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NON PAPER

Simplification of EU Quality Policy

1. INTRODUCTION

Reviewing the potential for further simplification in the area of EU quality policy, including geographical indications (GIs) for agricultural products and foodstuffs, wines, spirit drinks and aromatised wines is a priority for the next Commission: The mission letter to the Commissioner-designate for Agriculture and Rural Development explicitly asks to review the potential for further simplification as regards quality policy, within the first twelve months.

As of today, EU level rules for the registration and protection of GIs cover four product areas: agricultural products and foodstuffs, wine, spirit drinks and aromatised wines. Rules are laid down in four different Regulations of the Council and the European Parliament¹. A public consultation with respect to establishing EU level rules for non-

¹ (1) Regulation (EU) 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1).

(2) Part II, Title II, Chapter I, Section 2 of Council Regulation (EU) No 1308/2013 as concerns wine. Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

(3) Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89 (OJ L 39, 13.2.2008, p. 16).

(4) Council Regulation (EU) No 251/2014 of 20.3.2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatized wine products, and repealing Council Regulation (EEC) No 1601/91. (OJ L 84, 20.3.2014, p. 14).

agricultural GIs is currently ongoing. In comparison, there is a single EU level Regulation for trade marks, covering all types of products.

The four Regulations, while pursuing the same objective – the registration and protection of GIs – show differences which in part are substantial, and for example:

- rules differ with respect to the basic concept (the rules for spirit drinks and aromatised wines do not differentiate between protected designations of origin (PDO) and protected geographical indications (PGI), but refer merely to "geographical indications"),
- the level of protection,
- the use of the EU quality symbols (which may be foreseen to become compulsory or remain voluntary),
- the opposition procedures (which are of different length and approach),
- deadlines for examination by the Commission (there are no such deadlines in the wine sector),
- rules for examination procedure at national level, cancellation, concept of PDO/PGI, relationship with trade marks.

A comparison is presented in the Annex.

In the broad consultation process on agricultural product quality schemes during the years 2009 and 2010, stakeholders encouraged the Commission to further simplify, clarify and streamline the systems.

2. PREVIOUS IMPACT ASSESSMENT FINDINGS

The impact assessment carried out for Regulation (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs identified considerable ground for reducing complexity and facilitating enforcement by merging the systems for the above-mentioned geographical indications while assuring the specificities of each system.

Two separate impact assessment processes have been carried out for PDO and PGI. The first one² accompanied the Commission Communication on Quality Policy (adopted in May 2009); and the second one³ the Commission proposal for a Regulation on agricultural product quality schemes (adopted in December 2010).

Both impact assessments included a wide range of options (11 and 7 respectively - and the status quo scenario) and concluded that the best option would be to merge the then existing four Regulations concerning GIs into a single one. This option showed improved situation with regard to all three operational objectives identified in the impact assessment:

² http://ec.europa.eu/agriculture/quality/policy/com2009_234/ia_en.pdf

³ http://ec.europa.eu/agriculture/quality/policy/quality-package-2010/ia-gi_en.pdf

- to provide clearer information on products characteristics;
- provide simpler and single approach at EU level; and
- ensure uniform respect of Intellectual Property Rights (IPRs).

Moreover, the merger option showed also the best results as to achieving effectiveness, efficiency and consistency with other Commission objectives and strategies.

The Impact Assessment Report accompanying the Proposal for the Quality Regulation indicated that "it should be taken into account that wine and spirits sectors have been reformed in 2008, including provisions on GI. A new reform could provoke uncertainty as to the business environment, although the effects could be mitigated with long transitional periods". In the explanatory memorandum to the Proposal for a Regulation on agricultural product quality schemes, the Commission indicated that in the light of relatively recent reforms of the wine and spirit legislation, at this stage, the schemes could remain distinct and that this issue can be reconsidered at a later date.

Besides simplifying the legislation by merging legal acts, the impact assessment carried out for the preparation of the Commission Communication also analysed possibilities for facilitating the registration process. The option of management by a Commission Agency was analysed. This latter option was not retained, however it was announced in the Impact Assessment Report that this option will be considered in further steps of the process.

3. WHAT HAS HAPPENED SINCE THEN?

Some streamlining and simplification of the existing rules for **agricultural products and foodstuffs** was achieved by adopting Regulation (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs ("Quality Regulation"). This Regulation contains a series of simplification measures, for example a substantial acceleration of the procedures at the level of the European Commission.

The rules for designations of origin and geographical indications for **wine** were changed in the framework of the 2013 reform of the Common Agricultural Policy and are now set out in Regulation (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products ("single CMO Regulation") and in Regulation (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy ("Horizontal Regulation")⁴. No common approach with the Quality Regulation, not even with respect to procedures, has been achieved. A separate delegated act and implementing Regulation with respect to the registration procedure is therefore required. A first analysis has shown that it is not possible to use the delegated act and implementing Regulation recently adopted and agreed for the "Quality Regulation".

The rules for geographical indications for **aromatised wines** have been adapted by Regulation (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products⁵. No harmonisation with either the rules in the Quality Regulation or the single CMO

⁴ OJ L 347, 20.12.2013, p.549.

⁵ OJ L 84, 20.3.2014, p.14.

Regulation has been achieved. A separate delegated act and implementing Regulation with respect to the registration procedure are necessary.

With respect to geographical indications for **spirit drinks**, alignment with the Lisbon Treaty of the existing Regulation (EC) No 110/2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks remains necessary. This raises the question whether this occasion should be used for simplification of the existing legal framework, and how to best do that.

4. DISCUSSION

The current structure means that applications for registration of designations of origin and geographical indications are covered by four different basic Regulations, each accompanied by a delegated act and an implementing Regulation. These still have to be drafted for wines and aromatised wines. For aromatised wines, this is necessary for only five registered GI.

If the current approach of separate rules is maintained also for the forthcoming review of the rules for spirit drinks GI, there would then be a total of four different registers for the four areas covered by EU rules, four different basic Regulations, each accompanied by one delegated act and one implementing Regulation setting out details for the registration procedures. This would thus amount to a total twelve legal acts to regulate the currently 3.300 PDO and PGI, modifications to them and new applications.

Even a quick comparison of the present situation as set out in the Annex shows that there is room for simplification. While some differences between the rules may be due to the specific characteristics of the products concerned, other differences may simply be the result of the history. It is time to take a close look at the possibilities for additional simplification and ask what can be done to make the administration of GIs as simple as possible.

Building on the previous impact assessment findings and conclusions, there clearly are issues that could be further explored, like simplification and streamlining of registration modalities for all types of GIs, the modalities of protection, , etc. New issues not covered during the previous impact assessment process might also be identified. It is against this background that the Directorate General for Agriculture and Rural Development would like to have a preliminary informal discussion on further simplification of the EU quality policy. The following questions could notably be discussed at the meeting of the Expert group for Sustainability and Quality of Agriculture and Rural Development:

- (1) What additional simplification measures do you see in the area of EU rules for GIs?
- (2) The time between the filing of an application with the Commission until the publication of the name registration in the Official Journal is long The "Quality Regulation" has led to a substantial acceleration of the procedure for registering names for agricultural products and foodstuffs at the level of the European Commission. Current spirit drink rules foresee much longer deadlines both for the scrutiny (12 months instead of six months) and the opposition procedure (six months instead of three). Wine rules have no deadlines for the scrutiny at all; however, the opposition period runs over two months. For agricultural products and foodstuffs, oppositions lead to a consultation period of three months. For

other products, the approach is different. With respect to Member States, there are barely any rules as to the duration of the scrutiny at Member State level. What additional measures do you see to further accelerate the registration process from the point of view of producers?

- (3) To what extent would a single Regulation for designations of origin and geographical indications for the four types of products covered by EU Regulation lead to simplification?
- (4) Could transfer of the application and registration processes to an EU agency, for example Office for Harmonisation in the Internal Market, facilitate GI registration?
- (5) According to the Eurobarometer survey, the average recognition rate of the EU quality symbol is 14 %. What could be done to enhance visibility and knowledge of EU quality symbols?