

EN

EN

EN



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.7.2008
COM(2008) 442 final

2008/0146 (CNS)

Proposal for a

COUNCIL REGULATION

amending Regulations (EC) No 1290/2005 on the financing of the common agricultural policy and (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) in order to set up a School Fruit Scheme

{SEC(2008) 2225}

{SEC(2008) 2226}

(presented by the Commission)

EXPLANATORY MEMORANDUM

Council Regulation (EC) No 1182/2007, which lays down specific rules as regards the fruit and vegetable sector, provided for a wide-ranging reform of the fruit and vegetables sector to promote the competitiveness and market orientation of this sector and bring it more closely in line with the rest of the reformed Common Agricultural Policy (CAP). One of the key objectives of the reformed regime is to reverse the declining consumption of fruit and vegetables.

The objectives of the CAP set out in Article 33 of the Treaty include the stabilisation of markets, assuring the availability of supplies and ensuring that supplies reach consumers at reasonable prices. The provision of Community aid under a School Fruit Scheme to supply fruit and vegetable and banana products to pupils in educational establishments would meet these objectives. Further, the Scheme should bring young consumers to appreciate fruit and vegetables.

Given the above, the overall objective of a School Fruit (and vegetables) Scheme at EU level is specified as to provide a policy and funding framework for Member State initiatives aimed at durably increasing the share of fruit and vegetables in the diets of children, at the stage when their eating habits are formed. This would represent an investment in the future, by helping to avoid or reduce health expenditure resulting from poor diet. Furthermore, the positive impact on consumption could contribute to meeting CAP objectives.

As obesity tends to cluster in social disadvantaged groups, the School Fruit Scheme would also have a positive social impact, reducing health inequalities.

The importance of fruit and vegetables consumption as part of a healthy diet is advocated by the Commission White Paper 'A strategy for Europe on Nutrition, Overweight and Obesity and related health issues' which stresses the need for coherent action at European level and draws attention to the role the CAP could play in shaping the European diet, especially to combat obesity and overweight. It states that "*a School Fruit Scheme would be a step in the right direction*". In this context, Article 152(1) of the Treaty requires that "a high level of human health protection shall be ensured in the definition and implementation of all Community policies".

When approving the CMO Fruit and Vegetables reform, the Council issued the following declaration: "*In light of the dramatic increase in obesity amongst schoolchildren, which has been highlighted in the recently published Commission White Paper (...) the Council invites the Commission to come forward with a proposal for a school fruit scheme as soon as possible based on an impact assessment of the benefits, practicability and administrative costs involved*".

In its report on the EU's draft general budget for the 2008 financial year, the European Parliament "*re-emphasises its strong commitment to the proper budgetary endowment of funds for school fruit and vegetables...expresses its astonishment that the Council did not implement their political commitments...by creating a new line and a reserve in the budget, pending establishment of the legal base; calls on the Commission to put forward a legislative proposal...as laid down in the June 2007 Agriculture Council conclusions*".

In accordance with the commitment made to better regulation, the Commission assessed the impact of four possible options for a School Fruit Scheme: "Status quo" comprising no additional action from the Community; "Networking" comprising exchange of experience and know how, information and communication measures; "Supporting Initiatives" comprising

initiatives for the promotion of fruit and vegetable consumption in schools with provision of produce being excluded from EU-financing; "Driving Initiatives" establishing a single, flexible EU framework for provision of produce to pupils, monitoring and evaluation as well as accompanying measures. The Impact Assessment concluded that the "Driving Initiatives" (option 4) appears the most suitable to achieve the objectives pursued.

In this context the Commission proposes to set up a School Fruit Scheme which, for maximum effectiveness, brings together the three options in a mutually supportive package. It comprises the following elements:

- **free distribution of fruits and vegetables** in schools (as part of option "driving initiatives). Community aid should be granted to co-finance the supply of fruit and vegetables to pupils of the 6-10 core age group in educational establishments (schools), the related logistics and monitoring and evaluation. For this purpose, it is proposed to provide for a budgetary allocation of a total amount of EUR 90 million under Title I of Council Regulation (EC) No 1234/2007. It would allow for the extension of existing SFS in some Member States, and the establishment of programmes in MS without such programmes, often due to limited budgetary means.

The Community co-financing rate would be at the level of 50% and 75% in convergence regions.

- **accompanying measures.** An obligation for Member States, at national or regional level, to develop a strategy in consultation with public health and education authorities, industry and interested stakeholders. The strategy should lay down in which manner a School Fruit Scheme could be best implemented and integrated into the school curriculum. As part of the implementation it would be an obligation to highlight the EU involvement. The accompanying measures would primarily be nationally financed;
- **networking activities**, in order to motivate the exchange of information and knowledge among SFS actors and stimulate public awareness (as presented in option 2 "networking"). This allocation should amount to EUR 1.3 million;
- **promotion of agricultural products**, which could be supported in the framework of the EU promotion of agricultural products (as presented in option 3 "supporting initiatives"). In particular, MS could use this framework to carry out the necessary accompanying measures aimed at raising awareness on the beneficial effects of fruit and vegetables consumption. The recent fruit and vegetables reform increased the indicative the indicative budget for the promotion of these products by EUR 6 million;
- **monitoring and evaluation.** With the purpose of establishing solid data for further research on the effectiveness of a School Fruit Scheme in its different variants and for the exchange of "best practices", monitoring and evaluation should form an integral part of an EU scheme.

All schemes would consequently include the three elements:

- the free distribution of fruit (and/or vegetables) in educational establishments (schools),
- a series of accompanying measures,
- monitoring and evaluation.

The proposal is accompanied by an Impact Assessment, drafted by an Inter-service Group to ensure compatibility between the relevant Community policies.

Proposal for a

COUNCIL REGULATION

amending Regulations (EC) No 1290/2005 on the financing of the common agricultural policy and (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) in order to set up a School Fruit Scheme

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament¹,

Whereas:

- (1) Council Regulation (EC) No 1182/2007², which lays down specific rules as regards the fruit and vegetable sector, provided for a wide-ranging reform of the fruit and vegetables sector to promote the competitiveness and market orientation of this sector and bring it more closely in line with the rest of the reformed Common Agricultural Policy (CAP). One of the key objectives of the reformed regime is to reverse the declining consumption of fruit and vegetables.
- (2) The objectives of the CAP set out in Article 33 of the Treaty include the stabilisation of markets, assuring the availability of supplies and ensuring that supplies reach consumers at reasonable prices. The provision of Community aid under a School Fruit Scheme to supply fruit and vegetable and banana products to pupils in educational establishments would meet these objectives. Further, the Scheme should bring young consumers to appreciate fruit and vegetables and therefore should enhance future consumption thereby promoting earnings in agriculture, also an objective of the CAP. In addition, under Article 35(b) of the Treaty, provision may be made within the framework of the common agricultural policy for joint measures, such as a School Fruit Scheme, to promote consumption of certain products.
- (3) Moreover, Article 152(1) of the Treaty requires that "a high level of human health protection shall be ensured in the definition and implementation of all Community policies". The clear health benefits of a School Fruit Scheme are aspects which should be integrated into the implementation of the CAP.

¹ OJ C ..., ..., p.

² OJ L 273, 17.10.2007, p. 1.

- (4) In this context, the importance of fruit and vegetables consumption as part of a healthy diet is advocated by the Commission White Paper "A strategy for Europe on Nutrition, Overweight and Obesity and related health issues", which stresses the need for coherent action at European level and draws attention to the role the CAP could play in shaping the European diet, especially to combat obesity and overweight. It states that "a School Fruit Scheme would be a step in the right direction".
- (5) When adopting Regulation (EC) No 1182/2007, the Council issued the following declaration: "In light of the dramatic increase in obesity amongst schoolchildren, which has been highlighted in the recently published Commission White Paper ... the Council invites the Commission to come forward with a proposal for a school fruit scheme as soon as possible based on an impact assessment of the benefits, practicability and administrative costs involved".
- (6) Provision should therefore be made for Community aid to co-finance the supplying to pupils in educational establishments certain healthy products of the fruit and vegetables, processed fruit and vegetables and bananas sectors and also for certain related costs of logistics, distribution, equipment, communication, monitoring and evaluation. The Commission should lay down the conditions of the Scheme.
- (7) In order to ensure orderly implementation of the School Fruit Scheme, Member States, at national or regional level, wishing to make use of it should draw up a prior strategy. They should also provide for accompanying measures required to make the scheme effective.
- (8) So as not to restrict the overall impact of similar national measures, Member States should also be permitted to grant additional national aid for the supply of products and related costs and accompanying measures and the Community School Fruit Scheme should be without prejudice to any separate national school fruit schemes which respect Community law. However, in order to ensure a practical effect for the Community Scheme, it should not replace current funding for existing national School Fruit Schemes or other school distribution schemes that include fruit.
- (9) In order to ensure sound budgetary management, a fixed ceiling of Community aid and maximum co-financing rates should be provided for and the Community financial contribution to the scheme should be added to the list of measures eligible for EAFG financing set out in Article 3(1) of Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy³.
- (10) In order to allow time for the smooth implementation of the Scheme, it should apply from the 2009/10 school year. A report on it should be delivered after three years.
- (11) In order to make the scheme more effective, the Community should be able to finance information, monitoring and evaluation measures aimed at raising public awareness of, and networking measures related to, the School Fruit Scheme and its objectives without prejudice to its powers to co-finance, in the framework of Council Regulation (EC) No 3/2008 of 17 December 2007 on information provision and promotion

³ OJ L 209, 11.8.2005, p. 1. Regulation as last amended by Regulation (EC) No 1437/2007 (OJ L 322, 7.12.2007, p. 1).

measures for agricultural products on the internal market and in third countries⁴, necessary accompanying measures to raise awareness about the beneficial health effects of fruit and vegetables consumption.

- (12) The provisions of Regulation (EC) No 1182/2007 have been integrated into Regulation (EC) No 1234/2007⁵ with effect from 1 July 2008 by Regulation (EC) No 361/2008⁶.
- (13) Regulations (EC) No 1290/2005 and (EC) No 1234/2007 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1
Amendment of Regulation (EC) No 1290/2005

In Article 3(1) of Regulation (EC) No 1290/2005, the following point (f) is added:

"(f) the Community's financial contribution to the School Fruit Scheme referred to in Article 103ga(1) of Council Regulation (EC) No 1234/2007(*).

(* OJ L 299, 16.11.2007, p. 1."

Article 2
Amendment of Regulation (EC) No 1234/2007

Regulation (EC) No 1234/2007 is amended as follows:

- (1) Section IVa of Chapter IV of Title I of Part II is amended as follows:
- (a) the following Subsection IIa is inserted after Article 103g:

"SUBSECTION IIa
SCHOOL FRUIT SCHEME

Article 103ga
Aid for the supply of fruit and vegetable and banana products to pupils

1. Under conditions to be determined by the Commission, from the 2009/10 school year, Community aid shall be granted for supplying to pupils in educational establishments certain products of the fruit and vegetables, processed fruit and vegetables and bananas sectors to be determined by the Commission and may also be granted for certain related costs of logistics, distribution, equipment, communication, monitoring and evaluation.

⁴ OJ L 3, 5.1.2008, p. 1.

⁵ OJ L 299, 16.11.2007, p. 1. Regulation as last amended by Regulation (EC) No .../2008 (OJ L ..., ...,2008, p. ...).

⁶ OJ L 121, 7.5.2008, p. 1.

2. Member States, at national or regional level, wishing to participate in the scheme shall draw up a prior strategy for its implementation. They shall also provide for accompanying measures necessary to make the scheme effective.
3. The Community aid referred to in paragraph 1 shall not:
 - (a) exceed EUR 90 million per school year,
 - (b) exceed 50% of the costs of supply and related costs referred to in paragraph 1, or 75% of such costs in the regions eligible under the Convergence Objective,
 - (c) cover costs other than the costs of supply and related costs referred to in paragraph 1, and
 - (d) be used to replace current funding for any existing national school fruit schemes or other school distribution schemes that include fruit.

The Convergence Objective shall mean the objective of the action for the least developed Member States and regions according to the Community legislation governing the European Regional Development Fund, the European Social Fund and the Cohesion Fund for the period from 1 January 2007 to 31 December 2013.

4. Member States may, in addition to Community aid, grant national aid for the supply of products and related costs referred to in paragraph 1. They may also grant national aid for financing the accompanying measures referred to in paragraph 2.
 5. The Community school fruit scheme shall be without prejudice to any separate national school fruit schemes which respect Community law.
 6. The Community may also finance, under Article 5 of Regulation (EC) No 1290/2005, information, monitoring and evaluation measures relating to the School Fruit Scheme, including raising public awareness of it, and related networking measures.";
- (b) the following heading is inserted before Article 103h:

**"SUBSECTION III
PROCEDURAL PROVISIONS"**

- (c) in Article 103h, the following point is added:
- "(f) provisions on the School Fruit Scheme referred to in Article 103ga, including the list of products concerned, the allocation of aid between Member States, financial and budgetary management, and the related costs, national strategies, accompanying measures and information, monitoring and evaluation and networking measures."

- (2) In the second paragraph of Article 180, "103ga" is inserted after "103e".
- (3) In Article 184, the following point 6) is added:
- "6) before 31 August 2012 to the European Parliament and the Council on the application of the School Fruit Scheme provided for in Article 103ga, accompanied, if necessary, by appropriate proposals. The report shall in particular address the issues of the extent to which the scheme has promoted the establishment of well functioning School Fruit Schemes in Member States and the impact of the Scheme on the improvement of children's eating habits."

Article 3
Entry into force

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

1. BUDGET HEADING: 05 02 08 12 (line to be created) 05 08 09		APPROPRIATIONS: – p.m. (2008) 2 Mio €(PDB 2009)		
2. TITLE: Council Regulation amending Regulations (EC) No 1290/2005 on the financing of the common agricultural policy and (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) in order to set up a School Fruit Scheme				
3. LEGAL BASIS: Articles 36 and 37 of the Treaty				
4. AIMS: Supply fruit and vegetable and banana products to pupils in educational establishments, which would enhance future consumption and help to stabilise markets.				
5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2008 (EUR million)	FOLLOWING FINANCIAL YEAR 2009 (EUR million)	
5.0 EXPENDITURE	+91,3	–	–	
– CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)				
– NATIONAL AUTHORITIES				
– OTHER				
5.1 REVENUE	–	–	–	
– OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
– NATIONAL				
5.0.1 ESTIMATED EXPENDITURE	2010 +91,3	2011 +91,3	2012 +91,3	2013 +90,3
5.1.1 ESTIMATED REVENUE	–	–	–	–
5.2 METHOD OF CALCULATION: –				
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES NO
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				YES NO
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				YES NO
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?				YES NO
OBSERVATIONS:				
1)	Supply of products	€0 Mio		
2)	Networking			
	2010 – 2011 – 2012	= €1 Mio		
	+ annual conference (each year)	= €0,3 Mio		