



managed programmes by the Commission. Finally, the report should further improve the assessment of impacts, particularly with respect to the possible distortions of competition on the relevant markets and the effectiveness and efficiency of alternative budgetary spending under the various option packages. It should explain how the monitoring and evaluation arrangements would enable a more complete assessment of social and environmental impacts.

Given the nature of these recommendations, the Board asks DG AGRI to submit a revised version of the report, on which it will issue a new opinion.

**(C) Main recommendations for improvements**

**(1) Better demonstrate the need for and value added of EU spending action.** The report should better show the underlying market failure, including an explanation in how far agricultural products are different from other products (e.g. construction material, chemicals, furniture etc.) that also face competitive pressures in third country markets. It should better demonstrate and substantiate why generic promotion programmes for agricultural products of individual Member States targeting the EU internal market need to be (co-)financed at EU level. It should better justify the need to include the product's origin and private brands in the generic promotion programmes, given the potential distortions of competition on the relevant markets.

**(2) Better define objectives and related progress indicators.** The report should define more specific objectives to overcome the difficulties of evaluating the effectiveness of the policy as pointed out in the European Court of Auditors report. It should develop more robust progress indicators that will allow a clear identification of impacts stemming from the measures proposed (e.g. if increased knowledge on EU agricultural products resulted in increased sales and overall competitiveness of EU agricultural products). For example, the report should be more specific on what the current level of knowledge on the benefits of European agricultural products is for the target group, what level is intended or needs to be achieved, what progress indicators will be used, and how data will be collected for that purpose. In addition, the report should better explain how each option package (scenario) addresses each objective and related problems. This could, for example, be usefully illustrated using a diagram.

**(3) Clarify the link between option packages and the budgetary component.** The report should clarify what amount of budget is required for the three alternative scenarios and whether the effectiveness and efficiency of the overall programme (and of individual programmes) will be affected by the size of possible budget allocations. This should take into account that the scope of eligible products will be significantly expanded under certain options. It should also explain how the enlarged list of eligible products considered under the "targeted" and "exclusively third countries" scenarios allows for a more targeted approach that is commensurate with the foreseen budget. The report should better explain how the proposed changes would be implemented in practice, particularly with respect to the administrative and budgetary aspects of programmes managed centrally by the Commission (e.g. multi-country programmes). It should, for instance, explain how the principal decision on centrally managed programmes by the Commission can be justified in the absence of an analysis on whether certain tasks can be externalised (via executive agencies or framework contracts). Given that the preferred option ("ciblé") requires a significant budgetary increase compared to the current programme, the report should explain what would happen in case such an increase would not materialise and what would be the second best option.

**(4) Further improve assessment of impacts.** The report should better assess the effectiveness and efficiency of all option packages, taking explicitly into account the enlarged scope (or differences thereof) as well as (alternative) budgetary allocations (see above). It should better assess the impacts on competition in the relevant markets and clarify any state aid aspects. It should also better analyse regional and distributional impacts as the benefits of the current promotion policy appear not equally spread among the affected producer groups and Member States. In addition, the report should indicate through the monitoring and evaluation arrangements how a more complete assessment of social and environmental impacts (e.g., sustainable use of natural resources, employment, consumers, public health) will be possible in the future.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.*

**(D) Procedure and presentation**

The report should be further shortened, for instance, by shortening the context section. In addition, it should distinguish between description of options and assessment of impacts. In describing the baseline scenario, the report should move some essential information on the current beneficiaries, such as the distribution of financed programmes per Member States, from the annex to the main text. The report should provide a short section on how the report has been revised in order to take into account the recommendations contained in this opinion as well as in the earlier ones. It should include only publicly available information (i.e. internal document references, names of IASG members, etc. should be excluded).

**(E) IAB scrutiny process**

Reference number	2012/AGRI/006
External expertise used	No
Date of IAB meeting	Written procedure.  The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 4 July 2012 and the second opinion was issued on 31 August 2012.