



## **(C) Main recommendations for improvements**

**(1) Strengthen the problem definition and the baseline scenario.** The report should explain in greater detail what market failures the promotion policy of agricultural products is trying to address. In particular, it should more thoroughly discuss the risk of free-riding and crowding out of private investment, particularly for non-generic product promotion. In doing so, the report should map out the promotion activities, including the relevant budgets, of agricultural products implemented by Member States or sector trade associations without EU funding in order to demonstrate any potential information gaps on the markets concerned. Furthermore, the overall EU investment figures in promotion campaigns should be compared to third countries' similar commitments, notably in the US, to inform about the EU's competitive situation. In addition, the report should also analyse in more detail the problems faced by SMEs participating in the current programmes and the extent to which they are likely to benefit from generic product promotion. The report should better substantiate the problems related to the administrative management of the promotion policy and budget spending. Finally, the baseline scenario should be significantly strengthened, and include details about how the situation is likely to evolve in the absence of further EU action by better describing the status quo (e.g., beneficiaries of the current programme, current budget division among the various initiatives).

**(2) Demonstrate the need for and value added of EU spending action.** In line with the results of the ex-post evaluation, the report should present a much clearer reasoning for the use of EU level funding to promote agricultural products, instead of leaving this commercial activity exclusively to the market actors. Furthermore, the report should explain the need to finance at the EU level, promotion programmes of individual Member States in the EU internal market, rather than initiatives geared towards third country markets, taking due account of market trends and structures.

**(3) Establish a clear intervention logic, objectives and corresponding monitoring arrangements.** On the basis of a revised problem definition, the report should clearly indicate what the publicly funded promotion policy is trying to achieve: awareness about intrinsic qualities of European agricultural products, increased sales of European agricultural products, or filling the gaps of what is not funded by the Member States or the market players? Moreover, the report should establish a clearer intervention logic by linking the objectives more concretely to the options and identified problems. The objectives should be presented in "SMARTer" terms and formulated in a way that they do not prejudice the outcome of the impact analysis of the different options. Finally, the report should develop robust progress indicators that will allow clear identification of impacts stemming from the measures proposed, hence measuring the success of the initiative.

**(4) Better define the policy options.** The report should better explain the logic behind the construction of options and explain how the proposed changes would be implemented in practice. In addition, the report should analyse "no EU action" as a separate policy option, in order to demonstrate more clearly the possible added value of EU action. Finally, the report should clarify how (and if) the sub-options identified for the ten key themes could be combined in alternative and coherent packages of option elements up-front.

**(5) Better assess and compare impacts.** The report should present a more balanced assessment of impacts and related trade-offs. The report should present a more complete

assessment of environmental and social impacts, by providing a more comprehensive qualitative assessment and quantifying expected costs and benefits where feasible. In addition, the report should explain the assumptions underlying the economic impacts. Furthermore, the report should clarify the link between the options proposed and their impacts on the budget. In addition, the report should substantiate if there is sufficient absorption capacity of a potentially increased funding. Moreover, the report should be clearer on the regional impacts, the impacts on SMEs, administrative burden and on competition. Finally the report should explicitly compare on the basis of a revised set of specific objectives, the packages of option elements, against a fully developed baseline scenario. This should include a discussion of any trade-offs of policy option packages. The report should also address how the complexity of the current programme will be addressed, apparently a reason why only part of the budget was used.

*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 language of the report should be presented in a more streamlined and reader-friendly fashion. In addition, the use of the main abbreviations should be avoided. Finally, the report should be shortened while retaining all relevant information in the main text.

**(E) IAB scrutiny process**

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