

## ROADMAP

Title of the initiative: **New regime to foster innovation in seeds**  
Type of initiative (CWP/Catalogue/Comitology): CWP  
Lead DG/contact person/details: DG SANCO  
Expected date of adoption of the initiative (month/year): End 2011  
Date of modification: not applicable  
Version No: 1

### Initial IA screening & planning of further work

#### **A. Context and problem definition**

(i) What is the political context of the initiative?

Commission initiative on better regulation and Council conclusions of 7 May 2007 to simplify the legislation.

(ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?  
The initiative is in line with the new EU 2020 strategy aimed at fostering smart, sustainable and inclusive growth. Reduction of administrative burden should improve competitiveness and allow for a smoother entry of new variety onto the market, thus stimulating innovation. The revised legal framework will take due account of the importance of SMEs in the sector and of their specific needs.

This initiative has close links to the EU policies on agriculture, plant health, GMO's, plant variety rights and environmental protection. The legislation on plant health, plant variety rights and GMOs is also being evaluated. The revised EU legislation on seed marketing should improve synergies with those other policy areas.

What are the main problems identified?

The current legislation consists of 12 Directives, which foresee that MS may adopt more stringent provisions on their domestic production. The legislation is complex and there is non-harmonised implementation in the Member States which lead to an uneven level of playing field in the EU. The system is not considered as overly costly by most of the stakeholders, yet there is scope for reduction of costs and administrative burden, in particular as regards the costs of variety registration, which is a precondition for marketing.

Who is affected?

Breeders of varieties, suppliers of seed and plant propagating material (S&PM), farmers and other users of S&PM, processors of agricultural raw products, final consumers, public bodies in Member States and the Community Plant Variety Office.

(i) Is EU action justified on grounds of subsidiarity?

The private sector is not sufficiently well organised at EU level to be confident that self-regulation would work. The sector itself is convinced of the need to have public body supervision as a guarantor of quality.

(ii) Why can the objectives of the proposed action not be achieved sufficiently by Member States (necessity test)?

There is EU harmonisation since sixties, if this were abandoned and left to individual Member States or to the private sector, this would lead to a risk of new divergent national or sectoral rules that could hinder trade: 'better 1 set of rules than 27 different rules'

(iii) As a result of this, can objectives be better achieved by action by the Community (test of EU Value Added)?

Community-wide harmonisation strengthens the position of the EU [seed industry] with regard to exportation and setting of international standards.

## **B. Objectives of EU initiative**

What are the main policy objectives?

To ensure quality and health of seed and propagating material at lower cost and with less administrative burden; contribute to biodiversity, sustainability and innovation in line with the Commissions' objectives provide for a clear and simple legal framework; better inform users of seed and propagating material; create a more level playing field for marketing by removing distortions; and by this way promote plant health and support agriculture, horticulture and forestry.

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

NO, there is existing EU legislation since the mid-sixties.

## **C. Options**

(i) What are the policy options?

Option 1: No changes: MS-based system, with as a sub-option: Enhancement of networking between the Member States (registration of varieties); Option 2: Centralised EU procedure (registration); Option 3: More responsibilities for industry/voluntary procedures; Option 4: Abolishment of legislation.

(ii) What legislative or 'soft law' instruments could be considered?

One of the options foresees in a transfer of certain tasks to the private sector operators, either or not under official supervision by competent authorities of the MS.

(iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

Yes.

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

There are links with the legislation on plant health (harmful organisms, and plant protection products), and on GMO's and plant variety rights. There are EU commitments relating to the protection of biodiversity, rural development measures of DG AGRI and food safety. Health is one of the main criteria in respect of seed quality: a revised S&PM marketing legislation should not lead to a reduced level of assurance in that respect, but should improve the synergy between the two bodies of legislation. The revised legislation should encourage innovation and the development of new varieties that are suitable for more sustainable ways of farming.

Explain how the options respect the proportionality principle:

The aim is to harmonise the regulatory framework for the marketing of S&PM and thus contribute to the functioning of S&PM market in the EU. The proposed measures are sufficient in terms of reaching the objectives of ensuring health and quality of S&PM and securing the functioning of the internal market for S&PM. At the same time they do not impose an excessive or unjustified burden. The absence of harmonisation could result in the appearance of individual national variety registration and S&PM certification systems, resulting in multiple work and increased administrative burden in the EU.

## **D. Initial assessment of impacts**

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

Economic impact: Simplification, harmonisation and reduction of administrative burden should improve competitiveness. The sectors are very diverse and hence impacts vary. For certain sub-sectors the breeders and suppliers are predominantly SMEs who supply big companies or retain chains, for other sectors it could be the opposite. Breeding of varieties of woody plants in most MS is still performed by public bodies or public/private partnerships.

Environmental impacts: It is not expected that possible changes to the S&PM marketing legislation would have considerable environmental impact (see also evaluation report). Higher yield enable farmers to produce a same harvest on fewer hectares, leaving vulnerable soil types or ecosystems aside.

Imposing Value for Cultivation and Use (VCU) criteria with strict requirements as regards pests/disease resistance profile or suitability for growing under low input conditions could give a support to efforts made to make agriculture and horticulture more sustainable and environmentally friendly. The major push, however, should be given by other legal instruments, such as the CAP or by the policies with regard to authorisation of plant protection products.

Social Impacts are basically an element of economic impacts, as economic impacts on stakeholders will be reflected in the number of jobs that are created or lost or the level of income of stakeholders.

The effect of the S&PM marketing legislation on "nature values" could also be considered as being a social impact: a more diverse agriculture with a wider availability of trees and shrubs contributes to the beauty of the landscape and the enjoyment that citizens can experience from making walks in the countryside. Lastly, more resistant crops that need fewer pesticide treatments could be a plus for the health of those who handle S&PM and who produce.

Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

No meaningful financial impacts expected and certainly not above 5Mio €. The new regulation could contain elements such as financing of training (Better Training for Safer Food) or of EU-comparative trial and tests and, but would not require investments of that magnitude.

Could the options have significant impacts on (i) simplification, Yes (ii) administrative burden yes or on(iii) relations with third countries?

To a limited extend only as a third country equivalence system already is in place.

## **E. Planning of further impact assessment work**

When will the impact assessment work start?

Impact assessment work has started (internal kick-off on 4 Feb 2010).

(i) What information and data are already available?

Report of an external evaluation, presented early November 2008.

(ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out?

The IA covers the implementation of the legislation on the marketing of all seed and plant propagating material. An IA has been conducted in 2007 as part of the preparations for the submission of a Commission proposal for the recast of the then existing Council Directive on the marketing of fruit plants and fruit plant propagating material.

(iii) What further information needs to be gathered?

Additional info is needed in particular on costs associated with the registration of plant varieties and with the certification of lots of S&PM.

(iv) How will this be done (e.g. internally or by an external contractor) and by when?

In December 2009, a contract has been concluded with an external consultant for a study on the systems for variety registration in the MS. Report due by May 2010 so as to serve as a basis for the IA. Costs of certification will be assessed internally.

(v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

This will be considered as and when the process of the impact assessment is progressing.

Which stakeholders & experts have been/will be consulted, how and at what stage?

Private sector (breeders, suppliers, farmers' organisations), MS experts. The list of nearly 700 relevant stakeholders has been established for the 2007-2008 evaluation. They will be consulted again.