III

*(Preparatory acts)*

# COMMITTEE OF THE REGIONS

**106TH PLENARY SESSION, 2—3 APRIL 2014**

## Opinion of the Committee of the Regions — information provision and promotion measures for agricultural products on the internal market and in third countries

(2014/C 174/06)

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| **Rapporteur** | Pedro Sanz Alonso, President of the Regional Government of La Rioja (ES/EPP) |
| **Reference document** | Proposal for a Regulation of the European Parliament and of the Council on information provision and promotion measures for agricultural products on the internal market and in third countries<br>COM(2013) 812 final |

### I. **POLICY RECOMMENDATIONS**

THE COMMITTEE OF THE REGIONS

***General aspects***

1. welcomes and endorses the European Commission's proposal for a regulation, because it demonstrates the Commission's interest in information and promotion measures for agricultural products on the internal market and in third countries and in particular because it proposes a new framework for supporting and boosting information and promotion measures for European agricultural products both within and beyond our borders;

2. considers that information and promotion measures for agricultural products on the internal market and in third countries are particularly important for enabling the agricultural sector to cope with the many challenges it faces at a time of growing competition. These are also important for making it easier to open up markets, giving these products a greater presence, as European agricultural producers are now having to deal with the challenges of open borders and market globalisation;

3. considers that this proposal for information and promotion measures for agricultural products will enable consumers, in Europe and across the world, to learn more about the EU's quality and high production standards by ensuring food safety/security and environmental protection, thus building confidence in the products they purchase and consume. This could lead to a better return for producers, by raising the profile of European agricultural products;

4. believes that the European agricultural sector is essential to the development of local and regional economies, playing a very substantial role in job creation and in encouraging population settlement and growth in the area, since production and processing have close local and regional links. This regional dimension should remain a key component in achieving the goal of ensuring that Europe's regions develop in a balanced manner;

5. reiterates that the regions need an ambitious and effective promotion policy that showcases the quality and distinctive characteristics of their agricultural products. These products not only represent the European Union's cultural and gastronomic heritage but are also crucial to the economic and social life of many European regions since, especially in rural areas, they underpin activities that have a direct connection with the area;

6. recommends that special attention be paid to the group of agricultural products that are specifically made using traditional ingredients and processed in a way peculiar to a given region;

***The gradual but significant increase in the budget***

7. the increase in the budget allocation for this measure is essential, since the Commission proposes to extend the range of beneficiaries and the list of eligible products, and has also increased its contribution to multi-programmes;

8. the bilateral agreements currently being negotiated with third countries such as Canada, the USA, Mercosur and other association agreements clearly show that promotion and information measures will be increasingly needed, both on the internal market and in third countries, if European products are to be competitive;

9. emphasises that information and promotion measures for the internal market could continue to be financed, to ensure that Europe remains competitive, at least where products from recognised production schemes or organic farming are concerned;

10. points out that the CAP reform that has been adopted ties in with European trade policy and, at the global level, the European Union should contribute to global food security, as well as to international trade policy. This will ensure a level playing field for EU farm production within the WTO;

***Focussing promotion measures on third countries***

11. considers that allocating 75% of the planned budget to information and promotion measures in third countries could result in the internal market being neglected, despite being the main market for European products and in which producers have to work hard to remain competitive, facing competition from the influx of products from third countries;

12. calls on the Commission not to fix any a priori objective regarding the percentage of the funds for information and promotion measures for EU agricultural products in third countries, as the EU's internal market should be given the same visibility as third-country markets;

***Increasing the use of brands and designations of origin***

13. endorses the initiative for the use of brands and references to the origin of agricultural products, since the visibility of trademarks as part of a generic promotion will improve beneficiaries' opportunities to generate financing and interest, provided that a balance is maintained, especially on the EU's internal market;

14. supports the Commission's proposal for quality schemes to use official Community logos, but considers that the region's name is closely linked to the overall message, which should highlight a product's intrinsic characteristics. The geographical origin of the product should therefore be clearly stated;

15. notes that quality schemes recognised at the European level are multiplying and are increasingly recognised in Europe, in order to meet the growing food demands of European consumers who are particularly interested in local, high-quality products that meet the EU's stringent standards for food safety and environmental protection; points out that goods covered by recognised quality schemes are extremely important to the internal market and should therefore be maintained and supported;

16. calls on the Commission to ensure that implementing arrangements can be established by means of implementing acts; considers, furthermore, that promotion agencies could coordinate and even implement collective measures by groups of producers in their regions;

17. believes that positive synergies between different regional products can boost the prosperity of every European region; they are therefore important sources of a region's income and high-quality services and are linked to its identity and heritage; creating such synergies would help improve quality in areas linked to regional agricultural products, which would have a positive effect on job creation, particularly in fragile areas, offering new opportunities on both local and international markets;

***Extending the range of beneficiaries and the list of eligible products***

18. agrees that producer organisations should be given a prominent role, although the representativeness requirements that might apply to them would need to be detailed, to ensure that they represent all sectors;

19. calls for particular attention to be given within producer organisations to SMEs, provided that these focus promotion measures on recognised quality schemes; SMEs are the most common type of business across Europe's regions and are largely representative of the European agri-food industry;

20. agrees that any product originating in the EU should be able to benefit from information and promotion measures on the internal market and in third countries, with the exception of tobacco. The priority should be for measures proposed for products that are conducive to a balanced diet and for measures proposed for other products that have a distinctive European quality indication;

***The Commission's setting of priorities in a work programme***

21. welcomes the Commission's proposal to establish a work programme to support the promotion policy with clear and well-defined strategies;

22. requests clarification as to how the Commission will take account of Member States' priorities and how these will be included in the work programme;

23. proposes adopting a three-year work programme, as is the case with the current promotion campaigns, so that market trends can be taken into account, while allowing for annual adjustments;

***The evaluation, selection and management of simple and multi-programmes***

24. the evaluation and selection of programmes should not be carried out by the Commission alone. Member State involvement should also be allowed, thus enabling European regions to take part, as regions will co-finance the promotion measures that are finally retained in the EAFRD for the period 2014-2020 (Article 17) under arrangements that are quite similar to those for measure 133 in the 2007-2013 period;

25. calls on the Commission to consider measures for Member State and regional involvement — without making the process too burdensome — in the promotion programme financed by the European Union, to ensure that measures funded by this programme reflect regional promotion strategies;

26. is also in favour of maintaining the two calls for proposals allowed under the current regulation, since applicants do not have to wait so long to apply again if their programme does not pass the selection process the first time;

***The proposed co-financing rates***

27. accepts the co-financing rates as proposed by the Commission and agrees that they are consistent with the aim of encouraging the submission of programmes in third countries and multi-programmes; proposes, however, that where multi-programmes in third countries are concerned, co-financing should be higher — 75%; this percentage could even apply to SMEs, where programmes of special interest are concerned;

28. is aware that the promotion policy carried out to date has helped restore consumer confidence in crisis situations, but information tools and promotion measures should continue to be much more flexible and effective;

29. proposes that thought be given to increasing EU co-financing, especially for information and promotion measures during agricultural crises, so as not to create situations that discriminate between producers;

30. states the need for the proposal for a regulation to clarify how it is proposed to improve preparedness for crisis situations, to be able to act quickly and efficiently;

***The possibility of Member States being prevented from also financing programmes***

31. requests that Member States be allowed voluntarily to co-finance programmes with the Commission, as this might be necessary in production sectors that are under-developed, or which have little economic capacity;

***Final recommendations***

32. recommends that the Commission give greater recognition to Europe's regions and their key role in the production of agricultural products and high-quality agri-foods by making it easier for them to be involved in the selection of programmes;

33. recommends that the Commission finance promotional measures on the internal market in order to increase sales of agricultural products and foodstuffs originating in the European Union and that are covered by recognised quality or organic traditional and regional farming schemes. Disseminating and promoting traditional products will help to change consumption patterns shaped by globalisation on the European market;

II. **RECOMMENDATIONS FOR AMENDMENTS**

**Amendment 1**

Recital 2

| Text proposed by the Commission | CoR amendment |
|---|---|
| The aim of these measures is to enhance the competitiveness of European agriculture in both the internal market and third countries by increasing consumers' awareness of the merits of the Union's agricultural products and food products based on agricultural products and developing and opening up new markets. They usefully complement and reinforce the measures implemented by the Member States. | The aim of these measures is to enhance the competitiveness of European agriculture in both the internal market and third countries by increasing consumers' awareness of the merits of the Union's agricultural products and food products based on agricultural products, taking account of quality schemes recognised at European level that bring added value to European production, and developing and opening up new markets. They usefully complement and reinforce the measures |

***Reason***

European consumers are not generally aware of the rules and high quality standards that European producers are obliged to comply with. To remedy this situation, European products must be shown to comply with stringent standards for food safety, animal health and welfare, plant health and the environment. The information and promotion policy for agricultural products is therefore important for explaining and raising awareness among European consumers that European products do meet these requirements.

Attention should also be paid to those products covered by quality schemes recognised by the European Union.

**Amendment 2**

Recital 7

| Text proposed by the Commission | CoR amendment |
|---|---|
| The Union's information provision and promotion measures relating to wine are one of the landmarks of the aid programmes available to the wine sector under the CAP. Consequently, the eligibility of wine for the information provision and promotion measures provided for under this scheme should be limited solely to wine which is associated with another agricultural or food product. | ~~(7) The Union's information provision and promotion measures relating to wine are one of the landmarks of the aid programmes available to the wine sector under the CAP. Consequently, the eligibility of wine for the information provision and promotion measures provided for under this scheme should be limited solely to wine which is associated with another agricultural or food product.~~ |

***Reason***

The wine sector should not be treated differently to any other agricultural product sector and should be fully included on the list of eligible products and not only in conjunction with other products as part of general campaigns. Wine would be the only product not entitled to benefit from European campaigns exclusively for their sector. A sector that is so crucial to European production cannot be omitted.

**Amendment 3**

Recital 8

| Text proposed by the Commission | CoR amendment |
|---|---|
| Over the period 2001-11, barely 30 % of the budget earmarked for information provision and promotion measures under Regulation (EC) No 3/2008 was spent on measures targeting third-country markets, even though these markets offer major growth potential. With the aim of reaching 75 % of estimated expenditure, specific arrangements are therefore required to encourage a larger number of information provision and promotion measures for Union agricultural products in third countries, in particular through increased financial support | Over the period 2001-11, barely 30 % of the budget earmarked for information provision and promotion measures under Regulation (EC) No 3/2008 was spent on measures targeting third-country markets, even though these markets offer major growth potential. ~~With the aim of reaching 75 % of estimated expenditure, specific a~~Arrangements are therefore required to encourage a larger number of information provision and promotion measures for Union agricultural products in third countries, in particular through increased financial support. |

***Reason***

European products now have to compete with products from third countries on both the internal and external markets, while having to meet the many and demanding Community standards. It is also important to bear in mind the differing production forms and conditions that exist both within and outside the EU.

We do not believe that percentages should be set for estimated expenditure for information and promotion measures for agricultural products in third countries

**Amendment 4**

Recital 9

| Text proposed by the Commission | CoR amendment |
|---|---|
| In order to guarantee the impact of the information provision and promotion measures that are implemented, these should be developed in the context of information and promotion programmes. Such programmes have hitherto been submitted by professional or inter-professional organisations. In order to increase the number and raise the quality of the measures proposed, the range of beneficiaries should be widened to include producer organisations. Moreover, the Commission must be able to supplement programmes by implementing measures at its own initiative, particularly with a view to contributing to the opening-up of new markets. | In order to guarantee the impact of the information provision and promotion measures that are implemented, these should be developed in the context of information and promotion programmes. Such programmes have hitherto been submitted by professional or inter-professional organisations. In order to increase the number and raise the quality of the measures proposed, the range of beneficiaries should be widened to include producer organisations <u>and their SME members, provided that promotion focusses on recognised quality schemes.</u> Moreover, the Commission must be able to supplement programmes by implementing measures at its own initiative, particularly with a view to contributing to the opening-up of new markets. |

***Reason***

SMEs should not be overlooked as beneficiaries, since they account for around 90% of the EU's agri-food sector and, given that these businesses also have a closer link with the rural and regional environment, they should therefore benefit most from these measures.

**Amendment 5**

Recital 11

| Text proposed by the Commission | CoR amendment |
|---|---|
| (11) In order to ensure that information provision and promotion measures are implemented effectively, they should be entrusted to duly selected implementing bodies. | (11) In order to ensure that information provision and promotion measures are implemented effectively, they should be entrusted to duly selected implementing bodies that have qualified specialist staff to ensure effective implementation. |

***Reason***

It is important that the implementing bodies selected have specialist staff to provide technical support to help develop promotional programmes, a task which has traditionally fallen to the Member States.

**Amendment 6**

Recital 14

| Text proposed by the Commission | CoR amendment |
|---|---|
| (14) The Union is keen to simplify the regulatory environment of the CAP. This approach should also be applied to the Regulation on information provision and promotion measures for agricultural products. In particular, the principles of administrative management of information and promotion programmes should be reviewed with the aim of simplifying them and enabling the Commission to establish the rules and procedures applicable to the submission and selection of proposals for programmes. | (14) The Union is keen to simplify the regulatory environment of the CAP. This approach should also be applied to the Regulation on information provision and promotion measures for agricultural products. In particular, the principles of administrative management of information and promotion programmes should be reviewed with the aim of simplifying them and enabling the Commission, with the option to adopt implementing acts that would enable Member States to take part, in cooperation with European regions, to establish the rules and procedures applicable to the submission and selection of proposals for programmes. |

***Reason***

The Commission should, in conjunction with the Member States and European regions, adopt the rules and procedures governing the submission and selection of proposals for programme, since the Member States and European regions will take account of more specific criteria reflecting the different situations and conditions in their territories. We do not believe that simplifying the selection procedure means that the Member States should be excluded.

**Amendment 7**

Recital 16

| Text proposed by the Commission | CoR amendment |
|---|---|
| (16) Financing rules should be set. As a general rule, so that interesting proposing organisations assume their responsibilities, the Union should cover only part of the cost of programmes. Certain administrative and staff costs which are not linked to implementation of the CAP form an integral part of information provision and promotion measures and could be eligible for Union funding. | (16) Financing rules should be set. As a general rule, so that interesting proposing organisations assume their responsibilities, the Union should cover only part of the cost of programmes. Certain administrative and staff costs which are not linked to implementation of the CAP form an integral part of information provision and promotion measures and could be eligible for Union funding. Member States could also voluntarily co-finance some of the programme costs. |

***Reason***

European Member States and regions should be allowed to co-finance simple programmes, because certain key actors in the sector do not always have the necessary budgetary resources to carry out this type of promotion campaign. Furthermore the recital's current wording might primarily benefit European producers that have greater financial resources for promotion programmes.

**Amendment 8**

Article 2

| Text proposed by the Commission | CoR amendment |
|---|---|
| *Measures on the internal market* | *Measures on the internal market and in third countries* |
| The eligible measures on the internal market are as follows: | The eligible measures ~~on the internal market~~ are as follows: |
| a) information measures aimed at stressing the specific features of agricultural productions methods in the Union, particularly in terms of food safety, authenticity, nutritional and health aspects, animal welfare or respect for the environment; | a) information measures aimed at stressing the specific features of agricultural production~~s~~ methods in the Union, particularly in terms of food safety, authenticity, labelling, nutritional and health aspects, animal welfare or respect for the environment; |
| b) information measures on the themes referred to in Article 5(4); | b) information measures on the themes referred to in Article 5(4); |

***Reason***

No distinction should be made between internal and external market measures. It is proposed that articles 2 and 3 be merged into a single article.

**Amendment 9**

Article 3

| Text proposed by the Commission | CoR amendment |
|---|---|
| *Measures in third countries* | ~~*Measures in third countries*~~ |
| The eligible measures in third-countries are as follows: | ~~The eligible measures in third countries are as follows:~~ |
| a) information measures aimed at stressing the characteristics of agricultural and food products and on the themes referred to in Article 5(4); | ~~a) information measures aimed at stressing the characteristics of agricultural and food products and on the themes referred to in Article 5(4);~~ |
| b) promotion measures aimed at increasing sales of agricultural and food products from the EU. | ~~b) promotion measures aimed at increasing sales of agricultural and food products from the EU~~. |

***Reason***

No distinction should be made between internal and external market measures. It is proposed that articles 2 and 3 be merged into a single article.

**Amendment 10**

Article 5

| Text proposed by the Commission | CoR amendment |
|---|---|
| 1. The following products may the subject of the information provision and promotion measures referred to in Article 3 and illustrate the production methods and themes referred to in Article 2 and in Article 3(a). | 1. The following products may the subject of the information provision and promotion measures referred to in Article 3 and illustrate the production methods and themes referred to in Article 2 and in Article 3(a). |
| a) the agricultural products listed in Annex I to the Treaty on the Functioning of the European Union (hereinafter referred to as 'the Treaty'), excluding the fishery and aquaculture products listed in Annex 1 to Regulation (EU) No [COM(2011)416] of the European Parliament and of the Council and tobacco; | a) the agricultural products listed in Annex I to the Treaty on the Functioning of the European Union (hereinafter referred to as 'the Treaty'), excluding the fishery and aquaculture products listed in Annex 1 to Regulation (EU) No [COM(2011)416] of the European Parliament and of the Council and tobacco; |
| b) the food products based on agricultural products listed in point I of Annex I to Regulation (EU) No 1151/2012 of the European Parliament and of the Council; | b) the food products based on agricultural products listed in point I of Annex I to Regulation (EU) No 1151/2012 of the European Parliament and of the Council; |
| c) spirit drinks with a protected geographical indication pursuant to Regulation (EC) No 110/2008 of the European Parliament and of the Council. | c) spirit drinks with a protected geographical indication pursuant to Regulation (EC) No 110/2008 of the European Parliament and of the Council. |
| | d) wine with a protected designation of origin or protected geographical indication as provided for by Regulation (EU) No 1308/2013 of the European Parliament and of the Council, and wine produced by organic farming may benefit from information and promotion measures. |
| 2. Wine may be the subject of information provision and promotion measures provided that other products as referred to in paragraph 1(a) or (b) are also covered by the programme in question. | ~~2 Wine may be the subject of information provision and promotion measures provided that other products as referred to in paragraph 1(a) or (b) are also covered by the programme in question.~~ |

***Reason***

The wine sector should not be treated differently to any other agricultural product sector. The European wine sector is a recognised sector that should be protected due to its importance to the European internal market and due to its recognition outside the EU.

**Amendment 11**

Article 8

| Text proposed by the Commission | CoR amendment |
|---|---|
| 1. Information provision and promotion measures shall contribute to strengthening the competitiveness of European agriculture both on the internal market and in third countries. The objectives to be attained shall be set out in the work programme referred to in paragraph 2. | 1. Information provision and promotion measures shall contribute to strengthening the competitiveness of European agriculture both on the internal market and in third countries. The objectives to be attained shall be set out in the work programme referred to in paragraph 2. |

| Text proposed by the Commission | CoR amendment |
|---|---|
| 2. The Commission shall, by means of an implementing act, adopt a work programme setting out the objectives pursued, the priorities, the expected results, the implementing arrangements and the total amount of the financing plan. It shall also contain the main evaluation criteria, a description of the measures to be financed, an indication of the amounts allocated to each type of measure and an indicative implementation timetable and, in the case of grants, the maximum rate of co-financing. | 2. The Commission shall, by means of an implementing act, adopt a work programme setting out the objectives pursued, the priorities, the expected results, the implementing arrangements and the total amount of the financing plan. It shall also contain the main evaluation criteria, a description of the measures to be financed, an indication of the amounts allocated to each type of measure and an indicative implementation timetable and, in the case of grants, the maximum rate of co-financing.<br><br>When devising that programme, the Commission shall take into account the specific natural handicaps of the mountain, island and outermost regions. |
| The implementing act referred to in the first subparagraph shall be adopted in accordance with the advisory procedure referred to in Article 24(3). | The implementing act referred to in the first subparagraph shall be adopted in accordance with the ~~advisory~~ examination procedure referred to in Article 24(~~3~~2). |
| 3. The work programme referred to in paragraph 1 shall be implemented through the publication by the Commission:<br>a) for simple programmes, of a call for proposals indicating, notably the conditions for participation and the main assessment criteria;<br>b) for multi programmes, of a call for proposals in accordance with Title VI of Part I of Regulation (EU, Euratom) No 966/2012 . | 3. The work programme referred to in paragraph 1 shall be implemented through the publication by the Commission:<br>a) for simple programmes, of ~~a call~~ two calls for proposals indicating, notably the conditions for participation and the main assessment criteria;<br>b) for multi programmes, of ~~a call~~ two calls for proposals in accordance with Title VI of Part I of Regulation (EU, Euratom) No 966/2012 .<br><br>The calls for proposals referred to in points a) and b) above shall take account of the specific natural handicaps of the mountain, island and outermost regions. |

***Reason***

The Commission is taking on too much power in the decision-making procedure relating to the work programme. The current regulation allows for two calls for proposals, so that applicants do not have to wait so long to apply again.

**Amendment 12**

Article 12

| Text proposed by the Commission | CoR amendment |
|---|---|
| 1. The Commission shall assess and select proposals for simple programmes further to the call for proposals referred to in Article 8(3)(a). | 1. The Commission shall assess and select proposals for simple programmes further to the call for proposals referred to in Article 8(3)(a) |
| 2. The Commission shall, by means of implementing acts, decide on the simple programmes selected, on any changes to be made to them, and on the corresponding budgets. Those acts shall be adopted in accordance with the examination procedure referred to in Article 24(2). | 2. The Commission shall adopt implementing acts that enable European Member States and regions to be involved in assessing and selecting proposals for simple programmes. |

| Text proposed by the Commission | CoR amendment |
|---|---|
| | 3. The Commission shall, by means of implementing acts, decide on the simple programmes selected, on any changes to be made to them, and on the corresponding budgets. Those acts shall be adopted in accordance with the examination procedure referred to in Article 24(2). |

***Reason***

Member States should not be excluded from the process of evaluating and selecting simple programmes. National governments should play an active part in this selection procedure given that, according to Article 14, they will be responsible for their implementation, monitoring and control.

**Amendment 13**

Article 13

| Text proposed by the Commission | CoR amendment |
|---|---|
| After competitive tendering has been duly carried out, the proposing organisation shall choose the bodies that will implement simple programmes that have been selected, with a view, in particular, to ensuring that measures are implemented effectively. | After competitive tendering has been duly carried out, the proposing organisation shall choose the specialised bodies that will implement simple programmes that have been selected, with a view, in particular, to ensuring that measures are implemented effectively.<br><br>Recognition of national collective measures with a connection to the regions or to information on a product's origin could be provided by regional promotion agencies or departments. |

***Reason***

It is important to reiterate the need for Member States and regions to be involved in information and promotion measures. We therefore propose adding the assistance of regional promotion agencies and departments. These agencies are proposed as effective and flexible instruments for financing and assisting with implementation of the programmes, not with a view to financing them through these funds.

**Amendment 14**

Article 15(1)

| Text proposed by the Commission | CoR amendment |
|---|---|
| 1. The Union's financial contribution to simple programmes shall not exceed 50 % of the eligible expenditure. The remaining expenditure shall be borne exclusively by proposing organisations. | 1. The Union's financial contribution to simple programmes shall not exceed 50 % of the eligible expenditure. The percentage contributed by the Union shall rise to 75% for programmes held by the outermost regions of the Union.<br><br>The Member States, together with the European regions, may on a voluntary basis also cover another share of the programmes' expenditure, not exceeding 20%. The remaining expenditure shall be borne ~~exclusively~~ by proposing organisations. |

***Reason***

The possibility of co-financing by the Member States should not be excluded for simple programmes, because a number of the sector's key actors do not always have the necessary budgetary resources to carry out this type of promotion campaign, which can be extremely costly for businesses. SMEs are the worst affected by these costs, and as a result, we could end up with a situation in which only large businesses take part. The costs can also lead to a drop in participation in the programmes, which is the opposite of what was intended. We consider 20% to be appropriate, because it means that there is little difference in expenditure on promotion between Member States.

**Amendment 15**

Article 23(2)

| Text proposed by the Commission | CoR amendment |
|---|---|
| 2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission for an indeterminate period of time from the date of entry into force of this Regulation. | 2. The power to adopt delegated acts referred to in this Regulation shall be conferred on the Commission ~~for an indeterminate period of time~~ from the date of entry into force of this Regulation. |

***Reason***

We do not believe that the Commission should be given an indefinite period of time to adopt delegated acts, and so this part of paragraph 2 should be deleted.

**Amendment 16**

Article 27

| Text proposed by the Commission | CoR amendment |
|---|---|
| By not later than 31 December [2020], the Commission shall submit to the European Parliament and the Council a report on the application of this Regulation together with any appropriate proposals. | By not later than 31 December [2020], the Commission shall submit to the European Parliament and the Council a report on the application of this Regulation together with any appropriate proposals. In addition, an interim report shall be submitted by 31 December 2017. |

***Reason***

We believe that the Commission should submit to the European Parliament and the Council an interim report on the progress made on the implementation of this Regulation and on its state of play to ensure that, should any improvements or adjustments need to be made, there is enough time to achieve the objectives set for the end of 2020.

Brussels, 2 April 2014

*The President*
*of the Committee of the Regions*

Ramón Luis VALCÁRCEL SISO