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NOTE

From:	Presidency
To:	Council
No. prev. doc.:	7674/14
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Subject:	Proposal for a Regulation of the European Parliament and of the Council on information provision and promotion measures for agricultural products on the internal market and in third countries <i>- Policy debate</i>

I. INTRODUCTION

1. On 21 November 2013, the Commission submitted the above proposal to the Council and the European Parliament.
2. At its sessions on 16 December 2013 and 17 February 2014, the Council examined the above proposal.

3. At its meetings on 28 November 2013, 22 January 2014, 10 and 26 February 2014 and 12 March 2014, the Working Party on the Promotion of Agricultural Products carried out a technical examination of the proposal and of Presidency revised texts (6298/14 and 7156/14) and reached agreement on most of its provisions.
4. At its meetings on 3, 10 and 17 March 2014, the Special Committee on Agriculture discussed Presidency revised texts (6886/14, 7347/14 + COR 1 and 7674/14) and reached agreement on most of its provisions.
5. At its meeting on 18 March 2014, the European Parliament's Committee on Agriculture and Rural Development voted on its report.

II. MAIN OUTSTANDING ISSUES

A. EU financial assistance and national co-financing

6. In its proposal, the Commission keeps the Union's financial maximum participation in the programmes at **50%**. Notwithstanding, the Union's financial participation may amount to **60%** in the case of simple programmes targeting third countries, multi programmes and information and promotion measures on fruit and vegetables specifically targeting children in Union educational establishments. Compared to the current legal framework, the possibility of national co-financing is abolished.
7. At the meeting of the Special Committee on Agriculture on 17 March 2014, most delegations indicated that they would prefer increasing, on a permanent basis, the EU financing rate, rather than maintaining the possibility of national co-financing.
8. In its report, the European Parliament's Committee on Agriculture and Rural Development proposes that the Union's financial contribution to the programmes should be "at least 75% of the eligible expenditure" and "at least 85%" in the case of crises, with no distinction between simple and multi programmes and with no higher rate for information and promotion measures on fruit and vegetables specifically targeting children in Union educational establishments.

9. With a view to a swift first reading agreement with the European Parliament, the Presidency suggests, for Articles 15 and 18, the drafting set out in the Annex. The major advantage of this option is that since no national co-financing is provided for, there would be no need, as regards non-Annex I products, to notify the Commission, in order to obtain a state aid clearance that might in some circumstances (for example in the case of mentioning brands) prove impossible.

B. Involvement of Member States in the selection procedure for simple programmes

10. At the meeting of the Special Committee on Agriculture on 17 March 2014, the Commission confirmed that Title VI of Part I of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council applied to the calls for proposals regarding both simple and multi programmes.
11. The Council Legal Service indicated that, under those circumstances, it was difficult to still envisage any formal involvement of the Member States in the selection of the programmes. Member States could play an active role in assisting the proposing organisations in the preparation of their proposals; however, once submitted to the Commission, those proposals will have to be assessed at EU level, in accordance with Regulation (EU, Euratom) No 966/2012 and its implementing rules. Information of the Member States by the Commission on all programmes proposed and selected could in any event be envisaged.

A clear majority of delegations was able to support that option.

12. The Presidency trusts that in the absence of national co-financing, all delegations should be able to accept that option. Indeed, if Member States themselves no longer need to undertake to contribute to the financing of the simple programmes, there is no longer such a critical need to have a say in their selection.
13. Furthermore, this option offers the advantage of simplification in comparison with the current legal framework and is therefore in line with the logic of the Commission proposal. The Presidency therefore suggests, for Articles 8, 12 and 12a, the text set out in the Annex as redrafted in order to make them compatible with Regulation (EU, Euratom) No 966/2012.

III. CONCLUSION

14. On 24 March 2014, the Council will be invited to agree on the text set out in the Annex (changes to doc. 7156/14 and 7674/14 are highlighted), with a view to the Special Committee on Agriculture giving the Presidency a mandate for the first informal trilogue on 26 March 2014.
 15. All other provisions are set out in doc. 7802/14 and those still outstanding are to be discussed at the meeting of the Special Committee on Agriculture on 24 March 2014.
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Article 8

Annual Work programme

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3. The work programme referred to in paragraph 1 shall be implemented, *for simple as well as for multi programmes*, through the publication by the Commission **of calls for proposals**, in accordance with **Title VI of Part I of Regulation (EU, Euratom) No 966/2012**¹.

a) — for simple programmes, of a call for proposals indicating, notably the conditions for participation and the main assessment criteria;

b) — for multi programmes, of a call for proposals in accordance with Title VI of Part I of that Regulation (EU, Euratom) No 966/2012.²

Article 12

Selection of simple programmes

1. The Commission shall **assess evaluate** and select proposals for simple programmes further to the call for proposals referred to in **point (a) of** Article 8(3)(a).
2. The Commission shall, by means of implementing acts, decide on the simple programmes selected, on any changes to be made to them, and on the corresponding budgets. Those **implementing** acts shall be adopted in accordance with the examination procedure referred to in Article 24(2).

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

² Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Article 12a

Information on the selection of simple programmes

1. **The Commission shall provide to the Member States, within the Committee referred to in Article 24, with timely information on all programmes proposed and selected. ensure that Member States are informed and made aware of the evolution of the process.**
2. **In accordance with Regulation (EU) No 966/2012, the Commission shall in particular provide the Member States with information concerning:**
 - (a) **the number of proposals received, the Member States in which the proposing organisations are established, the sectors involved, as well as the market(s) targeted;**
 - (b) **the outcome of the assessment-evaluation of the proposals and a summary description thereof.**

Article 15

Financial provisions relating to simple programmes

1. The Union's financial contribution to simple programmes shall not exceed **50 [75] %** of the eligible expenditure. The remaining expenditure shall be borne exclusively by proposing organisations.
2. The percentage referred to in paragraph 1 shall be increased to **60 up to [85] % in the event of a serious market disturbance, loss of consumer confidence or other specific problems referred to in point (d) of Article 1a for:**
 - [a) a simple programme targeting one or more third country(-ies);**
 - b) information and promotion measures on fruit and vegetables specifically targeting children in Union educational establishments,]**

3. Studies to evaluate the results of promotional and information measures in accordance with Article 26 shall be eligible for Union financing under conditions similar to those governing the simple programme.
4. The Union shall fully finance expert fees linked to the selection of programmes in accordance with *point (a) of Article 4(2)(a)* of Regulation (EU) No 1306/2013 ~~XXXX/20..~~ of the European Parliament and of the Council ~~[of ... on the financing, management and monitoring of the common agricultural policy (COM(2011)628)]~~.
5. In order to ensure the proper implementation of simple programmes, proposing organisations shall provide guarantees.
6. The Union shall finance information provision and promotion measures implemented on the basis of simple programmes in accordance with *point (c) of Article 4(1)(e)* of Regulation (EU) No 1306/2013 ~~XXXX/20..~~ of the European Parliament and of the Council ~~[of ... on the financing, management and monitoring of the common agricultural policy (COM(2011)628)]~~.

Article 18

Financial provisions relating to multi programmes

1. ~~The maximum rate of co-financing Union's financial contribution shall be set at 60 % of the total eligible costs for the multi programmes.~~ **The Union's financial contribution to multi programmes shall not exceed [75] % of the eligible expenditure.** The remaining expenditure shall be borne exclusively by proposing organisations.
2. The percentage referred to in paragraph 1 shall be increased to **60 up to [85] % in the event of a serious market disturbance, loss of consumer confidence or other specific problems referred to in point (d) of Article 1a.**