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EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Chair

Brussels, 30 MARS 2009
SG-C2/AK/sqD(2009) 2519

**NOTE FOR THE ATTENTION OF MR DEMARTY
DIRECTOR GENERAL, DG AGRI**

Subject: Opinion of the Impact Assessment Board on the draft impact assessment report on a Communication on agricultural product quality policy

Please find in annex the opinion of the Impact Assessment Board on the draft impact assessment report on the above mentioned subject. I hope you find the recommendations useful. Let me especially draw your attention to the Board's request to receive a revised draft of the IA report, on which it will then issue another opinion.

I suggest that you include a paragraph in the final version of the impact assessment report referring to the Board's examination and briefly explaining if and how the Board's recommendations have led to changes compared to the earlier draft. Such a cross-reference will contribute to the coherence of the file as it goes into the inter-service consultation and is presented to the College.

Let me recall that it is the responsibility of your service to ensure that the Board's opinion is uploaded to CIS-Net and that it is submitted to the Registry together with the corresponding initiative and its impact assessment when they are introduced for adoption by the College. More detailed instructions are available on the SG Manual of Operating Procedures.

Please note that once the College has adopted the corresponding initiative, the Board's opinion will be published on the Europa website, unless you inform us of the reasons - in accordance with Regulation 2001/1049 - why this should not be done in this particular case prior to the date of adoption. Please send (a copy of) such a request to the Impact Assessment Board mailbox: IMPACT ASSESSMENT BOARD.

Alexander Italianer

Encl. Opinion of the Impact Assessment Board

Copies J-C Thebault (President's cabinet), C. Day, E. Golberg, M. Klingbeil, F. Genisson, J. Watson, O. Bailly, M. Vialle (SG), Board members and alternates



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels, 30 MARS 2009
D(2009) 2550

Opinion

Title **Impact Assessment on: Impact assessment report for a
Communication on agricultural product quality policy**

(draft version of 4 March 2009)

Lead DG **AGRI**

1) Impact Assessment Board Opinion

(A) Context

The aim of agricultural product quality policy is to give consumers the information they need about agricultural product characteristics, place of farming and farming attributes to make purchasing decisions and thus enabling farmers to get a fair price for the qualities of product they provide. The main categories of instrument are (1) the EU Quality Schemes (geographical indications, organic farming etc.), (2) private sector value-adding Certification Schemes that differentiate products, (3) farm assurance schemes guaranteeing that the basic requirements have been followed, and (4) EU Marketing Standards, laying down defined product identities and classes (i.e. what can be called 'skimmed milk', 'fruit juice' etc.), value-adding terms ('extra virgin', 'free range', etc.) and place of farming labelling. Considering the issues with existing schemes and the risk that new product quality policies would develop incoherently, this Impact Assessment provides analysis to support the development of strategic orientations in the field of agricultural product quality policy. A corresponding Communication will not contain legislative proposals – these will be brought forward, if needed, in 2010 and be accompanied by their own impact assessments targeted on the measures then proposed.

(B) Positive aspects

The report provides substantial background material in the Annexes. It discusses openly the shortcomings of the existing arrangements, the lack of data and outlines some discrepancies between expected and actual policy outcomes. The extensive stakeholder consultation is well reflected in the report.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments

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

will be transmitted directly to the author DG.

General recommendation: Whilst fully acknowledging the complexity of the exercise, a further effort should be made to improve the consistency and clarity of the report. Firstly, the report should clearly set out the scope and focus of the planned initiative and highlight the relative importance of agricultural product quality policy from the perspective of the different economic operators in the production and distribution chain. Secondly, the report should streamline the presentation and assessment of individual options, as well as provide analysis on the synergies between the measures and the overall effectiveness of the whole package. Thirdly, the benefits of providing additional information of the type that is not explicitly valued by the consumers needs to be further clarified. Finally, the report should be more precise as regards the potential incoherence of the different EU labelling policies. During the IAB meeting, DG AGRI stated its intention to take on board these recommendations

Given the nature of the recommendations, the Board would like to examine a revised version of the report on which it will issue a new opinion.

(1) Clarify the scope and focus of the planned initiative and demonstrate the relative importance of the issues at stake. The report should set out the policy context early on by explaining the scope of this initiative and how it interacts with other relevant policies (such as agricultural product hygiene and safety rules, farming requirements and environmental requirements). The report should better highlight the relative importance of the issues at stake by providing information on the market size of agricultural products concerned and the potential commercial value of product quality labels and certificates. Considering the complexity of the policy domains, the problems should be made more understandable by using illustrative elements and/or anecdotal evidence.

(2) Provide a more coherent horizontal approach throughout the four main quality policy domains under discussion and improve the clarity of the presentation. As regards the four policy domains (Marketing Standards, Geographical Indications, Traditional specialities and Certification Schemes), the report should provide a more coherent analysis of the common underlying problems – (a) complexity/proliferation of existing schemes, (b) information asymmetry and (c) inconsistencies of the EU policies. The report should also present the options and their assessment in a more transparent way (e.g. using tables), and substantiate the selection of the preferred options by providing a comparison which visibly underpins the conclusions made. Finally, the report should outline the synergies between the measures and assess the effectiveness of the package of the preferred options as a whole.

(3) Clarify the value added of quality labelling and certification schemes from both the consumer's and the farmer's perspective. The report should demonstrate better that there is a need to communicate on the quality of agricultural products, which goes beyond the information already provided by the market. This is especially relevant for the compulsory label of 'place-of-farming', given that the preferred option foresees adoption of this on a sector by sector basis. Currently there is no clear evidence that this information will be valued by consumers and thus it is not evident how farmers would benefit from this measure. The report should make clear that this option will only be taken forward if, after further investigation, its cost-effectiveness can be demonstrated and be more transparent on the geographical scope of such labels ("made in EU", "made in [country X], etc.). Finally, the report should explain why there is a demand in the

market for baseline schemes (which communicate to consumers that the agricultural products are produced in accordance with minimum legal requirements).

(4) Be more specific as regards the potential lack of consistency between the different EU labelling schemes and the extent to which an initiative in this field can address this lack of consistency. The report should briefly outline all Community-level labelling schemes which are relevant, their stage of development, and the precise problems in terms of overall consistency. The report should clarify the extent to which the common criteria proposed by this initiative to ensure coherence take into consideration the priorities in other EU policy fields (e.g. environment, fisheries, animal welfare).

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with. While the IAB accepts that the IA report is longer than the recommended 30 pages because it covers four policy domains, an effort should be made to improve the consistency and clarity of the report. The executive summary should be presented as a separate staff working paper, it should provide a more comprehensive overview of all considered and retained options, and outline the conclusions of the IA report.

2) IAB scrutiny process

Reference number	2009/AGRI/003 (CLWP priority initiative)
Author DG	AGRI
External expertise used	No
Date of Board Meeting	25 March 2009
Date of adoption of Opinion	30 MARS 2009

FROIDEBISE Nadine (AGRI)

From: IMPACT ASSESSMENT BOARD
Sent: lundi 30 mars 2009 12:52
To: DEMARTY Jean-Luc (AGRI)
Cc: BENSTED-SMITH John (AGRI); FAY Francis (AGRI); RUEDA CATRY Cristina (AGRI); WESSELER Gesa (AGRI); LEBESSIS Notis (AGRI); THEBAULT Jean-Claude (CAB-BARROSO); DAY Catherine (SG); GOLBERG Elizabeth (SG); KLINGBEIL Marianne (SG); GENISSON Francois (SG); WATSON John (SG); BAILLY Olivier (SG); VIALLE Marie-Magdeleine (SG); ANDRE Viviane (ENV); ARNOLDUS Paulus (ECFIN); BUNCH Lindsay (SG); CORREIA Dora (SG); DARNAUT Nathalie (ECFIN); DELSALLE Jacques (ENV); GREMMINGER Michael (SG); HOFBAUEROVA Miriam (SG); JABLONSKA Diana (EMPL); JAKUBIEC Sebastian (SG); JETTEN Chris (SG); KICIA Malgorzata (ENV); KLINGBEIL Marianne (SG); KONIECKI Jakub (SG); KROON Annika (SG); MAES Raymond (EMPL); MAGGI Riccardo (SG); MANNER Nina (SG); MIEGE Robin (ENV); MULCAIRE Eileen (ECFIN); PIELKE Anette (SG); PIRRUNG Marc (ENTR); PONS-DELADRIERE Genevieve (ENTR); QUENUM Sarah (SG); SCHARRENBORG Robertus (SG); SCHULTE-BRAUCKS Antonella (EMPL); STERNIK Agnieszka Katarzyna (EMPL); VIALLE Marie-Magdeleine (SG); WATSON John (SG); WHITE Stephen (ENV); SERVOZ Michel (SG); LEARDINI Pascal (SG); SG ADONIS D-1; HAAG Marcel (SG); FINK-HOOIJER Florika (SG); IMPACT ASSESSMENT BOARD; HOLLISTER Samuel (ENTR); BENITEZ SALAS Maria Angeles (AGRI); FARNELL John (ENTR); ITALIANER Alexander (SG); KOOPMAN Gert-Jan (ECFIN); MAKELA Timo (ENV); PRATS MONNE Xavier (EMPL)
Subject: D-2549 Transmission of IAB opinion (D-2550) on the IA on a Communication on agricultural product (AGRI)

Attachments: D_2549_Transmission note of the IAB opinion on the draft IA on a Communication on agricultural product quality policy_AGRI.TIF; D_2549_Transmission note of the IAB opinion on the draft IA on a Communication on agricultural product quality policy_AGRI.doc; D_2550_IAB opinion on the draft IA on a Communication on agricultural product quality policy_AGRI.TIF

Dear Mr Demarty,

On behalf of Mr Italianer, Chair of the Impact Assessment Board, herewith a note and IAB opinion on the above mentioned subject:



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Opinion of Impact Assessment Board on the draft impact assessment report.



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opinion on the dra...

Originals will follow by internal mail.

Kind regards,

Sarah Quenum
European Commission - Secretariat General
SG-C-2 - Impact Assessment Board Secretariat
Phone: +32 2 29 513 69