

Evaluation of Promotion and Information Actions for Agricultural Products



European Commission
Agriculture and
Rural Development

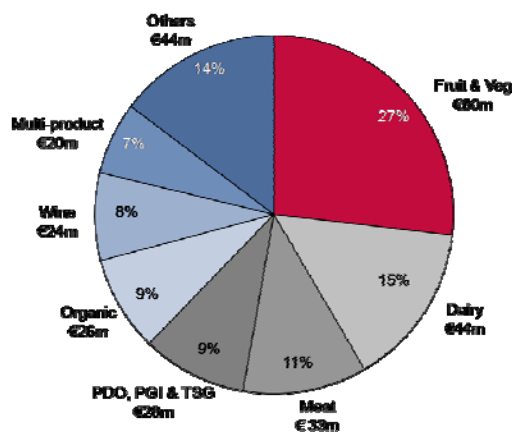
*This report has been prepared by ADE at the request of the European Commission.
The views expressed are those of the Consultant and do not represent the official views of the European Commission.*

EU promotion and information policy

In the framework of the Common Agricultural Policy (CAP), the Commission support to promotion and information of agricultural products has been evolving significantly since the early 1980s. Starting with a specific support to some agricultural sectors under individual regulations, the current policy is one of horizontal promotion, common to the internal market and to third countries. It is ruled by Council Regulation (EC) No 3/2008 and Commission Regulation (EC) No 501/2008. Currently, the promotion policy includes a large number of eligible agricultural products and food products, the latter at the first processing stage.

The main objective of the promotion and information policy is to improve consumers' image and knowledge of EU agricultural products and their production methods in order to reverse static or declining consumption (i.e. fruit and vegetables, milk), expand the demand in the EU (i.e. olive oil, organic products) or open new markets in third countries.

Figure 1: EC Expenditure by Product/Theme as Share of the Total Expenditure from 2002 to 2010



Source: DG Agri expenditure data

The European dimension of the initiative is justified by the fact that it supplements, reinforces, and has a multiplier effect on Member States' and private actions. With a co-financing mechanism (up to 50% of EC contribution¹ and at least 20% of financial participation from the private sector, the remainder being financed by Member States concerned), the European support supplements and has a leverage effect on Member States' and private actions.

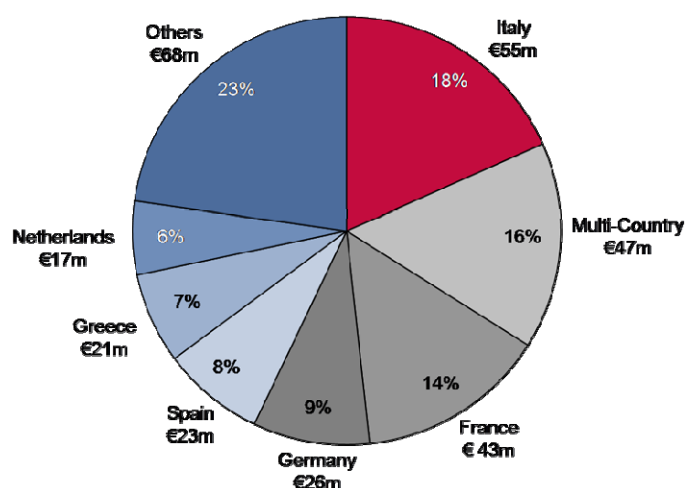
The supported actions are generic and focus on the intrinsic quality of products. They cover public relations work, promotion and advertising as well as information campaigns combining a range of activities from press or media campaigns, participation in fairs to trainings for caterers or broader public information campaigns such as TV spots or websites. They have to be presented in a programme submitted by a professional trade or branch organisation in response to national calls for proposals. The programmes are pre-selected by the Member State and final selection is done by the European Commission.

As shown in figure 1, six sectors, namely fruit and vegetables, dairy, meat, European quality label, organic products and wine, plus the so-called multi-product actions account for 86% of all EC expenditure from 2002 to 2010.

As for the repartition per country (figure 2), 56% of expenditures by the Commission have been for programmes proposed by Italy (19%), France (14%), Spain (8%), Germany (8%) and Greece (7%). In addition, 16% of the budget has been allocated to multi-country programmes, i.e. programmes put forward by several Member States together.

¹ The EC contribution can be increased from 50 to 60% for actions to promote the consumption of fruit and vegetables targeted at children in educational establishments, and for information on responsible drinking patterns and harm linked to hazardous alcohol consumption

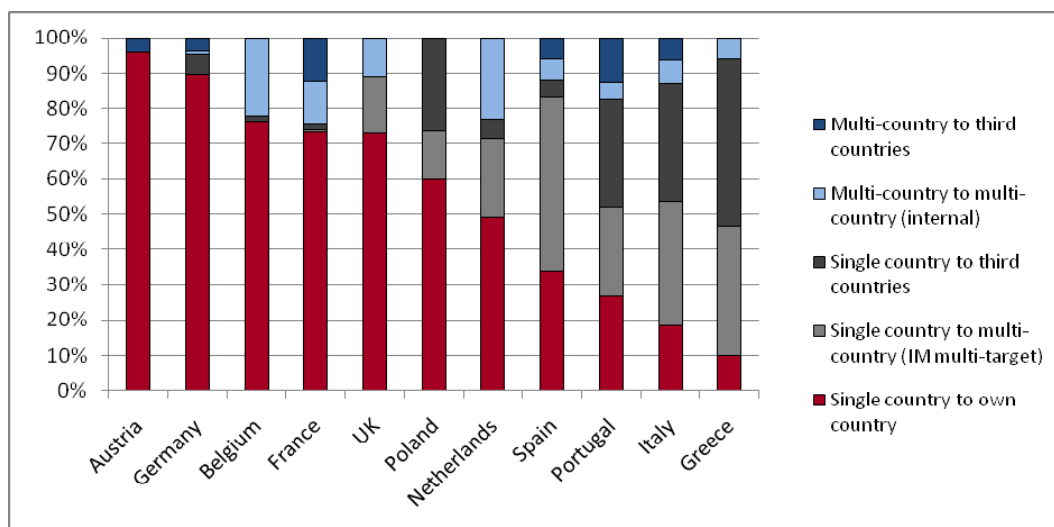
Figure 2: EC Expenditure by Member State as Share of the Total Expenditure from 2002 to 2010



Source: DG Agri expenditure data

Over the total of 458 programmes signed between 2001 and 2010, single proposer programmes targeting internal market in their own country are dominant (see figure 3). Not all Member States are involved in multi-country programmes which represent 20-25% of the programmes from Belgium, France, the Netherlands and Portugal and around 10% for Italy, Spain and UK.

Figure 3: Relative annual expenditure by Target Country of the main implementing Member States from 2002 to 2010



Source: DG Agri expenditure data

Note: Only the 11 countries which most benefitted from promotion co-funding were illustrated

Objectives and methodology

This evaluation commissioned by the European Commission (DG AGRI) is an independent assessment covering the period from 2002 to 2010. The first phase from 2002-2008 is covered by the synthesis of previous framework contract evaluations whereas promotion throughout the period 2008-2010 is mainly covered by a sample of 15 running programmes. The study covers desk and field work, including a survey sent to Ministries managing these programmes in all EU 27 Member States and interviews with Ministries, proposing organizations and some implementing bodies in 9 Member States. The study examines the relevance and effectiveness of the co-funded information and promotion measures, the management of the programmes as well as its coherence with other promotional measures applied under the CAP through 12 evaluation questions.

Main findings and conclusions



A co-funded campaign on milk in the UK

The list of eligible products and themes is large and heterogeneous just like the variety of European productions

The current list of eligible products and themes for promotion activities includes a large number of agricultural products and agri-food products at the first processing stage, grouped under 15 products/groups of products and themes. This list is to a large extent inherited from the sectoral approach of the CAP in the nineties, representing the diversity of EU agriculture.

The large scope of the list does allow responding to a high heterogeneity of situations and various market trends. The different products/themes altogether contribute to enhancing the image and improving knowledge of EU agricultural products among consumers. However, the list alone is not enough to achieve the objectives of the policy. In fact it offers an unexploited possibility to define more structured strategies.

The list of eligible third country markets covers almost all regions of the world

This list of eligible third country markets for promotion activities covers almost all regions of the world, and as such is rather unfocused. This is not per se a problem since it provides flexibility for actions. The most important trading partners for the EU are in the list, which is essential.

This list offers the possibility to professional and branch organisations to target new markets but yet, as for the list of products/themes, a more strategic approach to set priorities is missing.

Commission initiatives are relevant to support measures that are of Community interest in a scheme that depends on proposals from national trade and intertrade organisations



Promotion material from the Commission initiative on organic farming

In line with the subsidiarity principle, the Commission may take the initiative in measures that are of Community interest or where no appropriate proposal has been submitted otherwise through Member State(s). On the internal market the Commission undertook initiatives in the organic sector between 2005 and 2009 with large visibility which had a leverage effect on other promotion campaigns. In third countries, the European Authentic Tastes (EAT) campaign promoted EU quality schemes from 2005 to 2007 with little available feedback on the campaign but which also led to synergies and reinforcement of co-funded campaigns.

Furthermore, the Commission organises on average once a year so-called high level trade visits to third countries that include participation in international events, mainly trade fairs. They aim to value a positive European image of agricultural products, facilitate further relations for national stakeholders and enhance business opportunities for exporters.

Generally speaking synergies between Commission initiatives and other programmes may gain from enhanced communication between the different levels (EC, Member States and proposing organizations).



EU Stand at the high level event at the World Food Fair in Moscow, 2010

Multi-product and multi-country programmes have the potential to bring an EU dimension to initiatives taken at lower levels

Multi-product and multi-country programmes are encouraged by the policy framework because they have the potential to bring an EU dimension to initiatives taken at lower levels. They had limited occurrence so far due to specific difficulties they face for design and implementation.



An example of a multi-country (FR, IT, PT) and multi-product (PDO wine, cheese and ham products) campaign

Such programmes have an increased leverage effect as costs are shared among proposing organisations and competent bodies, they favour cooperation and exchange of experience among organisations and have stronger potential for reaching larger groups of consumers and reaching new markets (as programmes can be larger).

The main difficulty with multi-product approaches is to find adequate associations of products that make sense, but meaningful combinations exist (e.g. cheese & wine, baskets of products gathered around a same theme such as quality schemes or a healthy diet etc.).

Overall, difficulties to - identify reliable partners, - agree on common activities taking into account different interpretations of guidelines and different rules in Member States, as well as language and cultural hurdles and - specific administrative burden complicate the setting up and implementation of multi-country programmes. Although the majority of competent bodies see added value in multi-country programmes, few of the Member States would undertake such programmes without EU co-funding.

Experience and adoption of good practices contribute to enhancing the quality of the information and promotion programmes, however room for further improvement exists

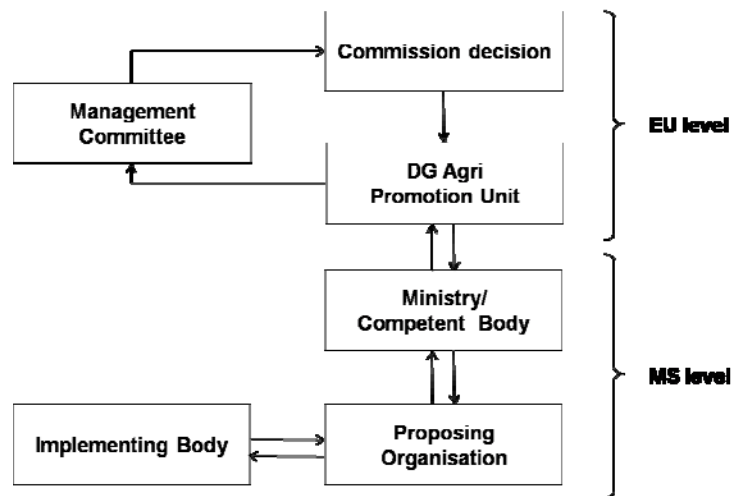
Experience gained and good practices in programme design such as undertaking a solid market analysis, definition of clear objectives, setting up of targets, etc., are widely supported and adopted among the proposing organisations of the 15 analysed programmes. With some exceptions such as the choice of communication channels (or combination of channels) that is not always enough supported by efficiency criteria. This is reflected in an improving overall quality of the selected proposals.

The overall management set-up is clear but issues are met mainly at the two-step selection procedure

The overall management set-up, from the European Commission down to the implementing organisation, is clearly defined in the Regulations and guidelines, including the roles of each actor in the different procedures.

The two-step selection process however, at Member State level (pre-selection) and at EC level (selection), is time-consuming and causes some degree of duplication in selection roles.

Figure 4: Institutional Arrangements



Source: ADE, 2011

Implementation procedures (programme modifications which are unavoidable in the context of the fast moving world of promotion, monitoring and evaluation) are heavy and time-consuming, especially in the case of multi-country programmes.

Available guidelines are appreciated especially for programme design

The available guidelines and accompanying documents are generally appreciated by the stakeholders, particularly for the *design* of programmes.

On the other hand, the abundance of guidelines and good practices in different binding or guiding documents may become confusing in the absence of a streamlining exercise.

Reporting is mainly focused on monitoring and considered time-consuming, especially for multi-country programmes

Overall, the annual reports have facilitated the monitoring of promotion programmes but did not fully contribute to effective evaluation. Indeed, the template is largely oriented towards monitoring and hence not used for self-evaluation of the results obtained each year by proposing organisations.

But the final evaluations, for which 5% of the budget can be earmarked, might compensate by providing relevant information on programme achievements and impact.

On the other hand, the quarterly reports are judged too frequent, even if one should keep in mind that these reports are triggering the payments.

Administrative requirements are cumbersome

As already underlined, the two-step selection process with current overlaps generates misunderstandings, particularly when the rejection rates are high at the Commission level in a context of budget availability. Overlaps between roles at the two selection stages (both checking eligibility and quality) and sometimes insufficient transfer of information to the proposing organisations can generate misunderstandings. Some selection requirements are too detailed (unit costs). In terms of implementation, procedures are cumbersome, especially for multi-country programmes.

EU co-funded programmes and other national or private initiatives should complement each-other but complementarities are rather coincidental

According to the Regulation, the promotion policy aims to complement Member State and private initiatives. If such complementarities definitely exist, they are almost never the result of a well structured promotion strategy. They are so to say coincidental or contextual.

One clear barrier to synergies and cooperation with the private sector exists though. This is the exclusion of brands from the scheme, as well as the restrictions to mention origins except in cases of recognised quality schemes.

EU co-funded programmes bring clear EU added value

EU funding has an important leverage effect on generic, multi-country and multi-product programmes. Without co-funding, such programmes would be much smaller or would not take place at all even though stakeholders see added value in such programmes. Co-funding also allows to increase their coverage and impact. Furthermore, it is broadly acknowledged that generic campaigns improve the image of EU products, giving them positive connotations (quality, taste). In addition, multi-country programmes in particular have an indisputable EU added value, as they increase the leverage effect of co-funding and favour exchange of experience among Member States.

There is overall coherence with other CAP measures although the increased number of such promotion measures resulting from recent CMO reforms, with important financial allocations, could limit the overall efficiency

The promotion policy is coherent with promotion funded under other CAP measures in terms of objectives, messages, groups targeted and channels used, except the possibility of mentioning brands under certain conditions for wine and fruit and vegetables under the CMO. The current policy set-up with several promotion measures under the CAP resulting from recent CAP reforms without real articulation (only avoiding overlaps) and without explicit search for complementarities could limit the overall efficiency.



Promotion material of a Polish co-funded programme on meat

Main recommendations

- The **global objective** of the scheme is to support demand and consumption of EU agricultural products. This **should be mentioned explicitly in the regulation together with the potential benefits for the producers and the consumers.**
- While the **lists of eligible countries, regions, products and themes** for promotion actions may remain large and even **be enlarged to enable flexibility**, it should be **associated to a European promotion strategy** that gives focus and priorities to ensure contribution to the global objective.
- A **European strategy** for promotion of agricultural products should be defined and revised periodically, and should **encompass all promotional measures of the CAP** in order to ensure internal coherence. A set of criteria, including market trends, could be used to identify priorities such as the European dimension, European production standard, the need to address crises or sectoral difficulties etc.
- In addition to the development of a European promotion strategy, **Member States should be asked to define their own national strategies**, clarifying their priorities in terms of products/themes and their potential public support (national, regional and European) to promotion. This approach should maximize potential synergies and complementarities between different levels: the EU, Member States and private stakeholders.
- Given the EU value of genuine **multi-country programmes** and their associated constraints (difficulties to design and implement common actions...), a **simplification** effort should be made with respect to administrative requirements and clarification of interpretation of guidelines. The EU should also strengthen its support to such programmes in the form of **financial incentives.**
- The overall procedure for **programme selection** could remain unchanged with a **clearer distinction of roles and a better communication between the EC and Member States.** Competent Bodies could take care of eligibility checks and other verifiable criteria (e.g. market analysis, relevance to national strategy, duration). The Commission on the other hand would be better suited to assess the potential impact of programmes and their compliance with the European strategy.

- The **administrative burden** could be **alleviated by reducing** the level of **detail required in the programme proposals, adding flexibility to implementation procedures** (e.g. facilitating budget transfers) and **reducing reporting frequency**, limited to annual (or bi-annual) progress reports that need to include an **internal evaluation of results obtained so far and retrospective evaluations**.
- **Streamline the guidelines into one document** which would not be part of the Regulation and which would cover the design, implementation and evaluation of programmes, is recommended.
- The leverage effect of co-funded programmes could be improved if the **rules governing the reuse of co-funded communication 'material'** (e.g. slogans, messages...) were **made more explicit in order to make this 'material', such as slogans, accessible also to the private sector**.
- To ensure a **European return of generic campaigns** and enhance visibility of EU promotion, introduction of a **European identification** to the promotion programmes, including visual and/or content elements, should be considered.
- Finally, it is suggested to **set up a permanent EU Exchange Platform on the Promotion and Information Actions for Agricultural Products**. This Platform would not interfere with the existing decision mechanisms involving the Commission and the Management Committee which would remain unchanged. Its main role would be to maintain an active community of stakeholders interacting between them, as well as with the competent authorities in Member States and the European Commission: **top-down and bottom-up exchanges of views, networking of stakeholders, transfer of know-how and good practices, formulation of proposals and suggestions**. Some of the main deliverables could be: a website, workshops, technical documents, catalogues of good practices, lists of FAQs, a helpdesk, etc.