



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels, 4 May 2007
D(2007) 4057

Opinion

Title **Impact Assessment on: Council Regulation on common market organisation of wine**
(draft version of 30 March 2007)

Lead DG **DG AGRI**

1) Impact Assessment Board Opinion

(A) Context

This IA for the proposal to reform the Wine CMO is a complement/sequel to the impact assessment for the Communication "Towards a sustainable European wine sector" adopted by the Commission in June 2006. The original IA, after assessing various policy options, came to the conclusion that the "profound reform" was the preferred option. The present impact assessment aims to complete the previous assessment by analysing two variants of implementing the preferred option.

(B) Positive aspects

- (1)** The report offers a good overview of the problems and challenges that the EU wine market is currently faced with and that lead to the existing market imbalance. A clear link between problems/challenges, objectives and expected impacts is demonstrated.
- (2)** The expected impacts of each measure of the proposed option in relation to the set objectives are thoroughly analysed.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG.

General recommendation: The report should more clearly state the reasons that led to the selection of the preferred option (Variant B of the "profound reform" option), including reference to the risks linked to the assumptions on the potential of the individual measures to reduce the market imbalance.

- (1) The IA report should explain more clearly why Variant B of the "profound**

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
Office: BERL 6/29. Telephone: direct line (32-2) 2981898. Fax: (32-2) 2965960.

E-mail: impact-assessment-board@ec.europa.eu
Website http://www.cc.cec/iab/i/index_en.cfm

reform" was chosen as the preferred option. Where appropriate, the IA report should make clearer cross-references to the original impact assessment for the 2006 Communication. This should include a more detailed analysis of the potential short-term impacts of Variants A and B on different stakeholder groups and planned mitigation measures. Special attention should be given to the situation in Bulgaria and Romania. The reasons for the reduction by half of the grubbing-up scheme in comparison to the 2006 Communication should be explained. More information about the inclusion of the wine regime into the SPS system, impacts on distillation industries and on a potential differentiation of impacts on small and larger-sized producers would be welcome.

(2) The IA should provide more information on the stakeholder views on the "profound reform" option and its variants, and give feedback on how these have been taken into account for this impact assessment and the related proposal.

(3) The IA report should assess more clearly the administrative costs of the reform. It should offer more information on why a positive balance between additional administrative costs due to the reform and benefits in terms of measures abolished can be expected.

(4) The risk analysis in relation to the suggested measures – individually and in their entirety - should be expanded and the data and forecast reliability discussed. The IA report should provide information on the potential risks and sensitivities in relation to the proposed measures and the effect that these uncertainties may have for market balance and competitiveness of European wine. This includes uncertainties about uptake of the grubbing-up scheme, level of wine imports, promotion measures, and effects of accompanying schemes under Rural Development policy.

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with. With regard to presentation, the IA report should include an executive summary, and dedicated sections for monitoring and evaluation provisions and administrative costs.

2) IAB scrutiny process

Reference number	AGRI/2006/008; CLWP 2007 Strategic Initiative
Author DG	AGRI
External expertise used	No
Date of Board Meeting	2 May 2007
Date of adoption of Opinion	4 May 2007