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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate B. Multilateral relations, quality policy
B.5. Promotion

HANDBOOK

**FOR THE PROGRAMS ON THE PROMOTION
OF AGRICULTURAL PRODUCTS WITHIN THE FRAMEWORK OF
COUNCIL REGULATION (EC) No 3/2008
AND COMMISSION REGULATION (EC) No 501/2008**

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1. BACKGROUND INFORMATION, GUIDELINES, DEFINITIONS FOR THE ASSESSMENT AND MANAGEMENT OF PROGRAMMES FOR THE PROMOTION OF AGRICULTURAL PRODUCTS WITHIN THE FRAMEWORK OF COUNCIL REGULATION (EC) NO 3/2008

1.1. General information

Professional and inter-professional organisations can receive financial support for promotion programs in accordance with Council Regulation (EC) No 3/2008 and Commission Regulation (EC) No 501/2008.. These programs should meet the requirements set by the aforementioned Regulations.

The programs should be submitted in a specified form which can be found in the internet address of the annex in this handbook in order to be considered as an application for financial support. These applications should be submitted within the predetermined deadlines specified in articles 8(1) second paragraph and in 11(1) of Commission Regulation (EC) No 501/2008. The applications should be submitted in one of the competent authorities of the Member States (see list of competence authorities in the annex)..

The scheme for promoting agricultural products is part of the common agricultural policy and is financed within the framework of the European Agricultural Guarantee Fund (EAGF), which funds market measures.

The Council Regulation on the financing of the common agricultural policy is Regulation (EU) No 1306/2013. In order to protect the financial interests of the European Union effectively, this Regulation requires Member States, inter alia, to:

- adopt all laws, regulations and administrative provisions necessary for this EAGF scheme;
- set up an effective management and control system.

Council Regulation (EC) No 3/2008 and Commission Regulation (EC) No 501/2008 on information provision and promotion measures for agricultural products on the internal market and in third countries are implemented within the administrative and financial management framework set out in the aforementioned Regulation on the financing of the common agricultural policy.

- Member States are also asked to use the standard contracts provided by the Commission for the promotion of agricultural products on the internal market and in third countries. However, if they consider it to be useful, the competent national bodies can add clauses which are not included in those contracts.

1.2. Objectives

The general aim of this scheme is to reinforce and supplement Member States' initiatives by implementing information and promotion measures aimed at highlighting the intrinsic features and advantages of the products of the European Union , notably the quality and safety of food, specific production methods, nutritional and health value, labelling, high animal welfare standards and respect for the environment (Article 2 of Regulation (EC) No 3/2008).

The purpose of these guidelines is to allow competent national bodies and representative trade organisations to submit promotional programmes, to assess them as objectively as possible on the basis of a uniform methodical approach, and to manage the programmes throughout their duration.

1.3. Definitions

Programme = a coherent set of operations of a scope that is sufficient to contribute towards improving information about, and sales of, the products concerned (Article 1(2) of Regulation (EC) No 501/2008).

Representative trade organisation = to be defined by the Member State concerned in accordance with national law and taking into account the aims of the legislation of the European Union, in particular the aims listed for each sector in the guidelines set out in Annex I to Regulation (EC) No 501/2008 (Articles 8 and 9 of Regulation (EC) No 501/2008).

Measures = measures that promote and provide information on agricultural products and their method of production, as well as food products. These measures must not be brand-oriented (Article 1 of Regulation (EC) No 3/2008).

1.4. Submission of programmes at national level

The competent national bodies shall publish calls for proposals for the sector(s) for which they are responsible, indicating in particular the priority themes, markets and types of measures, as well as the deadlines for submission of programme proposals and applications for funding, and for the provisional start date of the measures (Article 7 of Regulation (EC) No 3/2008). A call for proposals may relate to all programmes or to one or more markets, themes or types of measures. In order to ensure that programmes involving several products and several Member States are coordinated, joint calls for proposals may be issued.

Calls for proposals shall be sent to:

- the representative trade organisations;
- the competent bodies in the other European Union Member States.

In response to these calls for proposals, the interested trade organisations shall submit their programme proposals to the competent authorities by the deadline foreseen in Article 8 of Regulation (EC) No 501/2008.

Programme proposals shall be:

- sent to the competent national bodies, signed and dated by the person responsible for the programme,
- completed in one of the official languages of the European Union. A brief summary of the proposal in one or more other languages of the European Union may be attached.

In addition to the duly completed information form relating to the proposing organisation, a strategic and marketing analysis must be submitted, accompanied by an outline of the general background to the proposed programme.

Multi-country programmes must provide the following information:

A coordinator should be defined among the participant organisations and Member State competent authorities. The role of this coordinator Member State is to manage:

- Reporting (possibly delegated from other Member States also involved in the programme),
- Examination of materials (possibly delegated from other Member States also involved in the programme),

If possible of payments (defined in the aforementioned prior meeting and delegated from other Member States also involved in the programme),

Organisation of monitoring committee meetings.

Programme proposals shall provide the following general information:

- indicate the participating Member States and organisations;
- indicate the targeted markets (countries of destination) and the target groups, in particular those listed in the guidelines set out in Regulation (EC) No 501/2008. The proposal may target one country or several countries, but must be submitted on a country-by-country basis. If the same strategy, target groups and/or solutions are envisaged for a number of markets, this should be clearly explained in the programme proposal;
- identify the markets. For each of the target countries and the theme(s) or product(s) concerned, the applicant shall produce a brief analysis of the market(s) in order to assess the suitability of the proposed programme and communication strategy;
- describe the programme's objectives and how they relate to the proposed measures;
- describe the resources deployed, specifying in particular the names of the bodies responsible for implementing the programmes or the manner in which they will be selected (communications agencies, design agencies, press relations agencies, research agencies, etc.);
- give a detailed description of the project by type of measure (media campaigns; below-the-line campaigns; seminars; conferences; participation in shows, trade fairs or exhibitions; press relations campaigns; etc.), specifying, if possible, the implementing body responsible for carrying out each measure. However, the details of the measures may be modified by means of a formal amendment validated by the competent national body in the light of an evaluation of the results of measures already carried out, or where a major event occurs after the contract is signed;
- give a detailed proposed timetable for implementing the programme.

The proposed programmes may run for a maximum of three years.

Programme proposals shall be accompanied by a budget, which must:

- be sufficiently detailed to allow the proposed programme to be identified, monitored and checked, specifying in particular the types of expenditure provided for in the annex to the standard contract;
- include on the revenue side:
 - a) the direct contribution made by the proposing organisation(s);
 - b) details of contributions from any other funding providers;
 - c) any potential revenue generated by the project, including, where appropriate, any fees charged to participants in certain measures;
 - d) the financial contributions requested from the Commission and from one or more Member States;
 - e) the proposing organisations shall undertake, if their programme is accepted, not to benefit from any other aid or funding from Member States or the European Union for the purposes of carrying out the proposed programme.

Where appropriate, at the request of the competent authorities, programme proposals shall be accompanied by the following documents:

- the articles of association, organigram, rules of procedure and most recent general report of the proposing organisation(s);
- financial information, balance sheets and annual accounts for the last three financial years;
- any document proving the financial, technical and professional capacity of the proposing organisation(s);
- a description of similar projects undertaken in the last two years.

1.5. Implementing bodies

1.5.1 The competitive procedure:

In response to the call for proposals, trade organisations shall submit their programme proposals.

In order to determine the strategy and content of the implementing programme, they may, where appropriate, consult one or more implementing bodies selected through a competitive procedure.

In accordance with Articles 6 and 9 of Council Regulation (EC) No 3/2008, for the purposes of implementing the programme, either in whole or in part, the proposing organisations shall select one or more service providers (hereinafter referred to as "implementing bodies") through a competitive procedure. In accordance with Articles 8 and 12 of Regulation (EC) No 501/2008, the implementing bodies may be selected after the dossier has been submitted to the Member State, but must be selected before the contract is signed. Programmes must contain sufficient detail to give evidence of compliance with the rules applicable and enable their cost/benefit ratio to be evaluated (Articles 8 and 9 of Regulation (EC) No 501/2008).

In accordance with the aforementioned Articles of the Promotion Regulations it is foreseen that national rules apply for the competitive procedure that concerns the selection of the implementing body/ies. Given that in the past, the European Court of Auditors has unveiled a number of problems regarding procurement rules within the context of promotion programs adopted by the Commission, it seems appropriate to remind the importance of such rules. In a view to assist the competent authorities in defining what kind of minimum standard should be respected, the Commission services recommend to get inspired by the rules of the Financial Regulation (EC) No 966/2012 which foresees the following:

- From 0€ up to 1,000€ a single payment against invoice without a competition,
- From 1,000€ up to 15,000€ a negotiated procedure with minimum one offer,
- From 15,000 € up to 134,000€ a negotiated procedure with at least three candidates/tenderers,
- From 134,000 on: an open procedure or, if the market participants are known and of a limited number, a restricted procedure with at least 5 candidates/tenderers.

Furthermore the call for proposals should be published at an appropriate media level.

In case the proposing organization is a public body in accordance with article 13(2) of Commission Regulation (EC) No 501/2008 (within the meaning of article 1(9) of Directive 2004/18/EC and of national legislation), public procurement rules described in the Directive 2008/18/EC should be respected and in particular Articles 2, 28, 7, 35(2) and its annex VIII. In addition, Member States shall take measures as necessary to ensure that the authorities awarding contracts enforce the provisions of this Directive and corresponding national legislation.

1.5.2 The competitive procedure shall be conducted in accordance with the principle of non-discrimination.

The principle of non-discrimination requires transparency, which involves ensuring sufficient publicity according to the applicable rules to allow service contracts to be open to competition and the impartiality of the procedure to be monitored.

It also requires all stages of the award procedure to comply with the principle of equal treatment of applicants in order to ensure that all applicants are given equal opportunities when preparing their tenders.

Therefore it is essential that the deadline set by the trade or inter-branch organisations for submission of tenders by the implementing bodies consulted is appropriate to the degree of difficulty of the dossier, and that implementing bodies are allowed to prepare their tender in satisfactory conditions.

Objective selection criteria must be set before the procedure is launched, and the bodies consulted must be informed of these in the call for tenders issued to them.

During the competitive procedure, the proposing organisations shall ensure that the implementing bodies and service providers have the necessary economic, financial and technical capacity, and in particular those qualities set out hereafter:

1.5.2.1 Proposing organisations may use their own resources to implement certain parts of their programme, provided that:

- a) the implementation proposal complies with Article 11 of Regulation (EC) No 3/2008;
- b) the proposing organisation has at least five years' experience of implementing such measures (Article 13 of Regulation (EC) No 501/2008);
- c) the part of the programme carried out by the proposing organisation accounts for no more than 50% of its total cost, except in duly justified exceptional cases and after obtaining the written authorisation of the Commission;
- d) the proposing organisation ensures that the cost of the measure which it plans to carry out itself is not in excess of the normal market rates.

The competent body shall check compliance with these conditions.

1.5.2.2 General eligibility conditions for implementing bodies

The implementing bodies selected by the proposing organisations must supply information to show that their company is on a sound financial footing and that they have both the necessary infrastructure and staff with the appropriate experience to implement the measures.

1.5.2.3 Financial and economic capacity

Proof of the financial and economic capacity of the implementing body or bodies shall be furnished by the following documents:

- a) a brief description of the company's economic activity in relation to the services for which it will be responsible under the proposed programme;
- b) balance sheets or extracts from balance sheets, where publication of the balance sheets is required under the company law of the country in which the service provider is established.

1.5.2.4 Technical capacity and staff skills

The implementing bodies must provide the following information:

- a) a description of the professional skills of their staff;
- b) the main services provided in the past;
- c) knowledge of the situation in the country or countries targeted by the programme in the specific field to which it applies;
- d) general knowledge of the products or themes concerned, and experience working with other trade or inter-branch organisations and/or enterprises in the agricultural or agri-food sectors and/or public sector institutions.

1.5.2.5 Exclusion criteria for implementing bodies

Implementing bodies shall automatically be disqualified by the proposing organisations if one or more of the following applies:

- a) they are bankrupt, are being wound up, have ceased or suspended business activities, are in the hands of court administrators, have entered into an arrangement or settlement with creditors (or similar measures), or are the subject of proceedings of this kind;
- b) they have been found guilty of an offence;
- c) they have outstanding debts for payment of social security contributions, taxes and dues.

1.5.3 Information to be forwarded to the competent bodies

For the purposes of the checks provided for in Article 25 of Regulation (EC) No 501/2008, the proposing organisations shall retain all documents supporting their choice of implementing body or bodies.

1.6. Priority on programmes

Priority shall be given to programmes put forward by more than one Member State or involving measures to be implemented in more than one Member State or in more than one third country (Article 8 of Regulation (EC) No 3/2008).

1.7. Conclusion of contracts and provision of securities

Under Article 16 of Regulation (EC) No 501/2008, Member States shall conclude contracts with the selected representative trade organisations within 90 calendar days of notification of the Commission's decision.

For this purpose, Member States shall use the standard contracts provided by the Commission.

For the preparation of the contract the budget figures appearing in the annex of the Decision of the Commission, concerning the approval of programmes for co-financing, should be used.

Before conclusion of the contract, a performance security equal to 15% of the maximum annual financial contribution from the European Union and the Member State shall be lodged in favour of the national authorities (paying agency) by the proposing organisation. A contracting organisation governed by public law is authorised to provide a written guarantee from the supervisory body.

If the obligations entered into are not properly discharged, please refer to Article 20 of Regulation (EEC) No 2220/85, which defines the "primary requirement".

1.8. Financial contributions

The financial contribution of the European Union may not exceed 50% of the total cost of the programme. The proposing organisations shall contribute at least 20% of the actual cost of the programme. The remaining costs shall be covered by the Member State(s). (Article 13 of Regulation (EC) No 3/2008).

1.9. Advances and interim payments

An advance of up to 30% of the total contribution to be made by the European Union and the Member State may be requested within 30 days of the start of each 12-month period.

The advance shall be paid on condition that the contracting organisation lodges a security equal to 110% of that advance in favour of the Member State.

Applications for interim payments may be submitted before the end of the calendar month following the month in which each period of three months, calculated from the date on which the contract was signed, expires (Article 18 of Regulation (EC) No 501/2008).

Payments shall be made within 60 days. However, this deadline can be suspended for a maximum of 30 days if additional information needs to be requested from the contracting organisation. (Article 20 of Regulation (EC) No 501/2008).

1.10. Payment of the balance

Applications for payment of the balance shall be submitted by the proposing organisation within four months of completion of the annual measures.

The application shall be accompanied by a report including:

- a) a summary of the work carried out;
- b) an evaluation of the results;
- c) a summary financial statement showing all expenditure scheduled and incurred;
- d) supporting documents relating to the payments made, which must be fully verified before the balance can be paid.

(Article 19 of Regulation (EC) No 501/2008).

1.11. The monitoring committee

The monitoring committee shall consist of representatives from the Commission, the Member States concerned and the proposing organisations.

It shall oversee the proper implementation of the programmes by monitoring:

- a) the programmes and the timetable for implementing the measures;
- b) payments;
- c) the conformity of information and promotion material;
- d) the quarterly and annual reports;
- e) the results of the checks carried out;
- f) the recommendations made in the interim and final evaluation reports if the programme is to be continued for a further period of three years. (Article 24 of Regulation (EC) No 501/2008);
- g) Minutes should be prepared from each monitoring committee run for each programme and forwarded to each participant (i.e. Member State competent authorities, Commission and proposing organisations). These minutes should be prepared by the Member State competent authority which organised the committee (for multi country programmes i.e. the coordinator).
- h) The monitoring committee should be organised at least once a year for each programme.

1.12. Checks

The Member State shall carry out checks each year. The selection of programmes for these checks shall be based on a risk assessment.

These checks shall be conducted at the premises of the contracting organisation and the implementing body to verify, among other things, that:

- a) the information and supporting documents supplied are accurate;
- b) all the obligations laid down in the contract have been fulfilled.

Under Regulation (EEC) No 1848/2006, the Commission shall be notified of any irregularities.

The Commission may take part in the checks at any time. At least 30 days before the checks are to be carried out, the competent national authorities shall send the Commission a provisional schedule. (Article 25 of Regulation (EC) No 501/2008).

1.13. Reductions, recovery and penalties

Where an application for an interim payment of the balance is submitted late, the balance shall be reduced by 3% for each month by which it is overdue (Articles 18 and 19 of Regulation (EC) No 501/2008).

In cases of undue payment, the beneficiary shall reimburse the amount plus interest for the period between payment and reimbursement (Article 26 of Regulation (EC) No 501/2008).

In the case of fraud or gross negligence, the proposing organisation shall repay twice the difference between the amount initially paid and the amount actually due (Article 27 of Regulation (EC) No 501/2008).

2. PREPARATION OF AN APPLICATION

2.1. Title of the program

Provide the title of the program

2.2. Proposing organisation(s)

Provide information on the representation of the proposing organisation(s) at national and/or European level for the sector(s) concerned (e.g. market share, products and/or regions covered).

Confirm that each organisation has the necessary technical and financial resources to implement the measures effectively. The Member State requests the documents which it considers most appropriate for this purpose, such as copies of financial statements and/or annual reports for the past three years. Describe previous experience in implementing comparable national or regional programmes.

2.3. Implementing body/bodies

If the implementing body has been selected

Give a detailed description of how the competitive procedure was carried out and state the reasons why the proposed body/bodies was/were chosen. Enclose the tender from the body selected with the application form.

N.B. The implementing body/bodies must be independent of the proposing organisation(s).

Provide evidence that the selected implementing body/bodies has/have the technical and financial capacity to perform the work in question, including financial resources commensurate with the scope of the programme. Mention the size and nature of any partnerships involved.

If the implementing body has not yet been selected

Provide the provisional timetable and the competitive procedure to be used for selection. Selection must in any event take place before the contract is signed. Once the implementing body has been selected, the information referred to in points 3.2 and 3.3 of the application form must be provided immediately.

If the proposing organisation decides to implement a particular part of the programme

The proposing organisation may implement certain parts of the programme provided that the conditions set out in Article 13 of Commission Regulation (EC) No 501/2008¹ are met.

¹ OJ L 147, 6.6.2008, p. 34.

2.4. Details of the programme

Eligible products are listed in Annex I.A and Annex II to Regulation (EC) No 501/2008. The promotion of branded products is not eligible for part-financing by the EU. Any reference to the origin of the products must be ancillary to the main message, although the origin of products with a designation in accordance with EU legislation (PDO, PGI, TSG or RUP) may be mentioned.

The promoted products should be defined to avoid any confusion with other similar products. These definitions should be respected for the market analysis.

Indicate whether the programme focuses mainly on information or promotion, or both.

If a programme is presented jointly by several organisations in more than one Member State, agreement must be obtained from each participating Member State for its respective part of the programme.

A list of eligible markets for third-country programmes is given in Annex II.B to Regulation (EC) No 501/2008. In the case of programmes within the internal market, the target countries may only be EU Member States.

The minimum duration of a programme is 12 months and the maximum duration is 36 months (24 months in the case of eggs). The programme must be divided into twelve-month phases.

If the proposal is the continuation of one or more earlier programme(s), or if similar programmes are under way or have been recently completed, provide:

- a) the name, duration and target markets of the earlier programme(s),
- b) a sound justification for the continuation under point 2.5 which has to be based also on the evaluation reports.

A continuation can only be considered in duly justified cases and needs to be backed up by relevant market studies, information on return on investment, evaluation of previous programmes and a sound justification for continued EU financing.

2.5. Description of the programme

This part of the document contains the necessary information on how to design a promotion programme. It provides representative professional organisations with pointers and suggestions on how to draft their promotion programmes. It may, in particular, provide methodological support when designing, planning, implementing and following up programme proposals made to the Member States and subsequently to the Commission.

The points below set out the key questions to be taken into consideration, represented by the following five criteria:

- a) coherence between the implemented measures and the objectives of the Regulation;
- b) actions and information channels used and their cost-effectiveness;
- c) coverage and content of the programmes;
- d) impact and effectiveness of the measures; and
- e) complementarity between programmes submitted by Member States and programmes submitted by professional organisations.

To enable a promotion programme to be drafted, questions and suggested lines of thought have been put forward for each of the above criteria. These questions and suggestions do not

require a 'yes' or 'no' answer but should be thought of as providing support on how to approach the creation of a promotion programme.

2.5.1. General context – market and demand situation

Describe the reasons for presenting the proposal, for example in terms of the market or demand situation for the product(s) covered, or the need to disseminate information by means of the programme. Use up-to-date statistics following the promoted product definitions (see also point4).

For example, the reasons could be:

- a) Declining consumption (on the internal market and in third countries)
- b) Growing consumption potential (in third countries in particular)
- c) Overproduction + growing consumption potential
- d) Lack of product uptake
- e) Insufficient consumer awareness.

The following must also be taken into consideration:

–concerning the coherence between the implemented measures and the objectives of the Regulation

- a) How do the proposed measures correspond to the objectives of the Regulation and the strengths, weaknesses, opportunities and threats to be addressed?
- b) Is it clearly specified that the programme is not designed to promote a particular brand and is not aimed at encouraging the consumption of products on the basis of their specific origin?
- c) What are the structural issues at stake in promoting the product?

–concerning the coverage and content of the programmes

- a) How has the programme taken into account the specificities of the target markets: proximity, size, constraints, competition, possible product positioning?

–concerning the impact and effectiveness of the measures

- a) Does the programme design, in terms of the identification of the needs of the target groups/countries, make it possible to achieve the objectives pursued? Why?
- b) Are statistics given regarding the evolution of demand/sales/consumption of the product in question in the countries targeted by the programme?

For 5.2 - 5.7, the following should be borne in mind: the objectives, target groups, themes and messages of a programme must form a coherent whole.

2.5.2. Objective(s)

Specify the objectives of the programme in terms of concrete, quantified targets. Where appropriate, distinguish between different target groups and/or target markets. The following points should also be taken into account in relation to the coherence between the implemented measures and the objectives of the Regulation:

- Are the objectives of the programmes compatible with those of the Regulation?

- Were the objectives chosen on the basis of a previous programme?
- Have the objectives been adapted to the needs of the target groups/target countries?
- Are the objectives SMART? (specific, measurable, achievable, relevant and time-bound):
 - a) Specific: the objectives must be precise in order to be understood clearly
 - b) Measurable: the objectives must be achievable on the basis of indicators
 - c) Achievable: the objectives must be realistic
 - d) Relevant: the objectives must correspond to the issues addressed by the programme
 - e) Time-bound: the objectives must be achievable within the time frame allowed for the programme.

2.5.3. Programme strategy

Programmes should be presented and evaluated in relation to the following issues:

- a) coherence between the measures benefiting from funding and their goals. It is not necessary to cover all the goals listed in the guidelines set out in Annex I to Regulation (EC) No 501/2008. Rather, the appropriate goals should be selected to achieve an efficient and effective promotion strategy;
- b) promotional programmes must be preceded by thorough market research in order to justify the reasoning behind the proposed initiative. This will make it possible to identify, in advance, the target groups, the location in which the measures are to be implemented and the different material to be used as part of the programmes, as well as to develop a systematic approach;
- c) the complementarity of programmes funded by Member States, private-sector programmes and programmes that are part-financed by the European Union should be clarified in order to increase synergies between the various programmes and to ensure that they reinforce one another effectively;

For internal market proposals, ensure that the strategy and main actions and instruments of the programme comply with the guidelines laid down in Regulation (EC) No 501/2008. For all proposals, attention must be paid to the following point:

–Concerning the coherence between the implemented measures and the objectives of the Regulation

- a) Does the programme include a clear strategy based on the objectives and issues at stake, the duration of the promotion and the human and financial resources involved?

The objectives, strategy and target groups of a programme must form a coherent whole. For programmes focusing on the internal market, the guidelines in Annex I to Regulation (EC) No 501/2008 provide information on recommended target groups for different sectors (Articles 1, 8 and 9 of Regulation (EC) No 501/2008).

2.5.4. Target group(s)

For internal market programmes, the guidelines annexed to Regulation (EC) No 501/2008 provide information on recommended target groups for the various sectors. The following must also be taken into consideration:

–concerning the coherence between the implemented measures and the objectives of the Regulation:

- a) How were the countries or geographical regions targeted by the programme chosen?
- b) On what basis were the target groups chosen?

–Concerning the impact and effectiveness of the measures

- a) Were the groups/countries targeted by the measure sufficiently quantified before the measure was implemented?
- b) Were local practices or constraints taken into account?
- c) What is the product's market position: leader, outsider or newcomer?

2.5.5. Themes to be addressed and main messages to be conveyed.

The following elements should be taken into account in relation to the coherence between the implemented measures and the objectives of the Regulation

- a) What are the themes, messages and channels most commonly used?
- b) In relation to the objectives, was the combination of the channels of communication, messages and target groups/countries carefully considered? Please clarify.

Where the health effects or nutrition value of the consumption of products are mentioned, their scientific basis must be specified. All such references must comply with both national and E.U. health legislation. For internal market programmes, material containing health claims must be accepted by the competent national authorities.

If the country or region of origin of the product is mentioned, this must be ancillary to the main message highlighting the product's characteristics and qualities.

For third country programmes, the proposing organisation must confirm that the information and/or promotion messages to be passed on to consumers and other target groups will comply with the legislation applicable in the target countries.

It is important to present the European dimension of the programme. This parameter of the programme is considered an important advantage of it.

2.5.6. Actions

It should be noted that "programme" means a coherent set of actions (i.e. more than one single action). Give sufficient information about the actions and about the instruments which will be used to implement them, including their number, volume and/or dimensions and the projected unit costs, with a view to justifying the proposed budget. The actions must be in line with the objectives of the Regulation.

All actions included in the programme must include a clear description of the composition of the different costs involved. For example:

Action X "Participation in Exhibition AAA"

Rental of space	€/m ²	Total cost
Setting-up of stand	€/m ²	Total cost
Personnel running stand	€/person/day	Total cost
Other costs (please specify meals, transport, etc.	€/participant	Total cost
...

However, if many similar actions (e.g. points of sale) are planned, it is sufficient to describe the content of the cost structure of one of them.

The actions must be such as to convey the intended themes and messages and achieve the objectives pursued. They must comply with Article 2 of Regulation (EC) No 3/2008 and the guidelines in Annex I to Regulation (EC) No 501/2008.

Please note that any reference to the origin of the products (country or region of origin) must be secondary to the central message (characteristics and intrinsic qualities) of the campaign.

A provisional timetable for implementing the various actions must be included in the proposal. The locations where the activities will be carried out must be indicated (give the town(s) or city(cities) or, in exceptional cases, the region(s); for example, “the United States” is not sufficiently precise). If media actions are proposed, a provisional media plan must be attached.

The costs of airing time/advertising space should be presented separately.

The description of the actions must follow the same structure (titles/categories) and order (numbering) as the layout of the budget table (see point 8 below). Proposals must also take account of the following:

Concerning the actions and information channels used and their cost-effectiveness:

- a) What are the most effective actions in terms of information on and the promotion of the sector in question?
- b) Does the programme provide enough information on each of the selected actions?

–Concerning the coverage and content of the programmes:

- a) On what basis were the actions chosen with a view to minimising their costs and maximising their effects/impact?
- b) Were actions aimed at different target groups/countries designed with their specific characteristics in mind?
- c) Have estimates been made of the relationship between the cost of the actions and their expected effects/impact on the selected target groups/countries?

–Concerning the impact and effectiveness of the measures:

- a) Does the market survey/situation on which the proposal was based form a sound basis for evaluating the SMART objectives?
- b) Are there statistics relating to the evaluation of demand for and sales/consumption of the product in question in the countries targeted by the programme?

- c) On the basis of what evidence will it be possible to consider the programme to be effective?

2.6. Foreseeable impact/evaluation

Specify the programme's anticipated impact on demand for the product, awareness of it and/or its image and/or any other aspect associated with the objectives. Quantify as far as possible the anticipated results of implementing the programme.

Describe the method(s) to be used each year to measure the impact. The evaluation should be as quantitative as possible. It should not refer to the good execution of actions, but rather measure the attainment of SMART objectives. Specify when the evaluation will be carried out. At the end of each phase? At the end of the programme?

2.7. EU dimension of the programme

Describe any benefits which will be derived from the programme at EU level, thereby justifying part-financing by the EU.

What is the EU dimension of the programme in terms of: disseminating European production standards, synergies between organisations and authorities in more than one Member State, promoting the image of European products on the international markets, the quality and safety of European food products, raising awareness of European products among the general public and in trade circles, disseminating European dietary practices and culture, etc.

2.8. Budget

The budget must be presented as a summary table listing all measures planned under the programme and stating both their annual and total cost. The costs must be broken down by action, year and target country. It must be ensured that the costs of the actions do not exceed the customary market rates. If a programme involves more than one country and/or proposing organisation, a single coordinated budget covering the entire programme must be presented.

The budget (in euros) must follow the same structure (headings/categories) and order (numbering) as the list of measures. If the programme covers more than one country, the costs must be itemised by country and by measure. The fees charged by the implementing body or bodies must be presented separately.

Where some of the actions provided for are identical or very similar in nature, a clear, detailed and structured budget breakdown of the elements making up such "standard" actions should also be included.

If the fees of the implementing body/bodies are presented as a lump sum, the maximum level will be 13% of the actual cost of implementing the actions for programmes proposed by one Member State, and 15% for programmes proposed by more than one Member State. If the fees of the implementing body/bodies are to be invoiced on the basis of work actually carried out, the proposal must include an estimate of the number of hours required for the work and the unit cost.

The implementing body fee for media buying (procurement of media space at optimal placement and price on radio, internet, TV, print media, etc) will not exceed 5% of the total cost of airing time /advertising space, budget line (1A).

Particular attention should be paid to expenditure which is not eligible for part-financing by the EU (see Annex III of the model contract).

Summary table of the budget in euros (€) : these tables may be adapted as required by the programme, the nature of the various actions and the level of breakdown deemed necessary by the Member State(s) concerned.

Budget figures should be rounded without decimals. The same figures for the total budget of the programme should be used for the co-financing budget table. In addition these figures will appear in both annexes of the Decision of the Commission on the approval and rejection of programmes for co-financing and they should be the ones used for the preparation of the corresponding contracts. Proposing organisations and Member States should double-check that all budget tables and in particular the co-financing tables are accurate as sometimes some inconsistencies appear due to the rounding of numbers.

ACTIONS (for each target country)	1st YEAR	2nd YEAR	3rd YEAR	TOTAL
Action 1*				
Action 2*				
Action N*				
Total cost of airing time/advertising space (1A)				
Total cost of actions excluding the cost of airing time/advertising space (1B)				
Total for actions (1)**				
Costs of performance guarantee				
Fees of the implementing body for media buying (max. 5% of (1A), Annex III, point B.1.2 of the contract)				
Fees of implementing body (maximum 13/15% of (1B), Annex III, point B.1.2 of the contract)				
Measurement of results of actions (maximum 3% of (1), Annex III, point C.5 of the contract)***				
Total direct costs for the programme (2)				
Overheads (maximum [3/5 internal market] [4/6 third countries]% of (2), Annex III, point A.2 of the contract)				
TOTAL FOR PROGRAMME				

* Including fees invoiced on the basis of an hourly rate (Annex III, point B.1.1 of the contract).

** To be completed only in case of flat rate calculation of fees.

***3% for the annual evaluation, 5% for the evaluation of the final phase including an evaluation for the program as a whole.

Cost-effectiveness

1. The cost-effectiveness is considered on the basis of the budget presentation. The budget must be sufficiently detailed to allow the proposed programme to be identified, monitored and checked.
2. The programme's cost-effectiveness is demonstrated inter alia by:
 - a) its total cost;
 - b) the stated cost of each item and sub-item;
 - c) the balance between the various expenditure items;
 - d) coverage of the target groups (percentage coverage);

- e) the involvement of professionals and intermediaries;
- f) an improvement in the perception of the promoted product(s);
- g) an improvement in consumer awareness;
- h) the creation of new outlets;
- i) market development in terms of quality and quantity;
- j) lower costs and/or shorter deadlines.

If part of the programme is to be implemented by the proposing organisation, the relevant costs must be presented as follows:

ACTIONS (for each target country)	1st year	2nd year	3rd year	Total
Action 1*				
Action 2*				
Action N*				
Total for actions				
Total for programme				
Proportion (%) financed by the proposing organisation				

* Including fees invoiced on the basis of an hourly rate (Annex III, point B.1.1, to the contract).

Account will have to be taken of the following points addressing coherence between the implemented measures and the objectives of the Regulation

- a) Is the budget set out year by year and country by country?
- b) Have the costs been set out on an action-by-action basis?
- c) Have the unit prices been checked for each action?
- d) Would the information and promotion programme have been implemented without EU funding? If so, why? How?
- e) Does EU part-financing bring any added value to the information and promotion programme? How? Why?

2.9. Financing plan

The E.U. contribution will not exceed 50% of the actual cost of the programmes for each year. The proposing organisation must fund at least 20% of the actual cost of the programme, while the remainder of the financing is to be borne by the Member State concerned... The Member State's contribution may range between 0% and 30%, but even in cases where the Member State does not contribute towards financing the programme, it must accept it and submit it to

the Commission. The financial contribution of the professional organisation(s) and of the Member State(s) may come from tax revenue or compulsory contributions.

The E.U. contribution referred to in the first paragraph shall be 60% for measures for the promotion of fruit and vegetables intended specifically for children in schools in the European Union. This percentage provided for in the first paragraph shall be 60% for measures carried out in the European Union concerning information on responsible drinking and the dangers of alcohol abuse.

In the case of programmes presented jointly by more than one professional organisation and Member State, the respective financial contributions must be clearly defined before the programme is presented to the Commission.

➤ FINANCIAL CONTRIBUTION	1st YEAR		2nd YEAR		3rd YEAR		TOTAL	
	€	%	€	%	€	%	€	%
European Union <i>(not more than 50% or 60%)</i>								
Member State <i>(up to 30%)</i>								
Proposing organisation <i>(at least 20%)</i>								
TOTAL		100		100		100		100

Information and promotion operations receiving support under Regulation (EC) No 1698/2005 shall not be eligible for part-financing under Regulation (EC) No 501/2008 (Article 15 of Regulation (EC) No 501/2008).

2.10. Other relevant information

Any other information requested by the Member State or considered relevant by the proposing organisation may be added under this point.

http://ec.europa.eu/comm/agriculture/prom/index_en.htm

3. MOST COMMON REASONS FOR THE REJECTION OF PROGRAMMES

- 1) The proposing organisation is not representative: sometimes, proposing organisations are only representing a very small part of the sector or their membership is limited. The existence of other duly representative organisations for the same sectors is an indicative factor. This may vary and it depends on the product and the general organisation of the national markets. The Member States should verify the representativeness before sending any programme to the Commission. Article 6(1) of Council Regulation (EC) No 3/2008 and article 8(1) second paragraph of Commission Regulation (EC) No 501/2008 require that proposing professional or inter-professional organisations are representative of the sector for the product promoted in the campaign.
- 2) There is no relevant / precise market study: a market study should provide a solid basis for justifying the investment on the campaign. In the market study, the need for the development of the proposed campaign should be provided to justify the approval of the financial assistance to the campaign.
- 3) The actions do not form a coherent set of actions: in accordance with article 1(2) of Commission Regulation (EC) No 501/2008, "programme" means a coherent set of operations of a scope that is sufficient to contribute towards improving information about, and sales of, the products concerned. The set of selected actions should match the programme objectives, target groups, product type and be complementary to each other as much as possible for the same targeted market.
- 4) The actions do not relate to target group(s): it is not coherent when the actions are targeting other target groups than the ones the programme itself is targeting. For example a programme targeting consumers cannot include participation in events where only trade distributors are participating with no other correlation to consumers or a similar clarification.
- 5) The programme focus on just one city: it is necessary that actions in one market cover a large part of the targeted market and it is not limited to only a very limited part of that market. For example the actions of a programme are targeting only one small city out of the whole country and its population.
- 6) Insufficiently detailed description of actions: **in order to accept a programme** it should better define the actions contained therein, and also explain and justify the different costs concerned. In accordance with article 8.2 (c) of Commission Regulation (EC) No 501/2008, the programmes shall contain sufficient detail to enable their compliance with the applicable rules and their cost/benefit ratio to be evaluated.
- 7) The programme actions are not sufficiently cost-effective: it is necessary that the presented costs are realistic efficient and offer good value for money. In accordance with articles 7(1) and 9 of Council Regulation (EC) No 3/2008, the Member States concerned shall check that the programme offers value for money. Furthermore article 7(2) of Council Regulation (EC) No 3/2008 lays down that the Commission services have to be able to verify that the proposed programme offers value for money. For example advertising should provide realistic prices taking into account reductions.
- 8) The evaluation of previous programme is missing (where applicable): it is important that the results of the completed programme run by an organisation are submitted for

evaluation. For example an organisation that runs a campaign with a series of problems due to weaknesses will be liable for them. These weaknesses and efficiency will be taken into account.

- 9) There are shortcomings in the selection procedure of the implementing body: it is important that the implementing body was selected with a competitive procedure verified by the Member State. In accordance with article 8(3) for the purposes of implementing its programmes, each proposing organisation shall select one or more implementing bodies by an appropriate competitive procedure validated by the Member State concerned. In accordance with article 9(2)e) the Member States shall check the technical capacities of the proposed implementing body and seek assurances that it is effective. The required list of documentation should always be provided in the application in order to provide assurances that the aforementioned articles are met.
- 10) Breakdown of action budgets and examples of related problem (article 8.2 (c) of Commission Regulation (EC) No 501/2008). The proposed activities did not offer a sufficient level of budgetary breakdown, making it difficult to assess the **value for money** of the actions proposed
 - a) actions are presented in a vague manner and only a global budget is presented.
 - b) the description lacks a sufficient level of breakdown so as to duly justify the costs involved and their potential evaluation by the Member State and the Commission services.

4. ANNEX

The updated documentation (application form, contract model, list of competent authorities and handbook) necessary for the submission of an application for financial support concerning a promotion and/or information programme can be found in the following internet address:

http://ec.europa.eu/agriculture/promotion/procedure/index_en.htm