# COMMISSION OF THE EUROPEAN COMMUNITIES



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# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the implementation of Council Regulation (EC) No 814/2000 on information measures relating to the common agricultural policy

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# I. <u>Brief Introduction</u>

This report examines the implementation of Council Regulation (EC) No 814/2000 for the years 2000, 2001 and 2002. An impact assessment of the measures taken under this Regulation will be made in the near future within the specific framework of the Commission evaluation policy.

The objectives of the information measures on the Common Agricultural Policy as defined by Regulation (EC) No 814/2000 are:

- helping to explain the CAP as well as to implement and develop it,
- promoting the European Model of Agriculture and helping people understand it,
- providing information for farmers and others living in rural areas,
- raising public awareness of the issues and objectives of the CAP.

Actions fall into two main categories:

- those submitted at the initiative of third party organisations for co-financing by EAGGF which can be either programmes or specific actions
- those at the initiative of the Commission and financed at a rate of 100% by EAGGF.

It was decided by the Council of Ministers (Article 8 of Regulation (EC) No 814/2000) that a report on the implementation of the Regulation should be presented to the Council and to the European Parliament every two years, with the first one to be presented not later than 31 December 2001

The original implementing measures which laid out the detailed rules for the application of Regulation (EC) No 814/2000 and, in particular, those relating to grants awarded to third parties were contained in Commission Regulation (EC) No 1390/2000 which was replaced successively by Commission Regulation (EC) No 1557/2001 and by Commission Regulation (EC) No 2208/2002).

This report to the European Parliament and Council was delayed in order to allow a fuller assessment of the implementation of the Council Regulation in the light of the experience obtained by the Commission services and taking into account changes made by the Commission in the implementing measures. The report also takes account of comments and feedback from interested parties in civil society, from individual members of the European Parliament and from the professional agricultural organisations.

# II. History

# 1. Budget

- The origin of our financed information policy lay with a line in the B2 part of the budget that was used to finance the information activities of CEPFAR and CEJA (European Farmers' Information Organisation and European Young Farmers' Organisation).
- Following comments by the Court of Auditors in 1997 on the financing of four agricultural NGO's under B2-519, later to become B2-5122, the Commission suppressed the 100% financing of information actions by NGO's and drew up a vademecum to regulate the attribution of funds to various applicants.
- A second Vademecum was drawn up in 1998 and this was further adapted in 1999.
- Line B2-519 (B2-5122) was given extra credits and, in 1998, specific beneficiaries were mentioned by the Parliament together with the amounts attributed to them. In 1999 the potential beneficiaries were only cited as examples and the pre-attribution of credits disappeared. The line was endowed with EUR 5,5 million and a number of beneficiaries at European level from the world of agriculture were cited. As a B2 line, spending on information policy fell under non-obligatory expenditure.
- In 1999 Council Regulation (EC) No 1258/1999 on the financing of the CAP placed information measures on the CAP in the Guarantee section of EAGGF. It was decided that from 2000 to 2005, information measures would be financed under B1-382 with an annual budget of EUR 4,5 million. (The breakdown between Grants and Commission Initiatives was foreseen as EUR 3,5 million for grants (3 million for programmes and 0,5 million for specific actions) and 1 million for Commission initiatives.)
- Council Regulation (EC) No 814/2000 provided the legal basis and political direction for the expenditure on information policy on the CAP from B1-382.
- In 2000 the European Parliament created a new budget line, B2-514, the object of which was to finance pilot projects which would contribute to the survival of family farms in the EU. This included the financing of farming organisations that presented information projects. The Commission was concerned that these actions would create a situation of "double emploi" with certain rural development measures. It was also extremely reluctant to take on any new "pilot projects" given the negative experiences of the past in DG Agriculture. Pilot Projects have no "legal basis" as they are supposed to pave the way for a subsequent Regulation that will take account of the experience gained through implementing the projects. The Parliament's budgetary committee took on board the Commission arguments and agreed that credits on B2-514 would be transferred to B1-382. However, on 14 December 2000, the Parliament meeting in plenary session reintroduced B2-514 by amendment. The words "pilot projects" had been omitted but the problem remains that, unlike B1-382, B2-514 still has no legal basis and cannot be executed. No expenditure has taken place from this budget line.
- In 2001, EUR 4,5 million have been allocated to the budget line B1-382.
- For the year 2002, as the funding possibilities obtained greater publicity, EUR 2 million more was allocated in order to respond to a higher demand. Furthermore, the Parliament decided to transfer a further EUR 2 million (which had previously been attributed to

B2-514) to the general information line B1-382 so that B1-382 contained EUR 8,5 million available for financing and co-financing of information actions.

# 2. Three years of activity

# Commission Regulation (EC) No 1390/2000: years 2000 and 2001

This first Commission Regulation implementing Council Regulation (EC) No 814/2000 stated:

- a call for proposals was the most efficient and transparent way of ensuring that grants provided for under Regulation (EC) No 814/2000 received the widest publicity and that the best measures were selected;
- eligibility criteria, grounds for exclusion and general selection criteria should be laid down in detail;
- as potential beneficiaries of the grants awarded under the Regulation can be organisations without any clearly defined legal status, a guarantee should be demanded which is at least equivalent to the amount of an advance of payment made by the Commission;
- Any exceeding of 50% financing (maximum 75%) should only be under exceptional circumstances.

# Commission Regulation (EC) No 1557/2001: year 2002

This Regulation guided 2002 activities, but the modifications introduced were minor and the main lines of Regulation (EC) No 1390/2000 remained: the idea of a call for proposals was still held to be the most transparent and efficient way of attracting good information actions for co-financing, the provision of a bank guarantee as a condition for obtaining an advance on final payment.

Those changes which were made had as their objective to clarify rules, improve the regime for reception and treatment of applications and facilitate the recourse to "exceptional" financing at the 75% rate of certain information actions which were deemed to be of a particularly high value and interest. It was felt, for example, that existing criteria relating to linguistic interpretation as part of the definition of "exceptional actions" would be more relevant to more prosperous organisations and large transnational meetings than to small and medium sized farming organisations who, by their own more local nature and the nature of their information actions, were less likely to have recourse to multi-lingual interpretation and would be penalised. These criteria were modified and other small changes were made. These small changes of the existing Regulation were made very much in response to the practical difficulties encountered by a number of organisations representing small and medium sized farming enterprises and flagged to the Commission services.

# III. The Present

# Commission Regulation (EC) No 2208/2002

The experience of the Commission services in the years 2000, 2001 and 2002 was that, while actions taken at the Commission initiative had proved successful, there was still room for improvement of the implementing measures as regards the awarding of grants for information actions to be financed from budget line B1-382. The process needed some streamlining in

order to be able to better achieve the objectives of our policy, namely to inform farmers and the general public about the major changes in political direction which followed the various food scares of the late nineties and the crisis of consumer confidence in farmers and public authorities which followed in their wake. Informal consultation with a number of agricultural organisations that have benefited over the years from the awarding of grants confirmed this opinion.

Also, it was held that, in the new context, greater importance should be given to the impact of the co-financed actions on the media and on a wider public. This was held to be of importance in the context of the greater transparency and sensitivity to the many and varied demands of civil society which have characterised the overall political climate surrounding agricultural policy in the EU and further afield and which have become features of the CAP post Agenda 2000.

Regulation (EC) No 2208/2002 takes the process a step further. The aims of the new Commission regulation that will guide grants activity in 2003 are:

- to adapt the information actions financed to the current priorities of the CAP (e.g. CAP Reform, WTO negotiations, Enlargement) by defining in the Call for Proposals the subjects to be treated in a given year,
- to simplify procedures for those introducing requests for co-financing,
- to clarify and better regulate the possibility of 75% financing under "exceptional circumstances",
- to require applicants to have considered the wider impact of their information actions and to provide with their application a media plan,
- to make clear the costs which are eligible for co-financing by introducing a system of benchmarking and thus to increase the operationality of the grants system.

The Commission felt that, by taking the above measures, there would also be a greater harmonisation between actions put forward for co-financing by third parties and those actions (publications, organisation of conferences, participation in agricultural fairs) carried out at the initiative of the Commission.

# IV. Breakdown of actions financed

# 1. Grants

Analysis of applications received from all countries in EU-15 in 2000, 2001 and 2002 shows a steady annual increase (from 66 to 145 to 199 of which 27, 54 and 40 were applications for co-financing of programmes and 39, 91 and 159 were applications for specific measures in each of the three years). However, for a number of reasons, most often mistakes in the presentation of the applications but also due to the low standard of some of the information actions presented, the trend for the number of actions co-financed is more static.

The successful applications for programmes in 2000, 2001 and 2002 were respectively 7, 15 and 4 (26 programmes) and for specific actions in the same period: 12, 25 and 24 (61 in total). It has to be noted that each programme contains a number of actions and that the 26 programmes financed contained 142 specific actions bringing the overall total to 203 for the three years. Since the introduction of Regulation (EC) No 814/2000, 26 out of

121 applications for co-financing of programmes were successful and 61 out of 289 applications for specific actions (See annex I - Tables concerning grants for 2000, 2001 and 2002 with mention of the co-financing rate).

The majority of programmes co-financed were from Belgium, which reflects the presence in Belgium of a number of European umbrella farming organisations such as COPA-COGECA, CEJA and AEFPR but figures for the specific actions reveal a wider distribution with significant numbers of actions financed in France, Spain and Italy. This reflects the general interest in the CAP within these countries; similar trends can be seen in the amounts of visits to Brussels requested by French, Spanish and Italian groups and in the volume of letters and e-mail questions submitted to the services of DG Agriculture.

An examination of the themes of the information actions co-financed shows that by far the most sought after subject is the CAP in general and CAP reform followed by Rural Development, WTO issues, Quality Policy and Enlargement. This reflects a trend in the applications but also in the choices made by the Commission services.

The kinds of action for which grants were awarded included seminars and conferences on the CAP, a forum on women in agriculture, information visits and exchanges between farmers from different member states and visits to candidate countries, an educational project for school children throughout the community to explain the basics of agriculture and agricultural policy, information visits organised by agricultural journalists, the publication of an information guide on food safety and quality aimed at consumers and books, videos, CD-ROMs and other publications on the European model of agriculture, the CAP and rural development policy. The awarding of grants by the Commission is only made after a lengthy selection process and it is hoped that the actions chosen for financing will have had as wide an impact as possible. A formal evaluation of the impact of these measures will be made at a later stage by those Commission services specifically charged with evaluation tasks in the light, namely, of the type of organisation carrying out the actions, the subject matter and instruments chosen and the public reached.

Individual organisations which were successful in obtaining co-financing of their information programmes include the traditional beneficiaries of the "pre 814/2000 information policy grants" such as COPA-COGECA and AEFPR (European Farmers and Co-operatives umbrella organisations) and CEJA (young farmers) but also national consumer organisations, national journalists organisations, European environmental organisations and Rural Development groups. A number of national member organisations of the European Umbrella organisations were also successful as were some provincial/regional organisations and academic bodies.

# 2. Actions at the Commission Initiative: Conferences, Fairs, Publications, etc.

# **External Technical Assistance**

In the years 2000 and 2001 the Commission services had a **framework contract** with a public relations company which was instrumental in the realisation of information actions taken at the Commission initiative. (Publications press packs and information folders, mailing list, web-site, attendance at fairs, organisation of conferences, strategy and key messages).

In 2002 the Commission services continued their programme on an ad hoc basis, working with a number of Directorates General (OPOCE, SCIC, DG EAC and DG Administration) as well as some private companies with framework contracts with other Commission DG's to realise their publications programme and to organise conferences and participation in fairs.

Following a tender procedure launched in 2001, one contract for outside assistance was signed in 2002 with an outside firm for *writing of articles*.

The Commission services are now in the final phases of a tender for external assistance that is divided into a number of lots including strategy, media tools and technical assistance for fairs and conferences.

# Main actions undertaken in 2000, 2001 and 2002

# Conferences

- the CAP (Round Table on the Future of Farms in Hanover and common organisation of the market [COM] for Fruit and Vegetables in Brussels);
- Rural Development (The Role of Agriculture in Rural Development in Washington);
- <u>the WTO negotiations</u> Conferences in Paris with 24 developing countries and in Estonia and Mauritius (friends of multifunctionality;
- Enlargement with the Media of the 10 CEEC's and Regional Offices in Brussels as well as seminars for media representatives from 10 CEEC's in Maastricht and Brussels. Two major information events were organised for leading members of the agricultural world as well as academics, consumers, press and other citizens from all the candidate countries, including Turkey, in Riga and Prague;
- Annual conferences were organised in Brussels for Agricultural Press and Rural Carrefours on general CAP, WTO and Enlargement and a conference on Mountain Agriculture was co-financed between DG AGRI and DG REGIO.

#### Agricultural fairs

In 2000 and 2001 the Commission services had stands at the Berlin Green Week, the Fair in Libramont, Wallonia, the Paris Salon de l'Agriculture and in the International Fair (Salical) in Rioja, Spain. In 2002, despite the lack of technical assistance, a major effort was also made to "show the flag" in the various agricultural fairs. The Commission had stands in the Berlin Green Week, the Paris Salon de l'Agriculture, the Salon Alimentaria in Barcelona, AGRIBEX in Brussels as well as the fairs held in Verona and Hameelina (Finland).

An innovative aspect of the stands was the voluntary co-operation of national and local farmers' and interbranch organisations to present not only our documentation but also tangible experiences of quality agricultural production from these countries. For example, in Paris, olive oil tasting demonstrations as well as information relating to dairy and meat products, fruit and vegetables and flowers were organised with representatives of the professional organisations participating actively and without charge on the Commission stand.

This type of joint action demonstrates clearly the complementarity of the Commission general information actions under Regulation (EC) No 814/2000 and actions foreseen in the context of other regulations governing information on agricultural products.

Another partner in our activity was the Rural *Carrefour network* that accompanied Commission staff in providing information on the stand. The presence of a Commission stand in agricultural fairs provided a base for our participation in a number of other communication activities in the context of the fairs involving press and professional organisations.

#### **Publications**

Publications include the *monthly newsletter* distributed through a mailing list that includes EU and international institutions, national, regional and local authorities, socio-professional organisations and specialised press.

The publications programme included a number of specific *fact sheets* on issues such as Agenda 2000, Women in Agriculture and the Agricultural Committees as well as a *brochure* on Organic Farming that appeared in all 11 EU languages.

Reports and leaflets were published on COM's, international and rural issues.

A photographic book "A Panorama of Rural Development" was produced with the kind participation of Member States that provided the photographic material. This book is now available and will be presented to ministers and delegates in the informal Council of Ministers and SCA to be held in May 2003 in Corfu.

Reprints were made of a number of COM factsheets that reflects the interest in and demand for these publications.

*Key messages* on the CAP Mid-term Review and Enlargement issues addressed to farmers, food industry, consumers, press and civil society have also been prepared and revised.

A video was produced on the EU's WTO position as well as specific publications for a press pack that was given to journalists at the WTO meeting in Doha. A video was made on the Mid-Term Review and updated to reflect the Commission proposals on CAP Reform of autumn 2002.

# Website

Much of the information contained in the publications is also made available to the general public through the DG AGRICULTURE website which is a labour saving and efficient method of communicating to those who are already interested in learning more about the CAP and farm and food policy issues in general. Links are provided to complementary Commission and other sites.

#### Surveys

Questions were placed in the standard *Eurobarometer* with a view to monitor progress in the general public's awareness of the CAP and related issues. It has to be said that increased awareness is generally small but the base of awareness discerned in the answers to the Eurobarometer questions on the CAP is also very low. Answers reflected the public's concern over the various food scares which characterised 2001 and confirmed that the most widely perceived messages are those received through television and radio. Unfortunately these are also the most expensive media to use.

Two "flash" Eurobarometers were carried out, in which the general public was questioned on its knowledge of the CAP, WTO, Food Safety and other issues linked to Agricultural policy. The general lack of knowledge revealed in these surveys seems to emphasise the need to continue an information policy and, if possible, to strengthen the overall level of information actions within the limits set by the available budget and the number of staff available to execute such a policy. A Eurobarometer was carried out in the candidate countries. The perception of the CAP that emerged from these countries was, not surprisingly, variable and

reflects the greater or lesser importance of agriculture in their economy and to the persons interviewed.

Annex II provides comprehensive breakdown of all initiatives taken during the period 2000-2002 as well as the respective costs. To be noted that credits committed were: 2000 – EUR 1 354 779; 2001 - EUR 650 594; 2002 - EUR 1 692 819,28.

# 3. The proportion of spending between Commission initiatives and Grants

As it can be seen from annex III, the proportion of spending between grants and information actions undertaken by the Commission was respectively 50,83%: 49,17% in 2000, 77,51%: 22,49% in 2001 and 52,17%: 47,83% in 2002. For the whole period the amounts concerned were of EUR 5 488 406 and EUR 3 698 192 which represent 59,74% for grants and 40,26% for the Commission initiatives.

It is to be noted that the annual spending figures for 2000 were lower than those originally committed. For years 2001 and 2002 spending figures are not yet definitive as some actions are still on going. Nevertheless, similar differences can be expected, as, in the case of grants, not all payments made by the beneficiaries can be eligible. In the case of Commission actions the differences are smaller and due to the commitments of maximum possible amounts.

#### V. Conclusion

1. The CAP is in the forefront of the response to changing world circumstances, as well as to the new aspirations and expectations of citizens, consumers and taxpayers.

Our information policy should reflect these changes by being an instrument which explains clearly to all interested parties - farmers, food industry and trade - as well as to civil society in general, the opportunities which exist for farmers and others living in the rural environment to improve their standard of living whilst respecting nature and preserving the landscape for future generations.

Regulation (EC) No 814/2000 is a solid legal basis for these tasks to be achieved. The marriage of actions taken at the initiative of the socio-professional organisations and press with those taken more directly at the Commission initiative provides a good practical foundation for a balanced and positive message to be developed and transmitted.

The experience of the past three years seems to have been generally positive in terms of the quality of actions financed and co-financed. The future evaluation of the impact of the measures will provide the appropriate assessment of the value of the policy. The system for submitting an action for financing has been improved over the years to take account of the experience and comments provided by the beneficiaries. Nevertheless, given the risks associated with direct management, there is a need to ensure that EAGGF funds are allocated in accordance with a number of strict procedures which are equitable and controllable. The standard of the applications for actions submitted for co-financing needs to be raised so that fewer actions are declared ineligible. This applies mainly to the financial and budgetary content of these applications and to the sound management of the actions themselves. All contracts and transactions must respect the new Financial Regulation (EC) No 1605/2002.

Precise internal rules have also been put in place to ensure that information actions taken at the Commission initiative are also decided for good reasons and that their impact is as great as possible.

2. Experience indicates that there is no reason to modify at this stage the two pillars of the information policy: co-financed actions submitted by third parties (grants) and actions undertaken at the Commission initiative and financed at 100%.

The breakdown of spending between these two pillars should be maintained at similar levels.

The European farming umbrella organisations remain the main beneficiaries of the grants policy. Even if small and medium sized family farming enterprises have still not fully reaped the benefits of this policy as was initially hoped, efforts have been made to ensure a better balance between different types of organisations. This effort should be pursued.

Significant change regarding the nature of the actions is not to be expected. However, the need to reinforce the media content of the actions in line with the preoccupations of civil society and the challenges facing communicators in the 21<sup>st</sup> century has been recognised by the introduction in Commission Regulation (EC) No 2208/2002 of the "media plan".

Reflection should also take place on the possibility of re-enforcing dialogue on information policy with the Member States' representatives in the context of the Commission Annual Activity Programme.

Last but not least, the coming evaluation and impact assessment that will be undertaken by the Commission services will provide the appropriate guidance to improving the overall cost/benefit of the policy and the efficacy of the actions undertaken in the contexts of both the grants and the Commission own initiatives.

Annexes: SEC(2003) 506