area.

Support for this initiative. But, musical objects or instruments, the components can come from other countries (even outside of EU). The identification of the region, and the production standards, are important in order to define the GI (and not just the components, as far as the quality is respected).

European Commission: no legislation in place for the time being and the purpose of the impact assessment is to reflect on all these elements. Definition of GI very broad: Not only the raw material, but the way the people work in the area (“savoir faire”).

5. AOB

No other business is raised. The next meeting of the group on Quality has been provisionally fixed for the 24 February (half a day meeting).

PROMOTION

The new directorate B from 1 January 2017: Quality, Research & Innovation, outreach

Director of Direction B makes this introduction. He starts by announcing that there will be an event in Parma on 11-12 April 2017 to bring together all GIs in the world, 3.300 in Europe, plus some from third countries (according to bilateral agreements, tequila Mexico, café Colombia). The objective of the event is to discuss matters of all GIs, role, sustainability, controls, growth and jobs; and secondly to celebrate a big business to business event. Italian authorities are leading (Emilia Romagna and Italy) and supported by the European Commission. Official information will follow.

Regarding the changes in his Directorate, tomorrow approval of the new organigram. In the future, besides quality & promotion, communication & research and development & innovation will also be part. He will try to find synergies, plus budget under Horizon 2020. Try to make it all work together. Happy to hear ideas on how these four pillars can work better.

The chair thanks the Director of Direction B and opens the floor for questions and comments.

The B2B part of the conference in Parma, what is it about? Getting GIs companies' together or retail area too?

Commission: event together with the [CIBUS event](#). The first year would be too ambitious to really get all of the GIs. 900 are Italian, 700 in France. The idea is to start to get them together, from all the countries. For the B2B ideally there would be networking between the different GIs as well as with retailers. This is good for promotion purposes, to motivate promotion activities with several country partners. Ideally multi-country project in a third country. The event is not financed by the EU but it will be promoted, Hogan will assist, there will be authorities. Morning of conference and networking in the afternoon.

1. Implementation of the new EU Promotion Policy

A brief introduction is made by the new Head of Unit of Promotion & Communication. The new Regulation was published in 2014 – legal proposal negotiated in just 4 months, it could not have been shorter. In 2015 publication of the details and implementing rules. Now 2016 first year of implementation. Therefore, we are all gaining experience, room for improvement and hopefully in 2017 easier.

Debriefing and state of play of the first call for proposals²: Huge interest, almost 200 applications for simple (320% higher than the available budget), and 27 for multi (812% higher than the available budget). Good to have high competition. The evaluation is being done by CHAFEA, three independent evaluators, committee and ranking. Number of accepted proposal by topic: 60 simple (30% success rate), 6 multi (22% success rate).

Share of indicative budget spent: mobility between some topic lines. In some areas stopped at 90% because the next good project would make it above.

Success rates by MS => based on the quality of the proposals. For next year, important to follow the conditions in the call. Info day at the end of January explaining how to make a good proposal. Some countries high rates of success, others clearly not.

In some countries the promotion programmes are not only in the capitals, but in many different cities (see map US and China). In 2015, 23 destinations, this year 32. Good improvement. The map of the world is well covered.

Member States have the info about all the simple programmes approved & rejected and reserve lists. Notified on 21 November. 90 days to conclude contracts. It is MS that have to conclude contracts. Starting date of implementation, 1st day of the month following the entry into force of the agreement. Action to start in the following 6 months.

CHAFEA on the Results of the first evaluation³

Outcome – statistics on simple and multi-programmes:

Status of proposal	Multi call	Simple call	Multi call	Simple call
successful	6	60	22%	30%
reserve list	1	19	4%	10%
rejected due to unavailability of budget	0	26	0%	13%
below quality threshold	16	52	59%	26%
ineligible	4	42	15%	21%
TOTAL	27	199	100%	100%

Main reasons for proposals being declared ineligible:

- Proposing organisation is not eligible

² For more detailed information, please refer to the Power Point presentation provided to participants.

³ For more detailed information, please refer to the Power Point presentation provided to participants.

- Proposing organisation is not representative of the product/sector promoted
- Products/schemes promoted are not eligible
- Programme proposal is out of scope of the call and/or topic
- Programme is not of significant scale

Main reasons for rejection due to the poor quality of the proposal:

- Objectives no clear, or not identified or no indicators: no baseline, market analysis
- Activities and in particular the deliverables not well defined: deliverables are to be linked with the description of costs, so detailed description of activities to implement and the main deliverables (this allows evaluating the coherence between the objectives and the actions, plus cost-effectiveness)
- No Union message
- Organisation and risk management not well defined: preparation for programme implementation
- Absence of evaluation methodology: not clear how to assess the impact of the campaign, success, reaching objectives
- Cost-effectiveness

How to take all these learnings into account? Update of the guidelines available with the new calls, guide to applicants to help draft projects without those weaknesses, launch of a new website, update of FAQ, and prepare additional guidelines including an eligibility checker... Also info day in Brussels on 31 January (content: more practical advice, more tips on how to design better projects, more time for Q&A, networking session to meet potential project partners). Also preparing some webinars, first to focus on setting of objectives, indicators and evaluations of results, the second on how to design a communication strategy for a project. Also Chafea helpdesk continues to operate (email + phone)

The chair thanks the Commission and opens the floor for questions and comments.

Criteria for rejection (below the thresholds), technical aspects, which?

Milk and fresh f&v request to have more specific data on accepted proposals.

Commission: technical quality is assessed based on four main and several secondary award criteria (Annex VII to the guide). The Commission will provide specific data on milk and fresh f&v project to go together with these minutes.

NB: The Commission provided the following information by email on 7 December 2016

“Details on the number of approved projects regarding fresh F&V:

Fresh fruit and fresh vegetables – 5 approved programmes

Dairy – 9 approved programmes on dairy exclusively and 4 where dairy products are part of a basket

It is useful to mention that the full list of approved proposals is published on http://ec.europa.eu/agriculture/news/60-new-promotion-agri-food-programmes-approved_en.”

Number of accepted of multi programmes were 3 and 4 in the reserve list, and then the commission decided to increase the budget so 6 were finally approved.

High level business Hogan: in order to boost EU products under the quality regulation. For next year: Canada (beginning of May), second semester to Iran. This is still under discussion.

Discussion: better information on rejections to understand what happened and how to improve

One reason for rejection is when a proposal targets both the internal and external market: could it be considered the possibility of having flexibility in this sense? Underuse of budget because the next proposal the budget was bigger than the remaining.

Transparency & dialogue with the commission: it would be useful to know the points given to the different projects. Eligible programmes with no budget – what is the criteria to decide this?

In the crisis sectors how was the selection made?

Commission: there is a possibility to make a crisis call if a sector is in real difficulties. It has to be a pan-European crisis and elements from the SCMO will be used in order to decide whether or not a crisis call has to be launched. If a crisis call is not published in 2017 the money will be transferred to the topic dairy and pigmeat.

Very theoretical situation that two proposals have exactly the same score and then out is out because of lack of budget. The rule for prioritising such proposals is announced in the work programme. The decision will never be political. In the rejection letter the access to appeal is written at the end of the letter.

In the old system dialogue with the commission about weaknesses of the proposal and able to improve. The new system does not allow this. If some applicants are given the possibility to improve their programme, then there is no fair competition anymore. Points are given on the proposal handed at submission. The evaluation report is very detailed to allow adaptation for future calls.

Technical rules explain how to reallocate budgets. The call for proposals foresees that left over budget goes in a common pot, distributed between internal & external market and financing of project on the reserve list by ranking. Rules for reallocation.

Regarding the publication of the scores this will be considered. Those successful but no budget are under the reserve list line.

The help desk is open all the time by email or phone.

Questions: successful applicants, when can they apply again?

Tools to ensure level-playing field between different countries regarding communication to applicants, etc. Delays and retroactivity, eligibility of costs before the contract is signed.

Do evaluators have the same information as the project applicants or more?

Commission: There are no limitations to apply for more programmes

Member States have a huge role to play for simple programmes. All MS got the info at the same time, if they send it later than others, this is very unfortunate, because they should proceed as soon as possible when they have it. If concrete information on this is sent, the Commission will look into it.

MS did not communicate the EC decision on simple programme at the same time to bidders and actually some bidders had not yet received the information at all. The issue of gold-plating was

also raised . The EC recalled that it was the duty of the MS to inform bidders and that it would look into national implementation.

Administrative rules on promotion: in some areas we know that some MS can add a layer of administrative rules. MS are not supposed to do this. If concrete information on this is sent, the Commission will look into it.

Regarding the information that the experts have to evaluate the programmes, is absolutely the same as it is public. Work Programme 2017, then the call for proposals, and then the legislation as such (basic act, implementing and delegated acts): the evaluators are supposed to apply all this. Evaluators have the same info as applicants. They are three, they need to come to a common assessment – overall recommendation agreed, and then this goes to a committee.

2. Annual Work Programme 2017

The European Commission presents this topic. The AWP 2017 was adopted on 8 November.

Background info⁴: annual basis (Art 8 of Regulation), external & internal consultations. Consultations have taken place. Most important comments received:

Most important comments received:

- within the simple programmes, more funding should go for internal market promotion measures
- within simple programmes for the internal market, a higher share should be allocated to Action 2 (Information and promotion programmes for agricultural methods and the characteristics of European agricultural and food products)
- a demand for the topic "programmes on dairy and pork targeting any third country" (Action 7) to have a greater weight or also for internal market
- concerning the new topic on "the role of sustainable agriculture and climate action" (under MULTI programmes), Member States expressed divergent views on the way how it should be implemented

Many others (more money internal markets, more for third countries – comments contradicting itself, you can not satisfied everyone)

Results (see slide, budget will continue to increase):

- New geographical regions (reduced to 4), 43€ mio
- New elements: union sustainable agriculture (only for the internal market) – only internal market (pilot), not for organic which is already cover in other lines; new wording under “objectives” (production methods for animal or plant products; climate change mitigation, etc.)
- Also new: beef products in third countries
- Serious market disturbance: only when it will bring a value added to the problem that producers are facing. This €4,5 mio are complementary to the normal measures in the CMOs. So if those are not activated, then no excuse to activate this one. The market disturbance should have a European dimension (and not limited to a MS), and the programme should also have an EU dimension. Timing: products/sectors facing serious market disturbances should ideally be identified at the beginning of 2017. If not used, the money would be reincorporated for dairy and pig meat (Topic 7).

⁴ For more detailed information, please refer to the Power Point presentation provided to participants.

- Budget: €133 mio + €9,5 mio (own initiatives), total = €142,5 mio. A practical example on how to know to which lines a product/sector can apply (see presentation).

Yesterday in the Parliament questions about who can apply for this money, which type of organization is eligible under this Council Regulation, etc

Next steps: adopted, call for proposals in January 2017, info days to be organised during 2017 (still to be decided).

The chair thanks the Commission and opens the floor for questions and comments.

Several participants raised questions and concerns on the topic for climate change: the lack of an objective definition of sustainability, the wording which risks of excluding processed food from applying, the possible confusion with the topic on Union characteristics and organic agriculture. The EC reassured that more details will be available in the call.

Sustainability topic: three criteria, how this will be interpreted? For organic there is a Regulation and is clear, but this?

Organic no sustainability? Method that happens to be organic but is not the standard method? Organic also in the beef?

In the two new topics: sustainability and beef, isn't this very contradictory?

The multi-programme for the topic A, is going to be a challenge. Crisis reserve (4,5 mio) will only be used if there is a crisis.

Simplify budgetary lines would be make easier to have freedom to access the budge. And not to forget that for many applicable products our first market is the internal market.

Good things: less third country markets, more money for multi programmes. For 2018 balancing internal & external markets budget would be desirable.

Commission: Sustainability is NOT for organic, they have other budget lines. Products linked to sustainable agriculture or climate change, etc., there could be relation with organic, but as long as the latter is one of the elements under the umbrella of sustainable agriculture or mitigation of climate change. More information on this Topic is included in the Annex of the Implementing Regulation The 2017 call for tenders will also provide more details. Meat production can also be sustainable and bring positive aspects for the mitigation of climate change.

If you want to go to third country in a basket approach, the project can still be under "simple". The COM clarified that "Multi" does not refer to the number of products but to the number of Member states.

Crisis reserve also has to pass a selection, so the ideal situation is to take this decision at the beginning of the year. Is possible not to have a decision and that a crisis comes in September, and there are tools to react, but ideally in terms of administrative arrangements needed, the sooner, the better.

Increase of budget in internal market has been done, but they are many stakeholders which push for the contrary: they want to favour budget and promotion in third countries. An Economic study was done and clearly concluded that third countries have more growth potential and more capacity to absorb imports.

The Topic on sustainability applies to both for methods of production and products.

Question on 4,5 mio crisis: if it is to be triggered, a call will be published. If it is not, the annual work programme already says that the budget will be allocated to budget line 7.

3. High level missions

The Commission introduces this topic: What do high level missions mean? Political mission accompanied by business men and associations.

Missions in 2016⁵:

Positive feedback from the first two missions (see presentation)

The third mission in Vietnam, Singapore and Indonesia (November 2016). Novelties introduced:

- Visits without the commissioner cannot be done anywhere, some countries would not give access to political figures without, etc.
- Linked to a major trade event (visits to supermarkets, etc.)
- Event in Brussels with all those who applied (selected or not)
- Benefited from the cooperation of national promotional activities and events organised by EU co-funded programmes.

Also visit to a prime Minister of Vietnam with ten members of the delegation.

These novelties would be kept in the future.

Practically in Vietnam the visit included:

- Seminars
- B2B meetings
- Visits to supermarkets

In Singapore similar but without the Commissioner. B2B big success.

In Indonesia, annual event EU-Indonesia business dialogue that happen at that time, then seminar for the business delegation, then supermarket visit and on the last day SIAL interfood opening.

Feedback: 31 January, same day and same place as CHAFEA meeting. Feedback from the Commission, presentation of success stories, and discussion on lessons learned.

Invitations to come very soon and registration on line.

Next missions: Canada (see presentation), invitation will be sent soon; and Iran (dates to be confirmed).

The chair thanks the Commission and opens the floor for questions and comments.

SPS barriers are an important question too in these missions.

Important to come back to the same markets for a follow up.

⁵ For more detailed information, please refer to the Power Point presentation provided to participants.

Commission: SPS is in the radar, planning to include specific actions on this topic, to be announced. Good comment about going back on the same markets, certainly considering it.

4. AOB

No other business is raised by participants.

The Chair thanks the Commission for the meeting and their valuable contribution to all topics. The Chair thanks the translators and all participants.

The meeting is closed.

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."