

## **EUROPEAN COMMISSION**

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

The Director-General

Brussels. DDG3.G2/SC/rr Ares (2018) 3320541

## **Subject: Common Note FR-IT-PT on CMO wine promotion**

Dear Ms Catherine Geslain-Laneelle, Mr Felice Assenza and Mr Eduardo Diniz,

Thank you for your joint letter of 4 June 2018 in which you refer to our note Ares (2018) 569944 of 31/01/2018 with which the Commission provided an answer to Spain's question on the duration of wine promotion projects on third countries' markets referred to in Article 45 (1)(b) of Regulation (EU) No 1308/2013<sup>1</sup>.

Let me assure you that we attach a lot of importance to this issue. Indeed, we can confirm that the fact that the same beneficiary cannot be supported for the same operation in the same Third Country/Third Country market more than a maximum of 3 plus (if renewed) an additional 2 years is based on Article 4 of Regulation (EU) No 2016/1149<sup>2</sup> and explained in recital 8 of the same Regulation.

To respond to your comments regarding in particular the maximum duration of a project, I would like to highlight that this is not a specific eligibility criteria referred to an application but a general pre-condition to access the support.

As regards in particular Article 4 of Regulation (EU) No 2016/1149<sup>3</sup>, it does not exclude that the same beneficiary continues to receive financing under certain conditions. Indeed an operator may submit a new application for support for an operation of promotion in a different third country (TC) or in a different market in the same third country (TC market) where he has received support previously. Furthermore, the same beneficiary

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Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007, L 347 of 20.12.2013, p. 671

may, after the above mentioned period, continue to be supported by the CMO for promotion in the same TC/TC market if he/she submits a new application for a different operation.

Therefore, this provision does not exclude from the measure any operator but allows the participation of the largest number of operators while preventing situations of consolidation of the financing for the same beneficiaries/operation/market. Member States have plenty of flexibility to ensure that this measure continues to give the positive effects achieved up to now, while ensuring that public money is efficiently used and creating a leverage effect generating further private investments while also respecting the Court of Auditors' recommendations on this issue<sup>4</sup>.

On your remarks concerning the time of application of the new provision, I confirm that applicants that applied before the 18<sup>th</sup> of July 2016 for a promotion operation in the market of a third country, can, after this date, submit again an application for EU support for the same promotion operation in the same third country or third country market, for a maximum of five years (3 years potentially renewable for a further 2).

The present opinion is provided on the basis of the facts as set out in your letter and expresses the view of the Commission services and does not commit the European Commission. In the event of a dispute involving Union law it is, under the Treaty on the Functioning of the European Union, ultimately for the Court of Justice of the European Union to provide a definitive interpretation of the applicable Union law.

The Commission services remain available for any further clarification that may be required.

Yours sincerely,

Jerzy PLEWA

Special Report of the Court of Auditors on EU investment and promotion support to the wine sector of the Court of Auditors (SR 09/2014)