



The primary purpose of the House of Lords European Union Select Committee is to scrutinise EU law in draft before the Government take a position on it in the EU Council of Ministers. This scrutiny is frequently carried out through correspondence with Ministers. Such correspondence, including Ministerial replies and other materials, is published where appropriate.

This edition includes correspondence from 9 May 2012 – 31 October 2012

AGRICULTURE, FISHERIES, ENVIRONMENT AND ENERGY

(SUB-COMMITTEE D)

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AGRICULTURAL PRODUCTS: PROMOTION MEASURES AND INFORMATION PROVISION (8441/12)

Letter from the Chairman to the Rt. Hon Jim Paice, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Communication was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 22 May 2012.

We are content to release the Communication from scrutiny.

We note that you would be against any increase in the Promotions annual budget and that you have reservations about the added value of EU funded promotion campaigns. This is in line with our previous correspondence relating to the Green Paper (12817/11), and we continue to support your line. We would be grateful, though, if you could provide further information about how you intend to tackle these issues in advance of any legislative proposal coming forward and in the shorter term context of discussions on CAP reform. We would also like to know how you reconcile your doubts about the added value of EU funded promotion campaigns with the view that EU action in this area is appropriate.

We were interested to note that there has been no effort to link promotion activities to social and environmental goals, such as the promotion of healthy, sustainable foods and believe this could be addressed in the context of reform of the programme, we would welcome your view on this point.

Finally, we would be grateful if you could provide us with figures for each of the last five years showing how much of the annual €50 million budget for promotion measures has been spent.

We would appreciate a response to this point within ten working days.

22 May 2012

Letter from Richard Benyon MP, Minister for Natural Environment and Fisheries, to the Chairman

Thank you for your letter of 22 May 2012 asking for further information on Defra's position relating to the future of the EU promotion scheme. You have also requested figures showing how much of the EU promotions budget has been spent in the last five years.

I am glad that you agree with our line that there should not be any increase in the EU Promotions budget, which is consistent with the UK Government view that overall CAP expenditure should be reduced, whilst a higher proportion of the budget should be directed towards Pillar 2 rural development measures, rather than Pillar 1 direct support measures.

You asked how we reconcile doubts about the value of EU funded promotion campaigns with the view that EU action is appropriate. The UK has previously expressed reservations about the benefits and cost effectiveness of the current EU promotion programmes, which are largely targeted at **other EU countries**. However we recognise that there can be a value in EU funded measures targeted at promoting EU products in Third Country markets. In this respect, we think there should be a shift of emphasis towards funding promotion in growing non-EU markets, such as China, the Far East and Brazil. We also think there is a value in some of the EU funded high level trade missions, which can help break down trade barriers and open up markets, and where industry action alone may not be effective.

You noted in your letter that there had not been any effort to link promotional activity to social and environmental goals. In its Green Paper, the Commission highlighted their main aims for exploiting the growth potential for European agricultural products as:

- promoting the EU's high standards of food safety, environment and animal welfare;
- introducing consumers to the diverse range of EU products;
- raising awareness of quality systems and products with high added value.

You may be interested to know that in a draft report of 21st June (on the future of EU promotion measures) the rapporteur from the Committee of Agriculture & Rural Development has called on the Commission to place greater emphasis on sustainable farming methods. He has suggested that promotional activities should favour types of farming that preserve natural resources, whilst halting biodiversity loss and reducing damage to natural resources such as soil and water. We think these proposals have some merit, along with the promotion of quality products linked to specific production methods and geographical origins, but in tandem with our overall aim of ensuring promotion measures represent good value for money in those areas where it is difficult for industry itself to exert influence.

We have already made the UK's position on the future of the EU promotion scheme known to the Commission, and over the next few months we will be taking opportunities during senior level discussions to influence Commission thinking further as the proposals are developed.

Finally, you asked us to provide you with figures for how much of the EU Promotions budget has been spent for each of the last 5 years. The budget was approximately €46m until 2007; from 2008 it was increased to €55m. The outturn figures are as follows:

2007 - €47.9 m

2008 - €49.4 m

2009 - €46.5 m

2010 - €46.4 m

2011 - €46.3 m

6 August 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 6 August 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for your helpful letter informing the Committee that the Government do not agree with an increase in the EU Promotions budget, and noting that funding promotion could be shifted to non-EU markets, such as China and Brazil. The Committee is also appreciative that your response highlighted the Commission's Green Paper, which noted its main aims for exploiting the growth potential for European agricultural products.

The Committee also appreciates that your letter addressed the query of how much of the EU Promotions budget has been spent over the last five years. However, the Committee is keen to identify where the €50million was spent (by nation), and what activities it contributed towards.

We look forward to your response in due course.

18 October 2012

AGRICULTURE: PRODUCT QUALITY SCHEMES AND MARKETING STANDARDS (17672/10, 17677/10)

Letter from the Rt. Hon. Jim Paice, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs, to the Chairman

I am writing further to previous letters to your predecessor, Lord Roper, providing updates on the progress of these two legislative proposals concerning various EU quality schemes. The quality scheme proposal (EM 17672/10) has cleared scrutiny in both Houses but the marketing standards proposal (EM 17677/10) is still under Lords scrutiny.

UPDATE ON THE QUALITY SCHEME PROPOSAL

Negotiations on this proposal began in February 2011. Since then good progress has been made on getting agreement on many of the proposed provisions reflecting a broad consensus between Member States at Council and between Council and the European Parliament (EP). But there have also been a number of issues, highlighted in my previous updates, which have caused us concern and which have, in recent months, threatened to hamper progress towards a first reading deal on this proposal. An update of those concerns and how they have been resolved within the last month is given below.

I am pleased to say that the resolution of these issues enabled the Danish Presidency to secure the support of all Member States (except Italy) for its latest compromise proposal at the 25 June meeting of the Special Committee for Agriculture (SCA). The EP is now expected to endorse that proposal in July which will pave the way for a first reading deal.

— Powers for producer groups to control the supply of their PDO or PGI product on to the market – this provision resulted from an amendment proposed by the Agriculture Committee in the European Parliament (ComAgri). The feedback from MEPs is that this is the amendment they are most strongly in favour of especially following the introduction of a similar provision in the context of the dairy package relating to the management of Protected Designation of Origin (PDO)/Protected Geographical Indication (PGI) cheeses.

We, and a small number of other Member States, consistently opposed this amendment on the grounds that it carries a high risk of distorting the market and creating barriers to new entrants. We view the provision in the dairy package on the management of PDO/PGI cheeses as an exception from normal competition rules, and not a precedent to be rolled over into the quality package.

As a result of this blocking minority of Member States, ComAgri indicated its willingness to continue the negotiations by withdrawing its amendment relating to management of supply on condition that the Council agrees to a statement acknowledging the importance the EP attaches to this issue and that discussions on the management of supply will continue as part of the ongoing negotiations on the Single Common Market Organisation (SCMO) (as part of the CAP reform process). The wording of a statement along those lines was agreed at the Special Committee for Agriculture (SCA) on 25 June. I should point out that our agreement to that statement does not

indicate any change in our position but does acknowledge the reality that this matter already features in the SCMO discussions and will continue to do so.

- Traditional Speciality Guaranteed provisions (TSG) – This designation does not relate to products from a specific geographical area but products made to a traditional recipe or in accordance with a traditional method of production. The original Commission proposal contained two provisions which gave us cause for concern: restricting the scope of the designation to processed products; and changing the time period for the definition of traditional from the current 25 years to 50 years.

On the first of these concerns the overwhelming majority of Member States and ComAgri opposed the proposed exclusion of unprocessed products and so we thought that the Commission had abandoned its proposal. However, recently the Commission had been pressing for its provision to be restored to the final agreed text. This was a particular concern for us as both our registered TSGs are for unprocessed products and a number of applications in the pipeline could be affected if the Commission gets its way. Fortunately, Member States maintained their opposition despite pressure from the Commission and so the scope of the TSG designation will remain unchanged.

Most Member States were also in favour of keeping the current 25 year time period. However, MEPs supported 50 years but with provision for this to be reduced in certain circumstances where there has been a break in the usage. As neither this, nor the original Commission proposal, had much appeal for Member States, the Presidency suggested a compromise which would increase the time period from 25 years to 30 years. This was acceptable to us and other Member States as it is a significant improvement on both the Commission proposal and the ComAgri amendment.

- PDOs/PGIs and trademarks – The current provision was very carefully drafted in 2006 to strike a delicate balance between PDOs/PGIs and trademarks. However, ComAgri has proposed a change to the date after which the trademark application must be refused as well as adding wording which would impose additional limitations on the use of trademarks. Member States and the Commission were concerned that changes to the balance between PDO/PGI and trademarks could give rise to a challenge in the World Trade Organisation (WTO). I am pleased to say that ComAgri has also withdrawn this amendment.

- Optional Quality Terms – The Commission proposal made provision for the inclusion of other quality terms in addition to the existing protected food name designations. As a result the following were suggested during the negotiations: mountain product, island farming and local/direct sales. We have consistently opposed these provisions because although they will be optional if introduced, we do have concerns that their inclusion (and possibly others) will diminish the impact and importance of the existing and long established protected food designation.

However, support for the mountain product quality term from Member States and ComAgri was strong and we have had to accept the inclusion of this optional quality term. Views were more divided on the other suggestions and so it has been agreed that their introduction will be dependent on the outcome of further work by the Commission to assess the benefits they will deliver to producers. The Commission will also have the power to adopt other optional quality terms via delegated acts.

UPDATE ON THE MARKETING STANDARDS PROPOSAL

Detailed discussions of the Commission proposal took place in expert Council Working Group meetings between March and September 2011. As covered in previous updates, our main areas of concern relate to the Commission's proposed provisions relating to place of farming, the General Marketing Standard and the powers for the Commission to extend specific marketing standards across all sectors. At the 21 September Working Group the Presidency produced a compromise text

which included a number of changes such as the deletion of the General Marketing Standard. Member States welcomed (though not unanimously) these changes but they were strongly opposed by the Commission. Nevertheless subsequent discussions at SCA led to the Presidency being granted a partial mandate for a trilogue on 6 December. However, little progress was made as that mandate did not cover the key issues for the UK and most other Member States.

Since then, discussions have taken place at SCA on a series of Presidency compromise texts aimed at securing enough support in Council for further trilogues. We welcomed the last Presidency compromise text in April this year which went a long way to addressing our main concerns about the Commission proposal. However, the continued calls from some Member States for the marketing proposals to go further and include mandatory place of origin labelling, as well as the Commission's intransigence, meant that there was not enough support to enable discussions with the Parliament to continue. As a consequence, the Presidency concluded that the discussions should now continue as part of the wider negotiations on the SCMO proposal.

This is possible because, as mentioned in a previous update, the marketing standards proposal is an amendment to the current single CMO Regulation and therefore any separate agreement on the marketing standards proposal would in any event have had to be included in the SCMO proposal. We are obviously keen to make sure that the latest text of that proposal takes account of all the discussions on the provision of the stand alone proposal. You will wish to note that it does do this in part by, for example, deleting the provisions on the General Marketing Standard. However, given the differences that remain, we will continue to press our arguments on the other areas of concerns when the marketing standards provisions are discussed in the Council Working Group. Defra officials involved in both negotiations are therefore working closely to ensure both continuity and a consistent approach as the negotiations continue.

Finally, taking account of the changes noted above, I would be grateful if the Committee could confirm that it would now be content to be kept informed of developments on the outstanding marketing standard issues as part of our updates on the SCMO proposal.

3 July 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 3 July relating to the above proposals was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 11 July 2012.

We were pleased to learn of the progress that you have made in negotiations with the European Parliament on the quality schemes proposal.

At your request, we are content to release the marketing standards proposal from scrutiny and will follow it up in our correspondence with you on the Single CMO, on which we look forward to an update in due course

12 July 2012

AGRICULTURE AND FISHERIES COUNCIL: 16 JULY 2012

Letter from Richard Benyon MP, Minister for Natural Environment and Fisheries, Department for Environment, Food and Rural Affairs, to the Chairman

In the light of the Parliamentary recess, I am writing to you in place of the usual written statement regarding the outcome of July's Agriculture and Fisheries Council in Brussels. My Rt. Honourable friend Jim Paice represented the UK. Stewart Stevenson MSP also attended.

The Presidency set out their work programme for the next six months. They are hoping that by the time agreement has been reached on the Multi-Annual Financial Framework, both CAP and CFP reform would be advanced enough for them to quickly conclude negotiations.

The Council discussed the risk management measures under the rural development element of CAP reform. There was agreement that risk management was important to farmers; but little consensus on how best to support it. Some Member States felt the revised text allowed effective risk management; others preferred more emphasis on farmer responsibility and the role of the market rather than the state, whilst a further group thought the measures should go further with a wider range of measures permitted. The discussion also covered compatibility with current measures, and

the Commission's proposed Income Stabilisation Tool (IST). The UK and others were sceptical of the effects and costs of the IST, and called for it to be removed.

The Council accepted the need for a safety net in the event of a severe crisis, and the proposals were generally welcomed. Most Member States wanted to open up these measures to all sectors, while a blocking minority (including the UK) wanted to focus on the main sectors, as did the Commission. The UK and others called for the crisis reserve to be brought on budget as part of Pillar I. There were calls for more details on what would qualify as a crisis.

The Commission introduced its annual policy statement, describing the framework they intend to use to develop proposals for fishing opportunities in 2013. The proposed fishing opportunities themselves should be published later in the year and will be discussed and agreed at the December Council. The Commission made clear their intention to make further progress in 2013 towards fishing all stocks at their Maximum Sustainable Yield (MSY).

The Commission proposed to bring forward proposals based on the following principles;

- where quantitative scientific advice on catches was available from ICES, this should be followed. Long term management plans should also be followed;
- where quantitative advice was lacking, and long term management plans were not in place, but where qualitative advice had been offered by ICES, this should be followed;
- in the absence of any advice the precautionary approach should be followed. This would apply to 12% of all EU stocks. The Commissioner urged Member States to provide as much data as possible in the future to allow full assessments to take place.

The Commission has also proposed splitting the Regulation in two. One Regulation would cover stocks only fished by EU Member States, the other would cover stocks fished by both EU and non-EU states. During the discussion many Member States (including the UK) repeated the request that the Commission propose a single Regulation as two created confusion and difficulties. In response, the Commission replied that they would continue proposing two separate regulations, as the scientific advice for the respective stocks became available at different times.

Although there was general support for the principles set out by the Commission many Member States voiced concerns about the effect an unnecessarily rapid transition to MSY would have on their fishing fleets.

The UK joined calls for a pause to the annual reductions in the amount of time certain fishing vessels can spend at sea under the Cod Recovery Plan. The UK called instead for effort controls to be left at their 2012 levels. The Commission announced that they would bring forward proposed amendments to the cod plan in September.

There were six Any Other Business points.

- On the dairy sector there were requests for the re-introduction of export refunds and an increase in reference prices, in response to falling market prices. Twelve Member States intervened, mostly in support, but a significant minority opposed as the market had stabilised. The UK intervened recognising the problems facing producers, and the need for solutions; but noting that EU action to introduce export refunds would not tackle the problems effectively.
- The Commission presented a detailed report on the evolution of dairy prices, urging Member States to consider how the new dairy package could help.
- Following a recent visit to China, Commissioner Ciolos reported the main elements of an EU-China Co-operation Plan in Agriculture and Rural Development.
- Denmark presented the main conclusions of a conference of paying agencies held under their presidency. It underlined the implementation difficulties in areas of the Commission's CAP proposals. A number of Member States including the UK intervened in support, underlining the importance of involving the paying agencies in the discussions regarding CAP simplification and highlighting that it would take up to 24 months to implement a reformed

CAP. The Commission welcomed the discussion and stressed that they would continue to talk to the paying agencies.

- Spain explained that in response to the recent fires in the Valencia region they would be submitting a formal bid to the EU solidarity fund.
- Austria and the Netherlands urged the Commission to revise the Council Regulation for the protection of animals during transport to establish a maximum journey time of eight hours; clarifying their position on the Council conclusions agreed at the preceding Council meeting in June.
- Ireland presented a paper on mackerel fishing and their concerns about Icelandic and Faeroese fishing practices, and called on the Commission to urgently present measures under the trade sanctions regulation in fisheries against Iceland and the Faeroes.

6 August 2012

AGRICULTURE AND FISHERIES COUNCIL: 24 AND 25 SEPTEMBER 2012

Letter from the Rt. Hon Owen Paterson MP, Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

In light of the Parliamentary recess, I am writing to you in place of the usual written statement regarding the outcome of September's Agriculture and Fisheries Council in Brussels. When Parliamentary Ministerial statements are tabled before Parliament both pre and post Agricultural Fisheries Council (except during recess when letters are sent to the Chairman of the European Scrutiny Committee and the Select Committee on the European Union).

I will be representing the UK on agricultural matters accompanied by the Parliamentary Under Secretary for the Natural Environment (Richard Benyon). Richard Lochhead MSP and Alun Davies AM will also attend.

The main item on 24 September will be proposals and debates on the rural development element of the Common Agricultural Policy (CAP). There may also be a discussion on the single common organisation of the markets sections of the Commission Common Agricultural Policy (CAP).

The main item on 25 September will be a discussion on the European Maritime and Fisheries Fund (EMFF).

There are currently seven Any Other Business points confirmed:

- Information from the Presidency regarding the decision by the Codex Alimentarius Commission on the use of Ractopamine in animal food production,
- Outbreaks of Asian Longhorned Beetle in the European Union,
- Fisheries protocol EU-Mauritania,
- State of play on the Mackerel management negotiations with Iceland and the Faroe Islands,
- Consequences of severe drought in some regions of Europe and the world
- Situation in the dairy market
- Crisis situation in animal husbandry due to the price of feeding stuffs.

20 September 2012

Letter from the Rt. Hon Owen Paterson MP to the Chairman

In light of the Parliamentary recess, I am writing to you in place of the usual written statement regarding the outcome of September's Agriculture and Fisheries Council in Brussels.

I represented the UK on agricultural matters accompanied by the Parliamentary Under-Secretary for the Natural Environment, Water and Rural Affairs, Richard Benyon. Richard Lochhead MSP and Alun Davies AM also attended.

On 24 September the Presidency sought views on the Areas of Natural Constraint (ANC) and Market Intervention aspects of CAP reform as well as five Any Other Business (AOB) points.

On the reclassification of areas facing natural constraints, the Council unanimously agreed that national flexibility should be part of the fine tuning exercise to determine which land should be classified ANC. There was also majority acceptance of the Commission compromise that Member States had until the end of 2015 to complete the delineation process.

I supported the compromise position underlining the need to reform the system but willing to accept a short delay for practical reasons. Other Member States had a range of requests, seeking greater flexibility on which land could be designated. The Presidency noted Member States views, indicating that the dossier would be discussed further.

The Presidency sought Member States' views on the Commission's producer safety net proposals. I explained that the Commission's proposals were relatively well balanced and warned against rolling back on the reforms of recent years. This position was supported by some Member States; but there were many that wanted to extend the scope of intervention and make recourse to it more common. There was a similar split regarding the need to update the intervention reference prices, with some supporting the UK in calling for the maintenance of the status quo and others requesting either an immediate uplift or a review. The Presidency noted Member States' views.

The Presidency took three related AOB points together:

- a request from Hungary, Portugal, Italy and Slovenia to discuss the consequences of drought;
- a Greek item on the impact of high animal feed prices
- a Spanish and Portuguese item on the situation in the dairy sector.

The items made similar points in that high cereal prices were causing severe hardship in the livestock and dairy sectors. Many Member States requested the use of various forms of intervention measures. I emphasised the need to consider the views of taxpayers, who already funded a well subsidised agriculture sector, and of consumers. The Commission had some sympathy with individual regional situations; but felt that market intervention was not an appropriate solution. As there was no general problem at an EU level, market intervention could not be triggered.

There was a report from the Netherlands on the outcome of the 2nd Global Conference on Agriculture, Food Security and Climate Change in Hanoi.

The Presidency briefly noted their regret that a recent vote at the Codex Alimentarius Commission had accepted the use of Ractopamine as a growth promoter, that went contrary to EU policy regarding the use of these drugs in food producing animals. This would be the subject of a full discussion at the October Agriculture Council.

The Netherlands called on the Commission to ensure there were proper controls on wood and packaging products, in particular those of Chinese origin, that were associated with the introduction of Asian long horned beetle. This was supported by a number of Member States and the UK noted that they had recently successfully dealt with an outbreak.

The Czech delegation presented a brief review of an incident linked to counterfeit spirit drinks that had caused over 20 fatalities. They reassured Member States that action was in hand including a national movement ban on the export and sale of spirits over 20% alcohol. I spoke to the Czech minister and Commissioner Dalli in the margins to express my sympathy but also impress upon them the need to re-open the trade in spirits that were not affected by this incident.

Denmark presented their concerns regarding the spread and increase of antibiotic-resistant bacteria, calling for a ban on the use of 3rd and 4th generation cephalosporins in animal production. The Commission shared the Danish concerns and gave a brief overview of the Commission's five year action plan.

Richard Benyon led for the UK on the fisheries items that were taken on the 25th September. The main issue of the day was a discussion on the European Maritime and Fisheries Fund (EMFF). There were also two Any Other Business items on mackerel and the EU-Mauritania Fisheries Protocol.

The Presidency saw this as an opportunity for Member States to set out their positions in advance of the partial general approach on the EMFF scheduled for the October Council. The UK noted that this was without prejudice to decisions on the overall MFF budget.

The UK and others underlined the importance of the EMFF in delivering the aims of the reformed Common Fisheries Policy (CFP). However, a significant number of other Member States wanted to see a continuation of measures such as temporary cessation, decommissioning, and modernisation of the fleet, which the Commission and some other Member States oppose, and which the UK sees as inefficient and representing extremely poor value for money. Most Member States including the UK wanted the flexibility to transfer funds between the different pillars of the EMFF, and for a simpler delivery mechanism than the one being proposed. The Commission would consider simplification proposals, including how to deal with devolved structures within Member States, but only within a single EU-wide system.

Turning to the AOBs the Commission reported the outcome of the Ministerial meeting on 3 September in London. There had been little or no movement from either Iceland or the Faeroes. The priority remained finding an agreement between the parties, but following Council and EP agreement to the trade measures proposals the EU now had new instruments available. Given the concerns over the stock, advice from the International Council for the Exploration of the Seas was expected to recommend a reduction in catch limits. It would be important that the EU continued to follow the scientific advice. The UK shared the Commissioner's disappointment and agreed that they had to continue to press for an agreement, but also be prepared to implement the trade measures if necessary.

Spain, supported by others, called for renegotiation of the EU-Mauritania Fisheries Protocol. They argued that the conditions were too restrictive and fees too high to make commercial fishing viable. The Commission defended the agreement as the best that could be achieved under the circumstances. It would now bring forward a proposal to adopt the agreement for consideration by the Council.

6 October 2012

BATTERIES AND ACCUMULATORS CONTAINING CADMIUM (8245/12)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE B]

Letter from the Chairman to Mark Prisk MP, Minister of State for Business and Enterprise, Department for Business, Innovation and Skills

Thank you for your Explanatory Memorandum of 24 April 2012, which was considered by the Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 22 May 2012. The Committee decided to retain the document under scrutiny.

We are broadly supportive of the measure proposed. There are clear environmental benefits anticipated, and your impact assessment does not foresee any serious concerns in implementing the proposal. That being the case, while we note that there was not a clear consensus from stakeholders, who identified some issues such as the likely cost implications and the performance of alternative batteries, we are unclear why it is proposed to wait until 2016 to remove the exemption allowing cadmium to be used in batteries for cordless power tools. We would be grateful for an explanation on this point.

We wish to defer a final decision on our position until we have heard further from you on any changes to the Government's position that emerge from consultation. Given the continuing nature of this process, we are content to wait beyond the usual 10 working day deadline for a response on this point.

22 May 2012

Letter from the Rt. Hon Greg Clark MP, Minister for Cities and Minister for Decentralisation and Planning, Department for Business, Innovation and Skills, to the Chairman

Thank you for your letter of 22 May 2012 to Mark Prisk, Minister of State for Business and Enterprise, regarding his Explanatory Memorandum of 24 April 2012. As Duty Minister, I am replying on behalf of Mr Prisk. I was pleased to hear that you are broadly supportive of the measure proposed. However, you requested further detail as to why it is proposed to wait until January 2016 to remove the exemption for Nickel Cadmium (NiCd) batteries. I hope that the following information will help

you come to a view on releasing this item from scrutiny. This will enable us to vote on the proposal when required, which might be as soon as 11 June 2012.

NiCd batteries, which are the only type of batteries that will be affected by this proposal, have been used in the past in a variety of products which require a rechargeable battery that has a low internal resistance, combined with a high energy density and the potential to supply a high surge current. Although alternative battery chemistries are already available for cordless power tools (CPTs), (Nickel Metal Hydride and Lithium Ion), these do not provide direct replacement options that can simply be substituted in all existing products. Each product range is designed to work with a specific size, shape and chemistry of battery; a typical life cycle for a "professional" quality CPT product design being around 8 years and a typical "DIY" quality product around 5 years. Delaying the ending of the exemption will allow product ranges to complete their natural life-cycles, allowing manufacturers to focus on the challenge of providing CPTs using the alternative battery chemistries at all price points and for all circumstances. This includes ensuring that the new chemistries are suitable for use in low temperatures, where there is a particular concern. Some manufacturers and their representative European trade body are concerned about potential problems that would come from hastily re-designed products that could lead to serious safety problems and potential product recalls. There has been one high profile instance of an expensive recall of Lithium Ion batteries, the newest of the alternative battery chemistries used in CPTs.

Additionally, NiCd batteries from CPTs are currently one of the most collected/recycled consumer batteries because of the value that comes from their residual materials. By comparison, recycling of alternative chemistries is in its relative infancy; delaying the end to the exemption will allow the collection/recycling infrastructure to develop more fully and allow technologies to be developed that will increase the recycling efficiencies of alternative batteries to more closely match NiCds.

Finally, NiCd batteries currently have a longer life-span than the alternative battery chemistries resulting in fewer CPT batteries being required during use and therefore fewer becoming waste; delaying the introduction of the prohibition will allow more time for manufacturers to address this issue and develop longer lasting alternative batteries.

For these reasons, I agree that it is reasonable to allow a period of adaptation for all concerned and that given that such batteries are presently well collected because of their value, this will not lead to a disproportionate detrimental effect on the environment. Delaying the withdrawal of NiCd batteries will have almost the same level of effectiveness as immediate withdrawal but at a higher efficiency.

This item is currently on the agenda for a General Approach at the 11 June Environment Council and I would be grateful if the Committee would consider releasing this item from scrutiny, to enable us to vote on the proposal.

29 May 2012

Letter from the Chairman to Mark Prisk MP

Thank you for your letter of 29 May 2012, which was considered by the Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 30 May 2012.

We note your explanation that the proposal to wait until 2016 to remove the exemption allowing cadmium to be used in batteries for cordless power tools is necessary for several reasons, including to allow product ranges to complete their natural life cycles, to enable manufacturers to provide suitable alternatives, and to allow the infrastructure for the collection and recycling of the new batteries to develop further.

We are content to release the proposal from scrutiny and look forward to an update from you following the 11 June Environment Council.

30 May 2012

Letter from Mark Prisk MP to the Chairman

Thank you for your letter of 30 May 2012 regarding my Explanatory Memorandum of 24 April 2012. I was please to see that, after receipt of the further information that was provided by my colleague Greg Clark, you have released the proposal from scrutiny. You asked to be kept up to date following the 11 June Environment Council.

Despite very strong indications that the topic would be addressed at Council on 11 June, in the end, the Presidency decided that conditions were not right for a General Approach. The file will now be

passed to the Cyprus Presidency and we expect them to continue making progress towards eventual agreement.

20 June 2012

Letter from the Chairman to Mark Prisk MP

Your letter of 20 June 2012 was considered by the Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 27 June 2012.

We note that the proposal was not discussed at Council on 11 June as originally expected and will continue to monitor its progress under the Cypriot Presidency. We would be grateful for a further update from you when there is something substantive to report on the dossier.

28 June 2012

BERN CONVENTION: CONSERVATION OF EUROPEAN WILDLIFE AND NATURAL HABITATS (14025/12)

Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary of State for Natural Environment and Fisheries, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 24 October 2012.

We are content to release the proposal from scrutiny. We would, however, be grateful if you would update us in due course with the results of your further consideration of the policy and legal issues, and the progress of negotiations. This would helpfully include an indication of the level of support for your position among other Member States.

We share your concern that Article 218(9) is not an appropriate legal basis for this proposal. On the other hand, your concern that the EU is not competent in relation to amendment of the Convention's provision for making reservations is questionable. Given that a reservation under the Swiss proposal could cover a subject matter falling within either EU or Member State competence our initial view is that an overarching provision such as this would fall under the shared competence of both.

In any event, we do not regard questions of competence as engaging subsidiarity as you appear to indicate in paragraph 14 of the EM. Subsidiarity only becomes an issue once it is established that the EU does have competence.

On the substantive question of whether the Swiss proposal should be supported, we would welcome further information from you on the limited circumstances in which the ability to make post-hoc reservations may be beneficial.

25 October 2012

CARTAGENA PROTOCOL ON BIOSAFETY: THE NAGOYA-KUALA LUMPUR SUPPLEMENTARY PROTOCOL ON LIABILITY AND REDRESS (11078/12)

Letter from the Chairman to Lord Taylor of Holbeach, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 18 July 2012.

We support the conclusion of the supplementary protocol by the EU, particularly in light of the perceived benefit to developing countries in providing an additional level of security to transboundary movements of genetically modified organisms.

We note that there would be no impact on UK law and no substantive effect within the EU as its provisions are already covered by the Environmental Liability Directive but share your concerns regarding the failure of the Decision text to make clear that conclusion by the EU will be in respect of areas within EU competence; as also about the requirement for simultaneous deposit of instruments

of approval, which you explain could delay entry into force and the wording of the declaration of competence, which you wish to bring into line with previously agreed declarations of competence. We would encourage you to pursue these issues in EU-level discussions on the draft Decision and would appreciate an update on your progress in due course. We will retain the proposal under scrutiny in the meantime.

It is not clear from your EM what the timetable is for agreement of the draft Decision or whether other Member States share your concerns. We would appreciate it if you could provide this information within the usual ten working day deadline.

19 July 2012

Letter from Lord Taylor of Holbeach to the Chairman

Thank-you for your letter of 19 July, in which you shared our concerns on certain elements of the above proposal, and encouraged us to continue to pursue these issues in EU-level discussions. You requested further information on the timetable for agreement of the draft Decision and whether other Member States share our concerns.

The Commission appear to be treating this as a matter of routine business and have not made any explicit commitments about when they hope to complete this process by. The Supplementary Protocol itself cannot enter into force until 90 days after the 40th instrument of ratification, acceptance, approval or accession has been deposited by Parties to the Protocol, and so Parties are generally encouraged to complete this as soon as possible. The supplementary protocol has 163 signatories but so far only two parties have completed the ratification process.

At the Cartagena Protocol on Biosafety WPIEI meeting on 21 June 2012, several Member States indicated agreement with comments from the UK and expressed concerns, for legal and practical reasons, on the proposed simultaneous deposit of ratification instruments. The UK also raised the issue of EU competence at this meeting, but there was no comment from other Member States on this matter.

I will continue to keep the Committee updated on this matter as you have requested.

25 July 2012

Letter from Lord de Mauley, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs to the Chairman

Further to my predecessor, Lord Taylor's, letter to you of 25 July, I am writing to update the Committee on the progress of this proposal.

Since that letter the proposal has been amended to address the concerns previously raised by the UK, namely:

- it is no longer suggested that the deposit of ratification instruments should be undertaken simultaneously. Instead, the proposal now says: "The European Union and its Member States should endeavour to deposit as soon as possible their instruments of ratification, acceptance or approval of the Protocol".
- the words "As regards matters falling within EU competence" have been added to Article 2, to make it clear that this is an area of shared competence and it is a mixed agreement to which Member States will also become Parties.
- the text of the declaration of competence set out in the Annex to the Decision has been revised, with additional text to indicate in particular that "The European Union is responsible for the performance of those obligations resulting from this Protocol which are covered by Union law in force".

As regards the legislative timetable, I have now been advised that having been through the EU silent procedure, and with all Member States content, the revised proposal is scheduled to go to the Council for adoption without discussion on 4 October. Our intention is to vote in favour of this proposal, as we have consistently voiced support for the Supplementary Protocol over the past few years. Given the helpful changes that have been made at our behest, we would hope that the UK

does not have to place a scrutiny reserve at this final stage of the adoption process. If possible, therefore, I request a waiver from the Committee to avoid this eventuality

25 September 2012

Letter from the Chairman to Lord de Mauley

Your letter of 25 September on the above Decision is yet to be considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy.

As you note, however, it is scheduled to go to Council for adoption on 4 October. We are grateful for the further detail that you provided. In accordance with Article 5(b) of the Scrutiny Reserve Resolution, the Government need not withhold agreement pending completion of scrutiny.

We will retain the proposal under scrutiny and write to you once again in due course.

2 October 2012

Letter from the Chairman to Lord de Mauley

Further to my letter to you of 2 October, your predecessor's letters of 25 July and 25 September on the above proposal were considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 10 October 2012.

We are grateful for the information provided by the Department on the conclusion of negotiations and we understand that the Decision has now been adopted by the Council.

We are content to release this from scrutiny and mark this correspondence as closed.

11 October 2012

COD STOCKS (13745/12)

Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary for Natural Environment and Fisheries, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012. The Committee will retain this proposal under scrutiny.

Within its limited scope, the proposal is welcome as it seeks to take a more scientific approach to the use of effort, ending automatic effort reductions and exempting those that are willing to participate in fully documented catch quota trials. You argue not only that the effort regime should be changed in those ways but that there should be much less reliance on effort as a management tool. Do you see this as a UK objective for this particular negotiation or as a longer term objective for a North Sea plan? We would observe that effort is in an important part of the fisheries management toolbox and should not be dismissed without clarity as to what will replace it.

We note that the Commission has proposed an obligation on Member States to take immediate measures to minimise cod discards where a level of more than 10% cod discards is seen (new Article 14(5)). You do not comment on this insertion and we would therefore welcome your observations on it, including its practicalities and implications.

In terms of consultation, you note that you will be discussing the proposal with the fishing industry and other interested parties. Could you clarify with which parties you intend to engage, please? We would hope that this will include interested Regional Advisory Councils.

Finally, this Regulation is of particular interest to Scotland. Your EM indicates (para 5) that the Devolved Administrations were consulted in the preparation of the EM, but we would welcome confirmation that Defra is working in partnership with the Devolved Administrations in the course of negotiations. We would also be interested to know where the points of difference, if any, are between the UK Government and the Scottish Government.

We look forward to a response within ten working days.

18 October 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 18 October concerning the Explanatory Memorandum for the above proposal.

EFFORT AS PART OF THE FISHERIES MANAGEMENT TOOLBOX

Effort management is a tool which the UK will want to retain under a reformed Common Fisheries Policy. It may be useful in the context of regionalised management where fisheries managers want to apply effort restrictions to resolve a specific problem that has arisen in a particular area. However, we do not believe it is helpful to have effort limits prescribed in the cod recovery regulation.

There is evidence which is supported by science that effort management is no longer contributing to a recovery of cod stocks in the cod recovery zones. We believe that by allowing a vessel to stay at sea for longer is an incentive for vessel owners to fish more selectively by enabling skippers to find areas where their target species is more abundant and cod is much less prevalent or, if he is taking cod as part of a targeted mixed fishery, to use gear which will only take larger, high value cod. The UK position is to support measures like these which encourage fishermen to fish more selectively. UK fishermen are already at the forefront of implementing measures which radically cut their catch of cod. These include the introduction of highly selective gears by the nephrops fleet which has historically caught cod as a bycatch, as well as catch quota trials for cod targeting vessels.

10% THRESHOLD FOR IMMEDIATE MEASURES

We understand, through initial exchange of views with the Commission, that the proposal to set a 10% threshold on discards above which emergency measures are triggered is intended to deal with an urgent situation where high levels of discards are observed. The actual measures implemented will be our choice.

There will be opportunities for Member States to discuss and influence this proposal further and we will of course take an active interest to ensure that the mechanism which is adopted is workable and will aid the recovery of cod stocks. Nevertheless, UK discard rates for cod are falling as a result of gear selectivity and other discard reduction measures we have put in place.

CONSULTATION WITH INDUSTRY

Defra have and are consulting with the National Federation of Fishermen's Organisations (NFFO), whose members are affected by the cod recovery plan. There has been similar consultation with representatives of fishermen in Scotland and Northern Ireland by Devolved Administrations. Consultations are also ongoing with the North Western Waters RAC and the North Sea RAC.

CONSULTATION WITH DEVOLVED ADMINISTRATIONS

The proposed amendment to the cod recovery plan is of interest to fishermen throughout the UK. Defra has been working closely with all three Devolved Administrations on the UK response to the amendment and we will continue to do so. To date, there have been no substantive points of difference between UK Fisheries Administrations.

27 October 2012

COMMON AGRICULTURAL POLICY: REFORM PROPOSALS (15396/11, 15425/11, 15426/11, 15397/11)

Letter from the Rt. Hon. Jim Paice, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs, to the Chairman

Thank you for your letter of 25th April in response to my letter of 19th March. Lord Roper asked for more detail on how the CAP could be used to support take up of risk management strategies by farmers.

I mentioned in my previous letter, we are still considering how best we can use CAP reform to encourage EU and UK farmers to increase their take up of tools to manage risk effectively. The reforms to the CAP, and its budget, as you know is still being negotiated. It is too early to propose

what might be most suitable for England, and any use of public funds in this area would have to be balanced from future budget against other priorities and pressures on the future budget. Work on the next programme is at an early stage, and therefore I cannot provide information on the implementation of the rules still under negotiation.

At the moment there are two potential routes in the CAP reform proposals we see to helping farmers improve their management of risk – the Risk Management Toolkit proposed in the Draft Rural Development Regulation, and the Producer Organisations proposed in the Draft Single Common Market Organisation Regulation.

The Risk Management Toolkit is proposed to sit inside Pillar 2 and provide subsidies for agri-insurance and mutual funds. If used, this widens the potential risk management tools available to farmers, by lowering the price of the premiums they face. However, consideration should be given as to whether subsidies in this area are permanent or temporary, and to what degree these sorts of products are needed by farmers in the UK. If the Toolkit remains in Pillar 2, using it would mean there would be less money available for other Pillar 2 activities and priorities.

One of the potential roles proposed for producer organisations is to help farmers who join them to manage their risk and deal with price volatility. This could be imagined as entailing either an education and information function where farmers were exposed to the financial products and tools available in the market, or as a way of bringing farmers together so that use of futures and options trading became viable. However, this of course depends on how producer organisations are implemented, and whether this has any budgetary implications.

A potential barrier for farms engaging in futures and options trading is the need to have contracts that cover a large enough volume of produce to be worthwhile. Even for some of the largest farms in the UK, this may not be possible with just their own produce. You are right though to imply that larger farm businesses are those currently best placed to take advantage of these sorts of instruments and products. Any future move to support risk management would probably be best focussed on extending use to a wider range of farmers with commercial potential, such as medium sized competitively oriented farmers. Another potential problem could be that farmers simply lack information and familiarity with these sorts of markets. The Home Grown Cereals Authority, a member of the Agriculture and Horticulture Development Board (AHDB), has an active programme to explain the workings of futures and options markets for commercial grain producers and to familiarise them with the means by which these instruments enable them to manage market risks. In addition, training in risk management (such as use of futures market) could be provided under the next Programme.

10 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 10 May 2012 on the above proposals was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 22 May 2012.

We continue to believe that risk management is a very important aspect of CAP reform, but we similarly share your worry that the Risk Management Toolkit in Pillar 2 risks diverting funding away from other important activities and priorities.

You note that you cannot, understandably, provide information on the implementation of rules still under negotiation. We would find it helpful if you could set out for us the progress of negotiations on CAP reform.

Subsequently, we would welcome the opportunity to talk through that progress with you. Our officials will be in contact with you to confirm a date.

We will continue to retain the proposals under scrutiny and look forward to a response within 10 working days.

23 May 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 23 May in which you requested I set out the progress made in the CAP negotiations so far.

Since the October 2012 publication, the four proposals that you retain under scrutiny have each been considered at official level in working groups organised by the Presidency to address technical points

raised by Member States. These sessions have assisted discussion in the Special Committee on Agriculture at Director level and have paved the way for political discussions in the Agricultural and Fisheries Council.

Through all these discussions we have worked closely with like-minded Member States to establish common ground and seek real improvements to the Commission's overly complex and disappointingly un-ambitious proposals. Some progress has been made with consideration of Presidency compromise texts continuing, and some signs of movement evident from the Commission. A recent non-paper presented by the Commission suggesting possible improvements to the 'greening' proposals is seen as a step in the right direction, but there is far more work to be done.

Alongside these discussions with the Commission and Council, we have been active in meeting with and influencing members of the European Parliament, which under the ordinary legislative procedure now has an equal role to play in determining the final state of the proposals. The European Parliament Rapporteurs are expected to release their initial reports, incorporating Member States' suggested amendments, in the next few weeks.

Much work remains to be done, and following release of the European Parliament's reports, we will be involved in a period of intense activity as we take stock and reassess the progress made. I would, of course, be happy to discuss these matters before the Committee and will write to provide further updates as negotiations progress.

30 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 30 May 2012 on the above documents was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 13 June 2012.

You note that much work remains to be done. The Sub-Committee looks forward to discussing this with you at its meeting of 4 July.

As you will be aware, we are conducting a short inquiry into the aspects of the reform pertaining specifically to sugar policy and we plan to publish a report before the summer recess. Those aspects of the reform will also be discussed with you on 4 July.

In advance of the meeting, we would be grateful for a written update of the state of play as far as the negotiations are concerned.

We will retain all four of the proposals under scrutiny and look forward to the session with you.

13 June 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Your letter of 13th June requested a written update on the state of play in the Common Agricultural Policy (CAP) negotiations. Following analysis of the recently published Danish Presidency progress report, and the European Parliament's reports on the above regulations, I am happy to be able to provide you with an assessment of what has been achieved so far, and the areas where we believe that future work will be required.

DIRECT PAYMENTS REGULATION

The most significant movement has been on active farming on which, following very strong opposition to the idea of a compulsory test of non-agricultural income from Member States, the Commission has offered a concession whereby income-testing would only be required of claimants whose business was of a type featured on a list of those thought unlikely to be genuine farmers (e.g. airport operators). Discussion in Council favours a purely voluntary approach in which Member States are allowed – but not required – to exclude businesses on a list, or those which do not meet certain criteria. Meanwhile Luis Manuel Capoulas Santos has proposed a similar approach, but on a compulsory basis in his draft report for the European Parliament.

The UK Government continues to think that it is illogical to deny direct payments to claimants based on other aspects of their business, and that control of active farming should focus on the activities which take place on the land which is the subject of the claim. We also believe that such an approach would be less difficult to implement than one which required the paying agencies to establish what type of business a claimant was running or what other, non-agricultural income he had. But at least

universal testing of the non-agricultural income of all claimants with claims over 5000 euros is off the agenda.

The issue of whether direct payments should be capped is being discussed in the Multiannual Financial Framework (MFF) negotiations, but the Danish Presidency has suggested minor improvements which could make it easier for Member States to discharge their responsibility to take action against farmers who split farms to evade capping.

There has been much discussion of Greening. The majority of Member States consider the Commission's proposed mandatory requirements for crop diversification, retention of permanent grassland and ecological focus areas to be too inflexible, and both Council and Parliament have proposed changes to thresholds to make them less so. A consensus has emerged in Council that the requirement to retain permanent grassland should continue to operate at a Member State rather than individual farm level, but this is not reflected in the EP report.

Responding to pressure from a group of Member States, including the UK, whose views informed a paper put forward by Luxembourg, the Commission has indicated that it could accept certain farmers participating in agri-environment schemes being regarded as "green by definition". However, the criteria put forward by the Commission are extremely restrictive and the UK continues to explore ways to ensure a better balance of benefits to costs from greening. We support the Commission's efforts to make clear that farmers cannot be paid twice for the same environmental measures in both Pillars 1 and 2. Amendments allowing Member States the option to increase the amount of funds transferred from Pillar 1 to Pillar 2 is a very welcome flexibility.

The Commission's current proposals would require a new allocation of Payment Entitlements to farmers – an unnecessary burden in regions where payments are already on a flat rate basis, as they soon will be in England. We have made progress in persuading both other Member States and the EP that recycling of existing entitlements should be an option in these circumstances.

The Commission's proposal would allow a multiplicity of different levels of coupled payments in different Member States, and would also allow coupling in a wide variety of agricultural sectors, including some, such as the arable sector, from which it has been largely eliminated. The UK is arguing for uniformity in the rates at which coupling may be applied and a more restrictive list of sectors in which it may be allowed, whilst still leaving scope for the Devolved Administrations who either are using, or are considering using, this form of support. However, the Danish Presidency concluded that the Commission proposal struck the right balance, even though Denmark itself is antipathetic to coupling. Capoulas Santos in his European Parliament report has proposed more far-reaching coupling arrangements than are included in the Commission's text.

SINGLE COMMON MARKET ORGANISATION

The Commission's proposals for reform of the Single CMO Regulation are modest but broadly constructive. Discussions in Council have seen a number of delegations call to extend the scope of public intervention and private storage aid which would increase the costs of market support under Pillar 1 of the CAP. The Commission's proposals to strengthen the role of Producer Organisations have been broadly welcomed, but a majority of delegations, including the UK, are against the proposed obligatory recognition of these organisations in all sectors. Some Member States have proposed the retention of sugar quotas and vine planting rights.

The report of the European Parliament (rapporteur Michel Dantin) on the Commission's Single CMO proposal contains significant amendments that would represent a step backwards to a more supported agricultural sector with much greater market management. Changes to intervention systems and extending the sectors that are eligible for crisis aid would increase the cost of market measures at a time of significant budget pressures. Changes to the roles of Producer Organisations would include extending exemptions from important elements of competition law. We should avoid changes to established EU competition rules which would encourage anti-competitive behaviour and distort the operation of the internal market.

The European Parliament report also proposes going back on plans to phase out production quotas, reducing progress made towards more market focused industries. The report proposes allowing the sale of out-of-quota sugar on the EU market and this would further upset the balance on the EU sugar market between sugar of beet origin and sugar of cane origin, with implications for the viability of cane sugar refiners. The report does not propose a return to milk quota, but in times of crisis, dairy farmers would be paid to reduce production and be penalised for increasing production. The UK Government continues to support the very positive measures that were agreed by Member States in

the 2008 Wine Reform and the phasing out of quota systems which restrict supplies and drive up costs for EU consumers.

RURAL DEVELOPMENT REGULATION

Negotiations in Council have made good progress on technical issues, but little substantive progress has been made on agreeing the more controversial issues. A key UK objective is securing significant simplification, which the Presidency have made good progress on, particularly in relation to the development and monitoring of Rural Development Programmes, as well as in ways such as clarifying eligibility requirements. Although we have made some progress towards securing UK language in the Presidency text on the designation of Areas Facing Natural Constraints and its related measure, some Member States have strong reservations on the proposed method for designation and therefore no substantive progress has been made. A further key UK objective is to improve the value for money of the proposal, which has been more challenging to make progress on, with support remaining for the Income Stabilisation Tool and the Small Farmer's scheme payment in Pillar 2.

The report of the European Parliament (rapporteur Luis Manuel Capoulas Santos) has many positive elements, such as a robust position against double payment for environmental public goods and the introduction of a minimum spend focused on environmental actions. The proposed amendments to the Rural Development Policy's priorities add greater clarification to the actions required to boost the competitiveness of the farming sector, which we welcome. However, the report proposes Member State allocations based solely on past allocation, which runs counter to the UK's belief that allocations should be on the basis of objective criteria.

FINANCE AND MONITORING (HORIZONTAL) REGULATION

Negotiations in Council working groups have made progress on some issues, while on other matters we are yet to start substantive negotiation, in part due to parallel negotiations on the MFF and the main EU Financial Regulation. These will determine the approaches we adopt on substantive issues in the Horizontal regulation such as pre-financing for rural development, the method of applying financial discipline, and the rules on financial corrections. In general the amendments that have been made to the Horizontal regulation are ones that the UK can support, with the exception of the re-introduction of the 50:50 rule, by which Member States share the cost of non-recovery of undue payments with the EU budget, and an increase in the pre-financing amount.

We have seen some progress in Cross Compliance, where the most substantive development has been the removal of the requirement to incorporate the Water Framework Directive (WFD) into cross compliance. Instead the Commission will be invited to come forward with a proposal on incorporating WFD at a later date. While the UK believes there could be some benefit from incorporating WFD into cross compliance, the removal of the text is a useful clarification as the Commission failed to specify what aspects of the directive would be incorporated or by when.

The negotiations concerning the Farm Advisory Service (FAS) and Integrated Administration and Control System (IACS) have been broadly constructive. They are generally moving in a direction acceptable to the UK in terms of ensuring systems are tailored to needs of Member States and are not overly burdensome or restrictive in terms of delivering advice, managing payments and administering checks. However, we continue to be concerned about the Commission's proposal to remap agricultural land parcels at a higher resolution than we currently do – there is little justification for this proposal and it would lead to an increased administrative burden on paying agencies and farmers. On the greening payment, there has been unanimous support amongst the Council for limiting the penalty for non-compliance to the green component, as opposed to the Commission who would like to see the greening penalty go beyond that and apply to the basic payment as well.

We continue to be concerned about the new auditing standards and the additional burden this will place on national administrations. As currently proposed the new rules on audit would lead to an increase in cost for paying agencies and the certifying (auditing) body. We are also far from convinced that a clean bill of health under the new audit regime would result in any reduction in the level of checks paying agencies will need to undertake.

The European Parliament's report (rapporteur Giovanni La VIA) suggests amendments to the regulation that are generally constructive and on some issues reflect the development of the negotiations in Council, such as limiting the greening sanction. In other areas their amendments are less than agreeable – allowing double funding of agri-environment schemes under greening; increasing the rate of pre-financing for rural development; and additional topics we would be required to deliver

advice on under the FAS. We will be looking to further influence the European Parliament's thinking where their position does not reflect that of the UK Government.

Progress has been made, but more remains to be done – I remain committed to working hard to promote UK Government priorities and positively influence other Member States and EU institutions. I look forward to discussing these matters further with you on the 4th July.

24 June 2012

COMMON FISHERIES POLICY (12514/11, 12516/11, 12517/11, 17870/11)

Letter from Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

In light of the Parliamentary recess, I am writing to you in place of the usual written statement about the Agriculture and Fisheries Council in Luxembourg on 12 June. This is the first of two Agriculture and Fisheries Councils in June and is expected to be the final opportunity to discuss fisheries issues under the Danish Presidency. I will be representing the United Kingdom.

There are three items on the agenda. They represent major legislative elements of the proposed Common Fisheries Policy (CFP) reform package. To capitalise on progress made so far, the Danish Presidency have indicated they will aim to reach agreement on a partial general approach to future discussions on the first two agenda items:

1. Proposal for a Regulation of the European Parliament and of the Council on the Common Organisation of the Markets (CMO) in Fishery and Aquaculture Products. This regulation will create a new CMO for the fisheries sector. There are few major issues outstanding, but for the UK, concerns remain on the commitment to retain EU-funded aid for storage of catch for a transitional 6 years and the suggested eco-labelling requirements.
2. Proposal for a Regulation of the European Parliament and of the Council on the Common Fisheries Policy. This regulation will provide the framework for the CFP, fixing the objectives of the policy and defining the main instruments to achieve them. Discussions are expected to focus on the practicalities of phasing in a ban on discards; steps for moving to a position where all fisheries are fished in line with Maximum Sustainable Yield (MSY); regionalisation of decision making in the CFP; and the Commission's plans for introducing a mandatory system of Transferrable Fishing Concessions (TFCs) which would create small national markets for fishing rights.
3. Proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund (EMFF). Following debates on the EMFF proposals at March and May Councils, the Presidency will provide a progress report on the discussions to date. The Presidency is not expected to invite further discussion.

There are currently no items for discussion under any other business.

BACKGROUND – RECENT DEVELOPMENTS

Since we last wrote to you, the detailed EU discussions on these proposals have been progressing on the basis of the Commission texts, with specific Council discussions on key elements. The pace of discussions on these dossiers has accelerated markedly in recent weeks under the Danish presidency. The Presidency is now indicating that it will attempt to gain agreement on a "partial general approach" on elements relating to the CMO and the CFP regulations at the Fisheries Council on Tuesday 12th June.

To support this ambition, the Presidency has produced draft compromise texts, the most recent of which was issued on the 4 June 2012 and intelligence suggests that a further revision may be issued before the Council meets on 12th June.

At this stage it remains far from certain whether agreement to a partial general approach will be achieved, as a number of key issues remain contentious and/or in square brackets. The prospects for agreement are uncertain, with some key Member States voicing significant opposition to the Presidency's texts.

It is also recognised that agreement of a partial general approach relating to the CMO and CFP regulations would remain dependent on the outcomes of further discussions on those elements of the

reform package that will not be discussed in substance at this Council. The European Maritime and Fisheries Fund (EMFF) elements of the package would not be covered, beyond a general update, as discussion on this aspect has been progressing more slowly.

Annex A [not printed] outlines the position that the UK will continue to take on these negotiations. This position is in line with that which we have shared with you on previous occasions.

NEXT STEPS

The dossier is still at first reading stage. The European Parliament's input into the first reading process has been delayed and is currently expected to be completed late this year. As outlined above, the pace of discussions has increased in recent weeks with the aim of achieving a partial general approach at Fisheries Council on 12 June in order to consolidate the work in Council to date. The first reading on the dossier is currently expected to be completed by early 2013. A second reading is expected next year and negotiations on the proposal are likely to conclude during 2013.

It is vital that the UK continues to play a key part in the discussions in Council to achieve the best outcome on this once in a decade opportunity to reform fisheries management. Discussions are likely to move rapidly and therefore I would like to let you know that an override of scrutiny reserve to allow the UK continue to press for the most effective reforms, as outlined in the annex may be necessary.

11 June 2012

Letter from Richard Benyon MP to the Chairman

Further to my letter of the 11 June 2012 I am now in a position to provide you with an update on the progress that was made in the negotiations on the CFP reform package leading up to, and at, Fisheries Council on the 12 June 2012 and an outline of the next steps.

As you know, since the release of the Commission proposals, in July 2011, Defra has been active in the negotiations of all three elements of the CFP package, pressing for genuine, fundamental reform, to achieve healthy fish stocks, a prosperous fishing industry and a healthy marine environment. The key engagements have centred on a series of interventions in orientation debates at Fisheries Councils, Ministerial bi-laterals and detailed discussions of the proposals in Council Working Groups by officials. The UK interventions in these discussions have all been consistent with the detail that I provided in the Explanatory Memoranda detailed above.

Following the final orientation debate on the 15 May 2012, in which Ministers discussed the last outstanding issues, the pace of the negotiations accelerated noticeably as the Danish Presidency issued a series of draft compromise texts in the run up to the June Council, including on the 11 June 2012 as I made my way to Luxembourg for the Fisheries Council on my return from the Parliamentary recess.

As the Presidency increased the pace of the negotiations it became clear that there was an increasing likelihood that the Danish chair would press for agreement to a partial general approach on substantial elements of the reform package despite well declared opposition from Member States such as France, Spain, Italy, Poland, Belgium and Portugal on key elements of the text. The European Maritime and Fisheries Fund was not included as part of the General Approach as discussions on this have been progressing more slowly. We expect the in-coming Cypriot Presidency to take these forward and it will be the subject of a separate update in due course.

Despite some contentious issues, the Presidency, drawing on UK support, eventually gained agreement on a partial general approach on the CFP basic regulation and the CMO at the June Council. From the UK perspective, the agreement that was reached was extremely positive. The compromise text agreed in the early hours of the morning of 13th June included action that supported nearly all of our detailed negotiating priorities (which are set out in detail at Annex A) [not printed]. Where agreement was not reached, those issues are marked in square brackets for further discussion. Given the clear strength of the proposal and, in my view, risk of considerable weakening of the articles should the discussions have been inconclusive, I took the decision to override our parliamentary scrutiny reserve and give UK support to the general approach. If the UK had not been willing to support a text at this Council we would have had much less influence on the outcome.

The agreement of a general approach is an important step and provides an informal agreement to the progress that has been made in developing the proposals. However, it is a partial general approach with the European Maritime and Fisheries Fund excluded entirely and square brackets used in other areas. The first reading of this dossier will continue into the Cypriot Presidency. The lead committee

of the European Parliament are currently considering a draft report from the rapporteur and are expected to vote in late Autumn, with a plenary vote shortly after, completing their first reading. The first reading in the Council is expected then to be completed in early 2013. A second reading is anticipated to follow later in 2013.

24 June 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 24 June was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting on 4 July. We note the contents of the letter and look forward to discussing with you the reasons for the scrutiny overrides that have occurred on these proposals and the substance of the partial general approach on 12 July.

We do not require a response to this letter.

5 July 2012

Letter from Richard Benyon MP to the Chairman

Further to the partial general approach agreed at June Council on reform of the Common Fisheries Policy (CFP) and the Common Organisation of the Market (CMO) in fishery and aquaculture products, I am writing to update you on progress on the other proposal under the 'CFP' package – the European Maritime and Fisheries Fund (EMFF).

Discussions on the EMFF proposals started in Council Working Party meetings in January and orientation debates have taken place at Ministerial level, most recently at the 25 September Fisheries Council. The Presidency hopes to secure a partial general approach at the 22-23 October Council.

We are clear that the EMFF budget is subject to the wider Multi-Annual Financial Framework negotiations so any agreement on the fisheries fund will be without prejudice to decisions in that wider negotiation.

Within the budget available, we are pressing for the EMFF fully to support a reformed CFP, and to be in line with EU2020 strategy objectives for fisheries and the wider marine environment by promoting sustainable and competitive fishing and aquaculture. This includes innovative or collective projects that help improve the sustainability of the industry, as part of the UK's vision for clean, healthy, safe, productive and biologically diverse oceans and seas, including support for adding value to products in both fisheries and aquaculture, and enhancing the diversification and competitiveness of the industry. The UK also supports further integration between fisheries and wider marine environment and biodiversity initiatives, particularly if it helps to secure wider benefits from the maritime sector.

A particular issue is fleet restructuring. While some Member States are in favour of decommissioning and temporary cessation measures, the Commission is opposed. We agree with the Commission that past schemes have not provided value for money or delivered effective reductions in fleet capacity. We will continue to oppose any proposal to replicate these measures in the new EMFF. Instead, working with the Commission and others, we are exploring the possibility of permitting viable alternatives which would represent value for money and clearly support sustainable and resource efficient fisheries.

We are taking a similarly rigorous approach on vessel modernisation and engine replacements.

The new aquaculture and in-land fisheries measures in the proposals present new opportunities for the five land-locked Member States. They, with support from other Member States, have called for an increased share of the EMFF allocation to support aquaculture in their respective countries. The UK position is that support for aquaculture under the EMFF should only be granted where there exists clear market opportunities for products.

The UK will continue to seek the removal or curbing of those provisions for Integrated Maritime Policy (IMP), such as the references to integrated sea basin strategies, where we continue to have concerns over the potential for Commission powers to extend into areas of Member State competence.

With regard to the management and delivery of the EMFF, the UK and most Member States are seeking greater flexibility and simplicity in delivering the fund. The proposals as currently drafted do not deliver this and are too complex. It is also our opinion that Member States need to be given greater flexibility on how they use their allocations and on co-financing and aid intensity rates, to prioritise projects that contribute to the growth and sustainability of the fisheries sector. Similarly, the

UK position is that it should be left to Member States to identify how best to spend their allocations within the scope and objectives of their Operational Programmes. Therefore, we have suggested a more proportionate approach to monitoring and approval from the Commission, as objectives will need to be amended to reflect changes of policy and priorities over the course of the EMFF programme.

The positions that we have adopted in the negotiations to date have been agreed with Devolved Administrations.

In view of the Presidency intention to seek agreement to a partial general approach at the 22-23 October Council, I hope that your committee is now able to lift its scrutiny reservation on the proposals in time for the Council.

9 October 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 9 October on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 10 October 2012.

Excess fishing capacity remains at the centre of difficulties facing EU fisheries. We were very concerned to note that there is still debate relating to vessel modernisation and engine replacements and we would urge you to take an extremely robust stance to resist their inclusion in the Fund.

As regards decommissioning and temporary cessation, we consider that there is some value in decommissioning if aid can be linked to economic diversification in fishing communities. Temporary cessation should only be permitted in exceptional circumstances, relating for example to the need to close a fishing area temporarily for sustainability purposes.

The nature of the likely agreement on the most contentious issues in this dossier seems far from clear, although we are content with the line that you are taking. We shall retain the proposal under scrutiny but, in accordance with Article 5(b) of the Scrutiny Reserve Resolution, the Government need not withhold agreement to a partial general approach at the 22-23 October Council pending completion of scrutiny. We expect that you will not give agreement to a text that runs the risk of failing to make an appropriate contribution to the required substantial reductions in fishing capacity.

Finally, we re-iterate our previous view that the instrument must maintain a focus on supporting a radically reformed Common Fisheries Policy (CFP) and our concern that the proposed breadth will weaken the instrument's contribution to a sustainable CFP.

We look forward to information from you on the outcome of the 22-23 October Council within 15 working days.

11 October 2012

CONSULTATION ON FISHING OPPORTUNITIES FOR 2013 (10746/12)

Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Communication was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 18 July 2012.

In the past the Committee has supported the Government's criticism of the Commission's approach to setting fishing opportunities where quantitative advice is not available. It is clear that the Commission has changed its approach this year, on the basis of information from ICES, and the Government are supportive. We are not at all clear about the nature of the new qualitative approach and would appreciate further information from you in that respect.

The Committee has been a strong advocate of a regional approach to fisheries management. We consider your suggestion that the development of a mixed fisheries plan for the North Sea could be a helpful pilot to be a good one. On the same theme, your recognition of the helpful suggestion made by the North Sea Regional Advisory Council as regards functional unit management is encouraging as an indication of positive engagement with, and by, stakeholders.

We were very interested in the possible introduction of a TAC for sea bass. You mention the significant recreational interest in this stock. Could you set out for us please the balance between the

commercial and the recreational interest in the stock and the outcome of your analysis of the implications arising from a commercial sea bass TAC. We would be interested to know whether any line-caught bass might be included in a TAC.

We will hold the Communication under scrutiny and look forward to your response by the end of September.

19 July 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 19 July about the Explanatory Memorandum for the above proposal. I apologise for the delay in replying. To provide the fullest of replies we were waiting on the release of the TAC and Quota proposals which included further information on the Commission's thinking on the possibility of a TAC for seabass. The proposal was published on 23 October.

DATA-LIMITED STOCKS

As you note the International Council for the Exploration of the Sea (ICES) has for the first time this year provided quantitative advice for most of the stocks which were previously determined data poor, that is, stocks for which the data are insufficient to perform a full analytical assessment and forecast. Like you, I am extremely grateful for this scientific advancement which should move us away from arbitrary approaches for setting TACs in the future.

Of the more than 200 stocks for which ICES provides advice, ICES determined that 122 do not have a full analytical assessment and forecast from which catch options can be derived using their existing MSY framework. These cases have been labelled as data-limited and previously, ICES has provided only qualitative advice. However, this year for the first time ICES has developed a framework for quantitative advice regarding data-limited stocks. This recognises that these stocks have different levels of information available from which to base advice. Using this, ICES have developed 5 categories of data-limited stocks, with different harvest control rules then applied according to the level of data and analysis that is available. A number of constraints are also built in to ensure consistency with the fully analysed stocks, sustainability and a precautionary approach. This is set out in more detail on the ICES website:

http://www.ices.dk/committe/acom/comwork/report/2012/2012/General_context_of_ICES_advice_2012.pdf

The UK very much welcomes this work, with two exceptions. The application of the precautionary approach implies that as information becomes increasingly limited more conservative reference points should be used. This has led to additional blanket reductions (an additional -20%) to catch rates being proposed where data is very limited. In these cases this risks being overly precautionary, especially given that this approach has yet to be fully evaluated.

Also, relying more on landings data has risks attached and could see the return of the "use-it-or-lose-it" principle. As TACs are not fully fished for a number of reasons, the inference that a TAC has not been caught because the stock is in a poor state is erroneous. Setting TACs on this basis could lead to an increase in discards, a situation the UK and the Commission are working hard to avoid.

With these two exceptions the UK is very pleased with the work undertaken to date, and understands that this framework will be refined further in the future. It is a great step forward which for the UK alone will see the number of truly data-limited stocks reduced from approximately 45 to less than 10.

SEABASS

Because of the shared interests and exploitation of sea bass by both commercial and recreational interests, and the fact that the latest ICES advice only represents an initial benchmarking process for this stock, we do not consider a TAC would serve as a suitable management measure for this stock at this time. We also believe that the traditional method of establishing shares of a new TAC based on track record of commercial landings would be particularly inappropriate in this case, as it does not take into account the conservation measures Member States have applied – for example, for the UK, the level of sea-bass commercial landings has been limited through licence conditions.

The Commission proposal for TACs and quotas for EU only stocks was published on 23 October. We were pleased to see that Commission have taken on board our concerns and are not bringing forward a TAC proposal for seabass for 2013. In the meantime we agree with the Commission that

management measures are needed to protect this important stock, but our preferred approach is for ICES to be asked to make recommendations in the light of their benchmarking exercise on a package of technical measures to be applied on an EU basis. We have offered our support and help as needed.

On the wider issue of the balance of interest between commercial and recreational fisheries, although we have a good handle on the commercial landings, the recreational impact is less clear. However, we have recently launched the 'Sea Angling 2012' project which will provide the most comprehensive information yet collected on recreational sea angling activities, its catches, and its social and economic value in England – this will include information on sea bass.

30 October 2012

CYPRIOT PRESIDENCY PRIORITIES

Letter from the Rt. Hon Caroline Spelman MP, Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

I am writing to provide you with an overview of the Cypriot EU Presidency's priorities [not printed] over the coming months in terms of Defra's Council business. Cyprus holds the six-month rotating Presidency of the EU Council of Ministers from 1 July until 31 December 2012.

14 July 2012

Letter from the Rt. Hon Edward Davey MP, Secretary of State, Department of Energy and Climate Change, to the Chairman

I am writing to inform you of the energy and climate change issues we expect to be dealt with in the Council of Ministers under the Cypriot Presidency. I would be interested in your views on issues that your Committee considers a particular priority and may want to be kept updated on during the course of the Presidency.

The Presidency has timetabled an Energy Council for 3 December and an informal Energy Council on 17 September. Climate change issues (where DECC takes the lead) are dealt with at Environment Councils, which are timetabled for 25 October and 19 December.

The Cypriot Presidency's main energy priorities are:

- Seeking political agreement of the Regulation on guidelines for trans-European energy infrastructure
- Making progress on the Regulation on the safety of offshore oil and gas activities
- Adopting conclusions on the Strategy for Renewable Energy

The Presidency intends to focus on negotiation of the energy infrastructure Regulation. They aim to begin trilogues with the European Parliament in the autumn with the objective of reaching agreement before the end of their Presidency. Work will continue on the Regulation on the safety of offshore oil and gas activities, with the Presidency aiming to redraft the Regulation into a Directive. The Communication on the Renewable Energy Strategy will be discussed at the Informal Energy Council and discussions will continue at official level with the aim of adopting conclusions at the December Energy Council.

We expect the Commission to issue a Communication on the Internal Energy Market in October. It will be discussed at official level with a policy debate at the December Energy Council.

Negotiations will continue on a number of nuclear issues although we expect limited progress:

- Directive on basic safety standards protecting the health of workers and the general public against the dangers of ionising radiation
- Council Regulation establishing a Community system for registration of carriers of radioactive materials.
- Council Regulation on Union support for the nuclear decommissioning assistance programmes in Bulgaria, Lithuania and Slovakia

— Council Regulation establishing an Instrument for Nuclear Safety Cooperation

The review of the Nuclear Safety Directive is due to be finished by the end of 2012 and the Commission is expected to make a proposal on the need to amend the current Directive before the end of the year.

On climate change, the Presidency's main priority will be adaptation to climate change and preparing for the 18th Conference of Parties (COP), to be held in Doha.

I expect the EU's negotiating positions for that COP to be adopted at the October Environment Council. One item on the draft agenda for that Council is a Green Paper from the Commission on the post 2020 legally binding agreement, which all Parties agreed to negotiate by 2015. The outcome of the COP will be reported at the December Environment Council.

The Presidency's other priorities on climate change will be to take forward work on Land Use Land Use Change and Forestry (LULUCF) and a mechanism for monitoring and reporting greenhouse gas emissions.

26 July 2012

DANGEROUS SUBSTANCES: CONTROL OF MAJOR ACCIDENT HAZARDS (18257/10)

Letter from the Rt. Hon Chris Grayling MP, Minister of State, Department for Work and Pensions, to the Chairman

I am writing to update you on the informal first reading deal that has been reached on the proposed Directive on the control of major accident hazards (known as 'Seveso III'). Though still subject to final confirmation by the European Parliament (EP) and Council, I believe the informal agreement is a good result for the UK. Therefore, with that in mind, I would be grateful if your Committee would now consider releasing the document from scrutiny.

INFORMAL AGREEMENT

On 28 March Coreper agreed the package of amendments resulting from the fourth and final informal trilogue on the proposal. This paves the way for a first reading agreement subject to confirmation by the EP (the plenary vote is currently scheduled for the week commencing 11 June) and subsequently by the Council. The UK has worked closely with the Danish Presidency and other Member States to influence the negotiations and resist EP demands, many of which were not acceptable to the UK. Overall the outcome is good for the UK especially regarding the more important provisions on scope, public information and inspections, thereby reducing the burden to operators and regulators of the Commission proposal.

More detail on the key elements of the informal agreement is provided below.

Scope

The scope of the current Seveso II Directive is determined by reference to classification criteria in other directives for health, physical and environmental hazards. In 2015 these directives will be fully replaced by the new European Regulation on the classification, labelling and packaging of dangerous substances and mixtures (CLP Regulation). Therefore the main aim of the negotiations has been to define the scope using the new CLP Regulation although this has not been straightforward given that the old and new classification systems do not align consistently.

The original Commission proposal would have brought a wider range of substances into scope under the toxic health hazard category, thereby increasing the number of sites subject to the Directive. The informal agreement reached during the trilogues limits any increase in scope by only introducing new substances through the inhalation exposure route, which is the most significant route of exposure for a major accident. The informal agreement also presents a more straightforward link with CLP than some other options considered during negotiations, which should be easier for industry and regulators to implement.

In addition the Directive lists named substances where these require specific threshold quantities. As a result of negotiations, some helpful amendments have been made including the inclusion of: "alternative fuel" (ensuring that for example biofuels, with the same purpose and similar properties as some petroleum products, are treated in a consistent way; "heavy fuel oil" (which will help to remove

from scope a number of sites such as power stations and hospitals where inclusion is not justified by the major accident hazard presented); and “sodium hypochlorite” (which will help ensure that smaller warehouses storing bleach are removed from scope whereas larger scale storage and manufacture are likely to stay in scope, in line with the sites’ major accident potential).

Overall the informal agreement regarding scope is a good result for the UK and should satisfy trade associations and parts of industry that have lobbied on these issues. The result reduces the potential to place burdens on sites without major accident potential while maintaining the stringent requirements of the Directive where warranted.

Derogations

Due to the success of the negotiations on scope, the effect of bringing in substances and quantities that would not be justified on a hazard basis should not be as significant as originally expected. Nonetheless, there are likely to be some unwanted effects from the alignment method where sites without major accident hazards may inadvertently come into scope.

The Commission originally envisaged a derogation system whereby unwanted effects of alignment could be corrected using delegated acts. However these proved unacceptable to the majority of Member States. The EP could not accept, as an alternative, the use of implementing acts. The informal agreement therefore maintains a derogation system, but with any decisions to be taken through the ordinary legislative procedure. The benefit of this is that Member States will be involved in the decision making procedure, although more time will be needed for decisions to be taken. In implementing the Directive, the UK will work with the Commission and other Member States to ensure that any alignment issues are resolved as quickly as possible.

If this compromise had not been made the chance of securing a first reading agreement could well have been lost. A first reading agreement gives both industry and regulators valuable time to adapt to the new provisions by 2015.

Public information and access to justice

The original Commission proposal sought to improve public information, including by making information available on line, and set out explicit arrangements for access to justice. Although the Commission justified these changes as necessary to bring the proposal into line with the UNECE Aarhus Convention, the UK was concerned that parts of the proposal went beyond the requirements of the Convention.

Following difficult negotiations with the EP, the informal agreement allows for the modernisation of information provision but is pragmatic on the requirement it places on businesses and public authorities to keep the information updated. Significantly, the informal agreement now does not go beyond the provisions of the Aarhus Convention. We are also satisfied that the informal agreement is robust in preventing sensitive information entering the public domain by allowing information to be restricted on a case by case basis. Finally we are of the view that the access to justice provisions go no further than the obligations already in place.

Inspections

The informal agreement has introduced additional flexibility by allowing Member States to determine the frequency of site visits based on a systematic appraisal of major accident hazards, rather than relying solely on prescriptive intervals. This is a significant change from the Commission proposal and it recognises the hazard/risk-based approach to inspection developed in the UK. The estimated costs of implementation set out in the original Impact Assessment for the inspection provision will be reduced as a result.

NEXT STEPS

The EP will now put the package to a vote in an upcoming plenary, currently scheduled for the week commencing 11 June. Then adoption by Council will follow which is likely to be in the second half of 2012. Member States will then have until 31 May 2015 to transpose the Directive.

As part of the transposition process, the Impact Assessment will be reviewed and revised. I anticipate that the costs of implementation will be reduced in line with the good result of the negotiations, in particular in relation to inspections and scope which constituted a significant proportion of the overall cost.

9 May 2012

Letter from the Chairman to the Rt. Hon Chris Grayling MP

Your letter of 9 May 2012 on the above Proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 22 May 2012.

In our scrutiny of this proposal we have consistently emphasised the need for a proportionate Directive. From the useful information that you have provided, this indeed appears to be the outcome of negotiations.

We are content to release the proposal from scrutiny and would be grateful for a short update once the European Parliament has voted on the informal agreement in June.

23 May 2012

Letter from the Rt. Hon Chris Grayling MP to the Chairman

I am writing to update you on the result of the European Parliament (EP) vote on the above proposed Directive on the control of major accident hazards involving dangerous substances (known as "Seveso III"), as requested in your letter of 23 May. I am also taking this opportunity to inform you about the subsequent adoption of the Directive in the Council and next steps on its transposition.

EP VOTE AND ADOPTION BY THE COUNCIL

The EP voted overwhelmingly in favour of the package of amendments on the proposed Directive on 14 June (599 votes in favour, 12 against and 6 abstentions). This was followed shortly afterwards by adoption of the Directive in the General Affairs Council on 26 June. Following the instrumental role we played in the good result of the negotiations, the UK voted in favour of adoption of the Directive.

TRANSPOSITION OF THE DIRECTIVE

The UK has until 31 May 2015 to transpose the requirements of the Directive.

5 July 2012

Letter from the Chairman to the Rt. Hon Chris Grayling MP

Your letter of 5 July 2012 on the above Proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 11 July 2012.

We are grateful for the update that you provided on the vote in the European Parliament and adoption in Council.

We now consider this strand of correspondence closed.

12 July 2012

DIRECT PAYMENTS TO FARMERS IN 2013 (15398/11)

Letter from the Rt. Hon Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs, to the Chairman

On 15 December 2011 the Select Committee on the European Union gave scrutiny clearance to the proposed transitional regulation in respect of direct payments for 2013. I am now writing to update you on progress with the negotiations since then.

I am pleased to report that good progress has been made and we expect a first reading deal to be reached, possibly in July. The Commission proposals have been discussed further by officials in meetings of the Special Committee on Agriculture, and have been considered by the European Parliament's Agriculture Committee. Following these discussions the Presidency has produced a compromise text, which is now forming the basis of negotiations with the European Parliament and Commission.

The issue of voluntary modulation, which you will recall is of particular importance to the UK, has been satisfactorily addressed. The Presidency compromise text includes a provision which allows those Member States which applied voluntary modulation in 2012 (which in practice only applies to the UK) to apply voluntary modulation in 2013, up to the levels applied in 2012. There are also

associated provisions enabling the Commission to fix the amounts resulting from voluntary modulation and to adjust European Agricultural Guarantee Fund ceilings to take the use of voluntary modulation into account (both via implementing acts). These provisions help to avoid a situation in 2014 where the UK would otherwise have been left with a shortfall in funding for our rural development programmes. The need for a provision for voluntary modulation was also included in the draft report of the European Parliament's Agriculture Committee.

The other amendments of substance which have been included in the Presidency text or have been proposed by the European Parliament are as follows:

- 1) The current provisions allowing Member States to transfer unused funds to rural development programmes are to be extended to cover 2013. This has no direct budgetary impact for the UK.
- 2) The current provisions allowing Member States to decide each year whether they wish to make new use, or change their existing use, of Article 68 (i.e. the use of national envelopes for specific support measures, which can include coupled support to address disadvantages in certain sectors) are to be extended to cover 2013. Whilst on policy grounds we would prefer not to see increased coupled support in the EU, the scope for any such increase in practice is limited by the existing Member State level limits for such support. This provision has no direct budgetary impact for the UK.
- 3) Provisions allowing new Member States (excluding Bulgaria, Romania and Cyprus) to make transitional national support in a form of decoupled payment to farmers in 2013, subject to authorisation by the Commission. The support is to be limited to the difference between the support the farmers would have been entitled to receive in 2003 under a CAP scheme and the direct support provided under Council Regulation (EC) No 73/2009. A similar provision is included for Cyprus. This support replaces the Complementary National Direct Payments which these Member States have operated up until 2012. Whilst the granting of such support could lead to a perception of unfairness in the differing treatment of farmers across the EU, it has no direct budgetary impact for the UK.
- 4) The existing provision for determining the financial discipline adjustment that should apply to farmers' direct payments where it is forecast that the pillar I budget would otherwise be exceeded are to be subject to the Ordinary Legislative Procedure. Ideally, we would prefer these adjustments to be set by the Council alone. However, the existing provision in the CAP finance regulation (Council Regulation (EC) No 1290/2005) which allows the Commission to set the adjustments where the Council and Parliament fail to do so remains in place to ensure that the budget is not exceeded.
- 5) Rules associated with the exercise of delegated powers by the Commission and on the Committee procedure have been added in line with the Common Understanding agreed last year between the European Parliament, Council and Commission which included standard comitology clauses for use in legislation. This includes placing an appropriate time limit (proposed as one year) on the exercise of power to adopt delegated acts.

The proposals for 2013 adjustments to farmers' direct payments in the new Member States to be set at 0% and for the removal of the €300 million margin for applying financial discipline in 2013, identified as issues in the Explanatory Memorandum, remain. It is worth noting that the financial discipline issue is now being discussed substantively as part of the budget discussions.

Whilst we would still prefer that these latter two proposals, plus the amendments (2) to (4) as listed above, were withdrawn, our assessment is that the regulation will only be agreed if these elements (which are all time-limited transitional measures) are included in the package. There is qualified majority support from Member States for the Presidency's approach to the package as a whole and there do not appear to be any major stumbling blocks from the European Parliament so the negotiations on this regulation could be concluded rapidly.

30 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 30 May 2012 on the above document was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 13 June 2012.

We are pleased to learn that the Presidency compromise text includes a provision allowing those Member States which applied voluntary modulation in 2012 to apply voluntary modulation in 2013.

We would be grateful for a final confirmation of the outcome of negotiations in due course.

13 June 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter dated 13 June concerning the proposed transitional regulation in respect of direct payments for 2013. You asked for a final confirmation of the outcome of the negotiations on this regulation.

My letter of 30 May described the amendments to the Commission's proposal which the Presidency had included in their compromise text. This included, at the UK's request, the addition of a provision allowing us to continue to apply voluntary modulation. As expected, the compromise text has now been adopted by the European Parliament and Council, with no changes of substance, and I enclose a copy [not printed] of the European Parliament's report for your information.

22 July 2012

Letter from the Chairman to David Heath MP, Minister of State, Department for Environment, Food and Rural Affairs

Your predecessor's letter of 22 July 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for the letter informing the Committee that the compromise text – outlined in your predecessor's letter of 30 May, which described the amendments to the Commission's proposals – has now been adopted by the European Parliament and Council with no changes in substance.

The Committee is now content to mark this strand of correspondence as closed.

18 October 2012

**ELECTRONIC IDENTIFICATION OF BOVINE ANIMALS AND BEEF LABELLING
(8784/12, 13700/11)**

Letter from the Chairman to the Rt. Hon Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 22 May 2012.

We note that this forms part of a broader negotiation and we trust that the amendments proposed will be considered in that context. We are therefore content to release this amended proposal from scrutiny and will retain item 13700/11 under scrutiny. According to our records, you have not yet responded to my predecessor's letter of 27 October on the broader negotiation and we would therefore welcome a response within the next ten working days, including an update on the progress of negotiations, which you observe to be slow.

On the substance of your position on the amended proposal, we are supportive and would agree that an implementing act would be more appropriate than a delegated act in relation to sanctions as proposed in new paragraph 4a of Article 22.

22 May 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 22 May following on the Explanatory Memorandum of 1 May about the EU Commission's proposals to amend EU Parliament & Council Regulation (EC) No 1760/2000 dealing with bovine identification and voluntary beef labelling.

I confirm that 1760/2000 concerns only bovines, which includes bison and buffalo as well as domestic cattle breeds.

The Commission published the original proposal on 30 August 2011 and the Polish and the Danish Presidencies have made its adoption one of their priorities. The proposal has met with considerable opposition from Member States (MS).

BOVINE EID

On Bovine EID, the Commission has been clear that, under their proposal, MS must upgrade their tracing systems to enable any of their farmers to choose to use electronic identifiers. There is no provision in the proposal for any transitional period. MS were expected to set about this as soon as the legislative act and the technical standards implementing act were agreed. The Commission has been extremely resistant to any major changes to the proposed new Regulation.

From the start, the UK position has been that the proposal was unworkable, and officials have pressed strongly for the control to be given to MS's competent authorities. Initially, the UK was isolated in having such a definite view that the proposal was unworkable, although Germany too was unclear that the proposal was necessary. Because there was a groundswell of support for the principle of Bovine EID (shared by the UK), other MS at first only grumbled at a low level over various practicalities. After some strong representations by the UK it became apparent that the Commission had underestimated:

- the difficulties posed by the currently available technology for EID in dealing with existing, already identified cattle; and
- the problems the proposal posed for intra-community trade by a mixed economy of voluntary vs compulsory systems in different MS.

Gradually, MS have come to appreciate the difficulties and potential expense involved in implementing the proposal.

Nonetheless, many MS continued to feel that taking away choice from the keeper would inevitably lead to a compulsory system at EU level, and felt they couldn't fully support the UK's proposed amendment. It is now being proposed that a transition period (probably of seven years) is allowed during which electronic identifiers will not be official means of identification, but technical standards will be agreed at EU level. The effect of this is to allow MS time to bring in measures to support EID for bovines in their own time, but from the end of the transition period all MS must be able to support their keepers' use of EID. The choice will remain that either the MS brings in a compulsory system, or the choice is up to farmers. MS may bring in EID at any time within the transition period; they don't have to wait if they do not want or need to.

We believe that there is now a majority of MS who will support a long transition period. Key MS in support are Germany, France and Ireland.

For UK countries, a seven year transition period would give us sufficient time to upgrade the cattle ear tag number allocation databases, make what other enhancements are needed to the tracing systems IT suite, including, for example, ensuring that the interactive web reporting facilities and telephone systems are able to cope. Most importantly, though, it gives all four countries the chance to consider carefully with their industries and enforcement bodies how best to incorporate this new technology into the existing tracing system, without burdening them with costs that they cannot recoup through business efficiencies – which is the added value that EID would bring. Officials have discussed the proposal with representatives of the major sectors of the cattle industry – farmers, markets and slaughterhouses. All three are keen to see a coherent delivery, if not a fully compulsory system, and support the Government's line of seeking greater control or a transition period. None support the idea of "voluntary at keeper level".

VOLUNTARY BEEF LABELLING

The Government position is still one of support for the deletion of the provisions for voluntary beef labelling. There are a number of other MS, however, who are strongly opposed to this – notably Italy, Austria, Spain and Belgium – and a number of others who are not convinced that consumers will be best served by relying on EU horizontal legislation on food labelling. Currently, compromises are being suggested which will retain some of the provisions.

ALIGNMENT WITH TFEU – IMPLEMENTING AND DELEGATED ACTS

Although the proposed delegated and implementing acts largely reflect the current EU Commission Regulations giving detailed rules (thus, the Commission is not adding to current powers or duties on MS or keepers), negotiations on this matter have been mixed. We believe this is because this is one of the first major texts to be aligned, and both the Commission and Council, and indeed MS, are finding their feet. There has certainly been disagreement between the legal services of the Council and the Commission on points of law as to whether delegated powers or powers to implement are correct.

The Commission has agreed to remove suggested acts or change to accommodate MS concerns. The only remaining area of contention is how to handle the Article 22 proposals for sanctions. While the Commission published its modified proposal (see EM 8784/12), the Council Legal service is putting forward a version which sets out the sanctions on the face of the legislative act.

The Government does not want sanctions dealt with in delegated acts, and the UK is supported in this by other MS. Officials will continue to push this line.

POSITION OF THE EUROPEAN PARLIAMENT

The Environment, Public Health and Food Safety (ENVI) Committee of European Parliament (EP) is the lead committee for this proposal; the Agricultural and Rural Development (AGRI) Committee has submitted an Opinion. On Bovine EID, both Committees support the Commission proposal for voluntary EID at keeper level. They are concerned to avoid an EU wide compulsory system. Undoubtedly, they are swayed by the problems over sheep EID in this, though the two situations are not similar – cattle are already individually identified and traced throughout their lives.

On voluntary beef labelling, ENVI Committee MEPs have submitted quite a number of amendments indicating opposition to the deletion of the existing arrangements on voluntary beef labelling.

A large number of amendments (168) have been suggested by the Committee MEPs, but they are mainly on minor points – the EP prefers delegated acts for sanctions, for example.

NEXT STEPS

The ENVI Committee vote to adopt the reports is on 30 May (a plenary session for EP is scheduled for October at the moment). We know that the Danish Presidency is waiting for the result before presenting a further compromise text. We understand the Danes still wish to move this forward to negotiate with EP before the end of their Presidency in June. The next Presidency meeting to discuss a compromise text is on 4 June with attachés.

We are currently preparing an Impact Assessment of the Commission proposal but you will appreciate that this cannot be finalised until we have a clear idea of what will actually be proposed.

I trust that you find this update helpful.

31 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 31 May 2012 on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 13 June 2012.

We are grateful for the information that you provided in relation to this dossier and, more specifically, to progress on the broader negotiation, which was originally the subject of EM 13700/11.

We note that progress in Council has been slow but that the Danes are still keen to move negotiations forward by the end of their Presidency in two weeks time.

We shall retain item 13700/11 under scrutiny and look to you to provide both further information on progress as and when it becomes clear and a copy of your Impact Assessment of the proposal once completed.

13 June 2012

ENERGY EFFICIENCY DIRECTIVE (12046/11)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE B]

Letter from Gregory Barker MP, Minister of State, Department of Energy and Climate Change to the Chairman

I am writing in response to your predecessor Lord Roper's letter of 1 May about the Explanatory Memorandum on the Energy Efficiency Directive (12046/11) I submitted to the European Union Committee on 30 September 2011 (and subsequent correspondence) informing me that the

Committee has decided to retain the proposal under scrutiny, and to seek scrutiny clearance from your Committee.

Lord Roper asked me to provide you with further information on whether we felt the Directive would put the EU on track to meet the 20% energy-saving target for 2020 and more information on likely costs for the UK.

The projected impact of the directive as modelled by the Commission for the impact assessment on their original proposals was based on assumptions on how the directive would be implemented in individual Member States. The effect of revisions to the directive have been to remove prescription; this will reduce the projected reductions in energy demand resulting from the directive. But the Commission's impact assessment makes clear that the most significant individual article within the directive for reducing energy demand is Article 6 (energy efficiency obligation schemes). There have been revisions to the article to allow for early action and greater flexibility on what measures can count towards achievement of the target. The UK has continued to press for this article to maintain its ambition while allowing Member States to adopt achievable, cost-effective energy efficiency measures. Therefore, although the directive is less ambitious than the original proposal the current text strikes a balance between ambition and achievability and puts the EU on a path towards greater energy efficiency and closer to reaching the 2020 energy saving goal.

The directive requires the Commission to produce by 30 June 2014 an assessment of whether the EU is on track to meet the 2020 goal. Based on this report, the Commission may bring forward further proposals if the EU is not on track.

While the directive is still being negotiated, it is not possible to provide a full assessment of the costs and benefits to the UK. In many areas the potential costs and benefits will depend on the details of implementation, which will need to be agreed on the basis of consultation with stakeholders. The timings of those individual consultations will depend on the transposition deadline and timelines set out in individual articles. We remain committed to minimising the overall burdens on business and local authorities.

The Impact Assessment sent to this committee in November 2011 was based on the Commission's original draft directive. The following assessment of potential costs and benefits is based on the Council text in the current trilogue negotiations. The Parliament's proposals for the directive are more ambitious and prescriptive.

As I noted in my last letter, the negotiations are moving very swiftly with a series of trilogues with the Commission and European Parliament underway with the aim of securing a First Reading deal by the time of the Energy Council on 15 June. Inevitably, such a deal will involve compromise which will mean that the finally agreed text is likely to move in some areas from the Council Text and such changes may have cost implications but as nothing is agreed until everything is agreed and compromise positions are still evolving, it is not possible to anticipate these at present.

We have focused on the key articles that potentially impose new obligations. Throughout the directive there are also additional requirements on the Government to provide additional reports and information to the Commission, which will also impose costs on departments.

Article 3 (Energy efficiency targets): The Council position on the primary energy target is that it should be an indicative target; Member States have resisted suggestions from the Parliament and Commission for the target to be made binding. Therefore we assess that there will be no additional cost or benefit imposed on the UK as a result of this article.

Article 4 (exemplary role of public bodies' buildings): The Council position on this article is that the requirement should only apply to the central government estate. The article has also been amended so that the obligation can also be met through alternative measures, such as behavioural change by occupants. These changes to the article align the article more closely with the ambition set out in the UK's central government 25% carbon saving challenge and as such do not impose additional costs on the UK government. Restricting the scope to central government avoids imposing additional costs on other parts of the public sector.

Article 5 (purchasing by public bodies): The Council position on this text has reduced the requirement from mandating the wider public sector to purchase energy efficient goods to a requirement to encourage energy efficient purchasing across the public sector. Therefore this requirement also now potentially imposes no additional cost on the wider public sector. It is possible that in some cases such encouragement will lead to higher upfront costs, but incurring such costs would be at the discretion of local authorities. In addition these costs would generally be more than offset by savings over the life of the product, and arrangements such as leasing schemes should limit

the impact of higher upfront costs, if any. If these guidelines were adopted more widely, there could be a net benefit to society, the energy related aspects from current government buying standards provide net benefits to society of approximately £70 million.

Article 6 (energy efficiency obligation schemes): Continued discussions have provided greater clarity on the nature of the final energy consumption target, although key features of the methodology for assessing the target remain under discussion. The article allows Member States to use a mixture of supplier obligations and other policy measures to meet the target. The UK position is that we expect to meet this target through existing policy measures (chiefly CERT, CESP, Green Deal and the Energy Company Obligation). The requirement to report is consistent with the obligations being placed on suppliers through the Energy Company Obligation. Therefore, as currently drafted, this article should not impose additional costs nor provide additional benefits for the UK, though the level and scope of the target is likely to be the key focus of the ongoing negotiations with the Parliament.

Article 7 (energy audits and energy management systems): the requirement to mandate audits on companies that are larger than the EU definition of small and medium sized enterprise has not been removed from the article. But the Council text has reduced the burden of this by reducing the frequency of the audit to every five years and by allowing for the audits to be carried out by a wider range of people.

We are currently exploring how this obligation can be implemented in a cost-effective way for business. The interactions with other policies, for example the CRC energy efficiency scheme, will need to be clarified. Initial analysis suggests that the requirement could be met through implementing an audit requirement based on Display Energy Certificates (DECs) but this requires further consideration

Article 8 (metering and informative billing): The Council version of the text has removed prescription from this article so that it is now consistent with the requirements already set out in European legislation and with the UK's plans for smart meter roll-out. As a result this article should have a limited impact on the UK. There is the potential for some additional costs for suppliers through a requirement to provide customers with more historic data on energy consumption if suppliers have to increase data storage capacity to meet this requirement. The requirements for implementing heat-metering where cost effective is being considered as part of the Government's Heat Strategy.

Article 10 (promoting efficiency in heating and cooling): The Council text has reduced the level of prescription and reduced the potential burden on developers. The text now requires developers of schemes of more than 20MWth to carry out a cost benefit analysis on the potential for co-generation. The costs of carrying out the cost benefit analysis would be around £5m per year based on an estimated average cost of an assessment of £25,000 and around 200 schemes coming forward each year. However, many of the power stations above 50MWe will be already conducting a similar analysis on the potential to recover heat as required through the National Planning statements; so not all this cost would be additional.

There is a risk however that any additional complexity, delay and uncertainty for developers may make schemes less viable, ultimately imposing costs on consumers by reducing supply of energy. There will also be an increase in transactional costs.

There should be no additional costs to local planning authorities in relation to the Art 10 1/2 requirements nor any direct costs arising from the permitting requirements provided they can be delivered via the existing environmental regulation framework. This would require a cost to be met for extra work carried out by the regulator (the Environment Agency and local authorities). However there is a risk that there could be an indirect impact on planning (and local authorities) if planning applications were to be contested due to the cost-benefit analysis requirements.

Benefits include electricity generators and industrial sites being aware of cost-effective options for heat supply and heat sourcing that they would otherwise have considered. The take-up of such options would be consistent with Government policy on emissions reduction and also in ensuring security of supply and reducing energy cost to industry. But it is not yet possible to assess the size of this benefit, as it is unclear how many additional schemes will be developed as a result.

We would very much appreciate it if the Committee could agree to lift scrutiny ahead of Energy Council on 15 June when it is possible that we will be asked to endorse any agreement reached between the Council and Parliament

24 May 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 24 May on the above Proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 30 May 2012.

We would like to thank you for the full and informative update you have provided. We note that it has not been possible to provide a full assessment of costs and benefits for the UK but we nevertheless found your assessment of the key articles helpful.

We note that the Council Text, though subject to change in the closing stages of negotiations, has taken the proposal a considerable distance in meeting your original concerns about the prescriptive nature of certain aspects of the proposal and the possible inconsistencies with the UK's energy efficiency framework and we are content to release the proposal from scrutiny.

We would appreciate an update following the Energy Council on 15 June, together with a copy of any agreed text.

30 May 2012

Letter from Gregory Barker MP to the Chairman

I am writing to thank you for your letter of 30 May 2012 releasing the proposed Energy Efficiency Directive from scrutiny.

An agreement on the Directive was reached between the Council and Parliament on 14 June ahead of Energy Council. I enclose copy of the compromise text which I am sharing in confidence ahead of publication in the Official Journal. The agreement was ratified by the European Parliament's Industry, Research and Energy Committee on 12 July ahead of a plenary vote in Parliament in September. The Directive will come into effect 20 days after publication in the Official Journal, which we would expect to be in the Autumn. Member States will then have 18 months to implement (though some individual requirements come into effect earlier or later).

Overall, we believe that the Directive, as agreed, represents a major step forward for energy efficiency in the EU and the Commission has estimated that implementing the Directive will reduce primary energy consumption in the EU by 17% by 2020 against business-as-usual projections. Whilst there are elements that will pose implementation challenges for the UK, in general the Directive has struck the right balance between retention of ambition whilst avoiding unwanted prescription and providing sufficient flexibility for Member States to design policy appropriate to national circumstances.

There were a limited number of changes in the final negotiations. There is a new requirement for Member States to put in place a long-term strategy for mobilising investment in the renovation of the national stock of residential and commercial buildings; and an earlier review date for the Directive, which we believe is consistent with our plans for mobilising large scale retrofits through the Green Deal. The final energy consumption under Article 6 of the Directive was also strengthened by limiting the post 2020 savings that Member States can account towards the target from four to three years but analysis undertaken by the Energy Efficiency Deployment Office indicates that the UK can still meet the target on central assumptions of savings associated with existing and planned UK policy. An earlier review date for the Article 6 target – 2016 rather than 2018 - was also introduced.

In addition, the requirements related to public procurement in Article 5 of the Directive, which had required Member States to encourage public bodies to act, were modified so that the requirements are now binding for central government authorities, though for the UK these are consistent with existing Government Buying Standards

25 July 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 25 July on the above Directive was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 10 October 2012.

We are grateful for your update regarding the agreement reached between the Council and the European Parliament on 14 June. The Committee is confident that the agreed text is a positive result for the UK, which it hopes will improve energy efficiency in the EU.

We are content to mark this correspondence as closed.

11 October 2012

Letter from the Rt. Hon Caroline Spelman MP, Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

In light of the Parliamentary recess, I am writing to you in place of the usual written statement regarding the upcoming Environment Council. I plan to represent the UK at the Environment Council in Luxembourg on 11 June, and my colleague Edward Davey, Secretary of State for Energy and Climate Change, may also attend, subject to final confirmation as to which dossiers will be negotiated at this Council.

On legislative items at this Council, the Presidency will:

- Conduct an orientation debate on a Proposal for a Decision of the European Parliament and of the Council on accounting rules and action plans on greenhouse gas emissions and removals resulting from activities related to land use, land use change and forestry (LULUCF) (First reading)
- Possibly attempt to seek a general approach on the Proposal for a Directive of the European Parliament and of the Council of amending Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators as regards the placing on the market of portable batteries and accumulators containing cadmium intended for use in cordless power tools (First reading). The Presidency will decide whether agreement is possible depending on further discussions in the Council's preparatory bodies.
- Possibly seek political agreement on a Proposal for a Regulation of the European Parliament and of the Council amending Directive 2001/18/EC as regards the possibility for the Member States to restrict or prohibit the cultivation of GMOs in their territory (First reading).

The Presidency have included this item on the agenda in order to leave open the possibility that some of the Member States who have previously opposed this item might now be in a position to support it.

Ministers will seek to adopt non-legislative Council conclusions on:

- Setting the framework for a 7th EU Environment Action Programme. This is a discussion between Member States ahead of the formal publishing of the Commission's proposals, which are expected this Autumn. The UK hopes to see a strong focus on ensuring more effective implementation of existing environmental legislation, increased coherence within and across policy areas, and better management and use of the evidence to inform new policies.
- Preparation of the 11th meeting of the Conference of the Parties (COP 11) to the Convention on Biological Diversity (CBD) (Hyderabad, India, 8 to 19 October 2012), and on Preparation of the 6th meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety (COP/MOP 6) (Hyderabad, India, 1 to 5 October 2012). This item has been tabled due to the proximity of the Hyderabad Conference of the Parties (this is the last Environment Council before the COP). The UK will make clear our continuing commitment in the field of International Biodiversity, and will try to instil similar engagement from other Member States.
- Preparation of the International Conference on Chemicals Management (SAICM ICCM3, Nairobi, Kenya, 17-21 September 2012) and the Intergovernmental Negotiating Committee on Mercury INC 4 (Punta del Este, Uruguay, 27 June - 2 July 2012). This item has been tabled due to the proximity of the two relevant international conferences in September and late June respectively. On the future mercury Convention, the UK will support the Global Environment Facility as the key source of external funding for what the UK hopes will be an ambitious treaty to reduce mercury globally.

- Ministers will also hear a report, and discuss progress since the last Council, on the 2050 Low Carbon Roadmap, and will possibly seek to adopt Council conclusions on this dossier.

The following topics will be covered under “any other business”:

- Information from the Presidency on Preparation of the Rio+20 United Nations Conference on Sustainable Development (Rio de Janeiro, Brazil, 20 to 22 June 2012)
- Information on the inclusion of aviation in the EU Emissions Trading Scheme (ETS)
- Possible Progress reports from the Presidency and the Commission on the proposal for a Regulation of the European Parliament and of the Council on the establishment of a Programme for the Environment and Climate Action (LIFE). The Presidency was unable to make as much progress as anticipated and the UK may choose to intervene on key issues.
- Possible Progress reports from the Presidency and the Commission on the Directive on environmental quality standards in the field of water policy (priority substances).
- Information from the Cypriot delegation on the Work Programme of the incoming Presidency.

8 June 2012

EU PROPOSAL FOR A NEW ANIMAL HEALTH LAW

Letter from the Rt. Hon. Jim Paice, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs, to the Chairman

Further to my letter of 9 March I am writing to provide an update on progress with proposals for a new European Animal Health Law. Although there have been no further working groups since my last update, we have continued to take opportunities to influence Commission thinking through related meetings and we continue to work with UKRep in identifying areas of mutual interest with other Member States. We have also encouraged members of our industry Core Group to use their own pan-European networks to push for a flexible approach to animal health legislation; one that is less prescriptive than the present framework and which focuses on outcomes, using a risk and science-based approach.

My officials received the latest working draft of the proposals at the end of June, and are currently gathering views from Industry, delivery bodies and the Devolved Administrations in order to send written comments to the Commission. The latest drafts provide for the first time details of the existing Regulations and Directives which will be repealed through the new Regulation (some 41), but there remain uncertainties over the number and content of delegated powers the Commission are seeking to retain. These concerns will be highlighted when we send formal written comments back to the Commission and we will continue to seek assurances that the new Law contains provisions to allow the UK and other Member States the ability to apply flexibility and proportionality in deciding how the Law is applied.

We have also begun the process of wider stakeholder engagement with the industry in regards to this new Law through a series of industry led workshops, and these will continue over the summer and early autumn to ensure their ideas are fed into the overall UK negotiating strategy.

Although there is now an increasing likelihood of slippage beyond the Commission target of Autumn 2012 for these Regulations to be presented to Council, due to delays with other parts of the associated package (Official Feed and Food Controls, Plant Health, Seeds and Propagating Material), we are continuing to work on the basis that the proposal will be presented to Council in the Cypriot Presidency with formal negotiations commencing Winter 2012. I will update you again once the timetable becomes clearer.

22 July 2012

Letter from the Chairman to David Heath MP, Minister of State, Department for Environment, Food and Rural Affairs

Your predecessor's letter of 22 July 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for the information that there have been no further working groups since the last update and that the Government have continued to influence Commission thinking through related meetings.

The Committee, however, still has a number of questions. The letter of 22 July emphasises the need for a 'flexible approach' to application of the future Law. Could you please elaborate on the grounds for such an approach, what the Government mean by it and explain whether this flexible approach would run the risk of making legislation more lax?

The letter refers to "wider stakeholder engagement with the industry" through industry led workshops. We would be keen to know whether your wider stakeholder engagement has advanced further than industry to include, for example, veterinary and animal welfare experts?

Finally, we would be interested to know how you are using these initial discussion on the new Animal Health Law to advocate a lifting of the restriction on the vaccination of cattle against Bovine TB. We understand that, since the letter was sent, a diagnostic blood test has become available allowing a distinction to be made between vaccinated and diseased cattle. Do you consider that this may help to alleviate concerns that vaccination can prevent detection of disease?

We look forward to your response in 10 working days.

18 October 2012

Letter from David Heath MP to the Chairman

Thank you for your letter dated 18 October. I'm delighted to know that your sub-committee have given consideration to my predecessor's update to you on the EU Animal Health Law. We very much value your opinion and welcome the opportunity to address your further questions.

Our goal of negotiating a 'flexible' law means that we would like to see a framework which focuses on and makes clear the outcomes required in Member States in relation to animal health but which is not over prescriptive about how Member States deliver those outcomes. In other words we want to secure the flexibility to be able to apply a risk, science and evidence based approach to the activities we undertake to ensure they achieve the right goals in a proportionate, cost effective way, appropriate to our industry. An example is on disease surveillance where we would advocate survey or sampling activities on an individual Member State basis and proportionate to the risk, rather than common Commission prescribed sampling rates across all Member States regardless of risk. Assurance on activities across Europe would continue to be via the Food and Veterinary Office, who will continue to have an important role in assessing and scrutinising the measures in place in each Member State via their comprehensive inspection programme.

In terms of our engagement with industry, our discussions do indeed go wider than the farming sector; a broad perspective on potential opportunities and risks around the new Law across all impacted sectors is critical to developing our negotiating position. Veterinary and welfare organisations were, for example, involved in a very useful session along with the equine sector during the summer; the Past President of the British Veterinary Association (BVA) sits on our 'Core Group' and officials are meeting the BVA's policy sub-group for discussions early next month. We continue to engage as much as we sensibly can in the absence of formal proposals.

While the new Animal Health Law may provide opportunity to advocate a different approach on TB, discussions have up to this point been focused on principles rather than on detailed policies. We have however taken every opportunity during informal Working Groups to alert the Commission to the bovine tuberculosis issue, pointing out the need for the Law to be shaped in a way which enables vaccination of cattle, should we in the future wish to take that approach.

Specific policy discussions with the Commission on the introduction of a TB cattle vaccine concluded that a number of scientifically accredited steps are needed to convince Member States and the Commission of the case for lifting the current ban on vaccination. These include the development and international accreditation of a test to differentiate infected from vaccinated animals (DIVA). The results of the test developed by our scientists at the Animal Health and Veterinary Laboratory Agency (AHVLA) at Weybridge have very recently been shared with a number of OIE (World Organisation

for Animal Health) laboratories and the EU reference laboratory in Madrid. We are still awaiting their views.

I will write to you again once we have a firm proposal on the Animal Health Law from the Commission and a clear picture of the way ahead.

29 October 2012

EUROPEAN COURT OF AUDITORS OPINION 1/12 ON CAP REGULATIONS (10386/12)

Letter from the Chairman to the Rt. Hon. Jim Paice, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Opinion was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 4 July 2012.

The Opinion provides sobering reading, particularly in terms of its observations on failed simplification, a lack of clear objectives and on costs.

We would be interested to know whether the Commission has responded to this report in any way, as also the extent to which the Opinion has influenced debate among Member States and in the European Parliament thus far.

We are content to release the Opinion from scrutiny and look forward to your response within ten working days.

5 July 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 5 July, in which you released from scrutiny the European Court of Auditors (ECA) Opinion 1/2012 concerning the Commissions Common Agricultural Policy (CAP) regulatory proposals.

In your letter you enquired as to whether the Commission has responded to the ECA report in any way. I can confirm that to date no formal response has been issued and our understanding, based on a Commission spokesman's comments, is that the Commission has undertaken to study the report for any suggestions aimed at further simplifying the CAP.

Your letter also queried whether the ECA report had influenced debate amongst Member States and in the European Parliament. Michael Cretin, a member of the ECA, appeared before the European Parliament's Agricultural Committee where the report was discussed and received a broadly favourable reception. MEP's and other Member States have also referenced the report as supporting their calls for greater simplification of the Commission's Proposals.

16 July 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 16 July on the above Opinion was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 25 July 2012.

We are grateful for your comments and are content to mark correspondence on this item as complete.

25 July 2012

EUROPEAN INNOVATION PARTNERSHIP: AGRICULTURAL PRODUCTIVITY AND SUSTAINABILITY (7278/12)

Letter from the Rt. Hon. Jim Paice, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs, to the Chairman

Thank you for your letter of 25 April. I welcome your Committee's support on the Commission's proposals for the European Innovation Partnership on Agricultural Productivity and Sustainability (EIP), as set out in the Common Agricultural Policy Rural Development Regulation.

Discussion on the Rural Development Regulation is currently underway and development of the EIP is still at an early stage, but the Commission have provided some further clarification on their proposals. It is proposed that the EIP network will operate at European level, while the operational groups can be delivered through each Member States Rural Development Programme, with some activities potentially through the Horizon 2020 programme. We will have more information on the governance structure as the proposals develop further. Clearly the EIP network will need to facilitate the exchange of information and knowledge, by linking with relevant European research and development and innovation initiatives, and with the national operational groups.

We expect any additional targets to become apparent once the yet to be established high-level steering board has delivered its strategic implementation plan, which will identify areas for consideration and recommendations for delivery of the EIP's objectives. However, we learned from the pilot EIP on 'Active and Healthy Ageing' that EIPs need a flexible framework under which innovative opportunities can be developed, so additional targets have not been set at this stage. I agree with your conclusion that we must have measures in place to assess the success of the EIP. We will be working with the Commission to develop these and will consider this further as part of the implementation of the Rural Development Programme.

9 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 9 May 2012 on the above Communication was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 22 May 2012.

The information that you provided was interesting, but we are unclear what your position is on targets, governance and funding, and the extent to which you are pro-actively seeking to influence their development or whether you are taking a more reactive approach.

Insofar as you are able, we would therefore be grateful if you could expand on your position and strategy as regards this dossier, which we consider to have a great deal of potential. As they develop, we would welcome updates on the proposed governance structure of the EIP; the funding mechanism and any additional targets.

23 May 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 23 May, seeking further information on the European Commission's proposals for the European Innovation Partnership on Agricultural Productivity and Sustainability (EIP).

It is important that we foster and promote innovation in the agriculture and food sector, as this is key to ensuring a competitive and sustainable farming sector that is resilient to future changes. I am therefore supportive of the emphasis that has been placed by the Commission on innovation in the Rural Development Regulation. The EIP on agriculture is just one, but still an important, mechanism for delivering innovation, by increasing the interaction between science research and its practical application on farm.

As I indicated in my previous response, the proposal for the EIP on Agriculture is still in the early stages of development. We are, however, seeking to play an active role in shaping the EIP through several routes, in particular the high-level steering board where we are looking to have UK representation. We are also working closely and actively engaging with the European Commission both formally through the relevant Working Groups, and informally to influence the development of the EIP proposals to ensure that these are flexible and applicable to the UK. In parallel to this, as we develop our approach to the EIP nationally and identify key areas for action, we will of course

establish key indices to monitor progress. However, it is difficult at this stage to set out clearly what these will be, given that the steering board will set the direction by identifying both priority areas for action and a strategic implementation plan for delivering the EIP objectives – neither of which are yet available. In the interim, we will work closely with the farming industry to consider how we can best maximise the opportunities of the EIP and best implement this in the UK.

I have enclosed a diagram that sets out the complex landscape within which the EIP will operate, showing the intended governance structure. Further consideration is needed on how the relationships between the EIP Network, Operational Groups and other wider initiatives will operate. The Rural Development Regulation includes some measures that support the establishment of EIP Operational Groups, and we will consider how this can be best achieved as we develop the next Rural Development Programme. We are also investigating other existing mechanisms that could also support delivery of the EIP agenda, including potentially through the Technology Strategy Board, the Knowledge Transfer Networks and the Horizon 2020 programme.

I am happy to keep you updated as the proposals develop further.

16 July 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 16 July 2012 on the above Communication was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 25 July 2012.

We are grateful for the information in your letter and we look forward to further updates in due course setting out greater detail on this EIP. In the meantime, we will retain this item under scrutiny.

25 July 2012

EUROPEAN INNOVATION PARTNERSHIP: WATER (10032/12)

Letter from the Chairman to Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Communication was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 27 June 2012.

As you acknowledge in your EM, the Sub-Committee recently concluded an inquiry into EU freshwater policy and lent its qualified support to the Water EIP. Among our qualifications, the Sub-Committee considered that clarity was required on how the various initiatives in this area – Agricultural and Water EIPs and the Climate Change Knowledge and Innovation Community – will work together, drawing on relevant funding sources. The Committee also placed emphasis on effective engagement of stakeholders, including those working at catchment management levels. It concluded that “the challenge is in the integration and application of scientific knowledge in close partnership with practitioners in the field.” Finally, it recommended that the Water EIP should place strong emphasis on urban issues.

In relation to the latter, we are therefore pleased to observe that one of the proposed three work packages will be on urban water management. We would ask that you pay particular attention to this aspect of the EIP’s development and we would suggest that there will be a need for precision as to the type of work undertaken. Any views that you have at this stage on the priorities of the urban water management work package would be of interest to us.

As regards stakeholder engagement, there will be a risk that local stakeholders find it difficult to engage with this pan-European initiative. In our view, Government must assume some responsibility for highlighting the opportunities and encourage engagement among those operating at a catchment level, as opposed to river basin level.

We note that the initiative is intended to identify how existing funding programmes can best interact in order to accelerate the development of innovative solutions. While this will keep the particular cost of the EIP down, there will naturally be administrative costs. Is there any estimate thus far of those costs and from which budget they will be drawn?

We are content to release the Communication from scrutiny but we will naturally maintain a keen interest in the evolution of the Water EIP. We look forward to your response to this letter within the usual ten working days.

28 June 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 28 June releasing the above Communication from scrutiny. You raised several issues to which I am now replying.

I agree with your comments that the work package on urban water management is an important one and note that you asked us to pay particular attention to this aspect of the European Innovation Partnership on Water's development. You asked if we have any views on the priorities for the area. Our view is that innovation has a key role to play in dealing with the water challenges faced in urban areas. I welcome the opportunity for innovative approaches to promote the relationship between water and energy. Water efficiency (both in the domestic and non-domestic setting) is clearly an important aspect given population growth and increased urbanisation. The Government is also committed to tackling diffuse urban pollution and will shortly be publishing a strategy.

You feel that there will be a risk that local stakeholders will find it difficult to engage with the Water EIP and that Government should assume some responsibility for highlighting the opportunities and encouraging engagement amongst those operating at catchment (as opposed to river basin) level. I agree that a local approach is vital for water management, facilitating engagement at a scale where communities connect to the environment while taking account of the wider ecosystem. This is very much in line with the Government's catchment-based approach to delivering the Water Framework Directive responsibilities - engaging stakeholders at the local level to determine the pressures, agree priorities and target actions to where they are most needed.

Your final question relates to the estimate of the administrative costs of the Water EIP and the budget from which these costs will be drawn. There is no figure in the public domain but we would expect any administrative costs to be funded by the Commission.

17 July 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 17 July on the above Communication was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 25 July 2012.

You refer to the publication shortly of a strategy on urban diffuse pollution. It would be helpful if you could indicate a likely publication date.

On the issue of water efficiency, you acknowledge its importance, but we observe that it is barely mentioned in the recent Draft Water Bill. While the ideas generated by the EIP will be important for water efficiency in urban areas, we would expect the Government to be pursuing this important issue already and, where appropriate, through legislation such as the Water Bill. It would be helpful therefore if you could set out how you as a Government are tackling the issue and how you plan to do so in the future.

We would wish to push you further on the issue of local engagement. The catchment-based approach to water management is one that we strongly favour but it will not automatically engage those at a local level in the EIP. It is precisely those working at a catchment level that could benefit from sharing experiences with others but it is unlikely to happen without awareness of the opportunities for sharing information. We maintain our view that you must be alive to the importance of local engagement and would welcome clarity on how you intend to take this forward, building on the catchment management approach.

We look forward to your response to this letter by the end of September.

25 July 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter dated 25 July in which you raise further questions.

The Urban (Non Agricultural) Diffuse Pollution Strategy will be subject to public consultation later this year with a view to publishing the final strategy early in the New Year.

As regards water efficiency, the Water White Paper, Water for Life, highlighted the actions that Government would be taking in terms of water efficiency with the emphasis on putting in place the right strategic drivers to drive change over time. To date we have:

- Launched the Love Your River campaign which aims to raise public awareness about the link between the health of their local rivers and their water use. Key campaign partners include water companies, the Wildlife Trust, Waterwise and B&Q,
- Encouraged water companies to create partnerships with Green Deal providers to offer advice on water efficiency to households and businesses,
- Started a project to analyse what motivates water saving behaviours and the barriers to their uptake. This will help shape future messages around saving water,
- Started a project to review the methodology used by water companies to determine the Sustainable Economic Level of Leakage,
- Made clear in the recently published Water Resources Planning Guidelines that reducing demand for water is one of the key policy priorities that we expect water companies to address in their next round of Water Resource Management Plans, and are
- Continuing to work with officials in DCLG to ensure that availability of water is fully taken into account in new development, particularly in water stressed areas.

The recently published draft Water Bill contains provisions that will increase choice in the provision of water and sewerage services for non-household competition. This will lead to the development of a wider market for water efficiency goods and services. New entrants will seek to increase market share by distinguishing themselves from their competitors by providing ways for non-household customers to save water and reduce waste. A similar regime introduced in Scotland has delivered more than £13 million in consumption savings since the regime became operational in 2005. The potential gains in water efficiency in England are therefore likely to be considerable.

Your final point relates to the issue of local engagement through the catchment management approach. As you are aware, the Catchment Based Approach is currently in a pilot phase, where we are learning about the experiences of each catchment, their requirements and the difficulties they face in joining up and fully integrating. The 25 pilots cover both rural and urban areas, which links effectively with the Urban Water Management and Rural Water Management work packages being developed by the Water European Innovation Partnership (EIP).

We are carrying out an independent review of the pilots and expect a report setting out recommendations at the end of February 2013. However, in the interim period we are collating information from each pilot catchment, including information on evidence gaps, funding issues and experiences of engagement. We would like to share this information with the Water EIP, setting out the key areas requiring innovative solutions from the experiences in the UK.

Experience gained from the pilot period will inform the roll out of the approach nationally, taking into account the local experiences, requirements and the feedback received from the pilots. This period was always intended to have an adaptive management approach, which will be reflected in the post-pilot period.

The Catchment Change Network at Lancaster University is developing a web-based evidence hub to help share evidence, information, experiences about the approach and innovative ideas. This is a portal which is developed and owned by the water sector. We view this as the most appropriate arena in which to provide linkages and engagement to the Water EIP and the proposed web-based Market Place for water innovations. We would welcome compatibility between the two web based tools.

25 August 2012

Letter from the Chairman to David Heath MP, Minister of State, Department for Environment, Food and Rural Affairs

Your predecessor's letter of 25 August 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for the letter informing the Committee that the Urban (Non Agricultural) Diffuse Pollution Strategy will hopefully be published in the New Year. We are also appreciative to the response in highlighting the numerous Government actions in relation to water efficiency, such as the

'Love Your River' campaign and identifying the provisions in the draft Water Bill that will increase choice in water and sewerage provision.

The Committee looks forward to further updates and information as they become available.

18 October 2012

EXTERNAL ENERGY POLICY (13943/11)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE B]

Letter from Charles Hendry MP, Minister of State, Department for Energy and Climate Change, to the Chairman

Further to my letter of 6 December 2011 to Lord Roper, I am writing to provide further information on the progress of negotiations on the draft Decision setting up an information exchange mechanism on intergovernmental energy agreements between Member States and third countries, and to seek scrutiny clearance from your Committee.

Member States agreed a position on 21 March and entered negotiations with the European Parliament on 28 March with the aim of reaching a first reading agreement. The Government is broadly content with the compromise negotiating text agreed by Member States. We had particular concerns over the initial proposal for the Commission to have the right to act as an observer in negotiations and for possible obligatory model clauses. The text agreed by Member States removes these rights although Member States can still request the assistance of the Commission during negotiations.

In relation to our other concerns over the degree to which the Commission had proposed mandatory ex-ante compatibility control by the Commission, the agreed Member State position is now that where a Member State has doubts about the compatibility of an agreement with EU law, it should inform the Commission and the Commission should have four weeks to consider the compatibility of the negotiated agreement with EU law. If the Commission has doubts as to the compatibility of an agreement with EU law then it would have ten weeks from receipt of the draft agreement to inform the Member State concerned of its opinion.

In respect of our concern that the proposed model clauses might be obligatory to ensure compatibility with EU law; under the negotiating position they would be voluntary.

Negotiations are now continuing with the European Parliament in trilogue sessions; so it would be helpful if the Committee could agree to lift scrutiny on the basis of the Council position outlined above.

AGREEMENT BETWEEN THE RUSSIAN FEDERATION, THE REPUBLIC OF BELARUS AND THE EUROPEAN UNION ON ELECTRICITY SYSTEM OPERATION OF ESTONIA, LATVIA AND LITHUANIA

On a separate matter I also wish to inform you that the Energy Council agreed a negotiating mandate on 28 February 2012, authorising the Commission to negotiate on behalf of the EU (in respect of the Baltic States) an agreement between the EU, Russian Federation and the Republic of Belarus on a legal framework for electricity system operation and electricity market interfaces between the electricity networks of Estonia, Latvia and Lithuania, the Russian Federation and the Republic of Belarus.

16 May 2012

Letter from the Chairman to Charles Hendry MP

Your letter of 16 May on the above Proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 30 May 2012.

We note that agreement has been reached on a Member State position on this proposal and that you are broadly content with the compromise negotiating text. Having spoken with your officials, we understand that this agreement, and the negotiations with the European Parliament, have all taken place at official level. However, we found the wording of your letter unclear on this point and would be grateful if in future correspondence you could be clearer about the level at which agreements have taken place.

In the two letters we have received from you on this proposal, there has been no mention of your concerns regarding the ability of the Commission to maintain the confidentiality of certain pieces of information in draft agreements when these are disseminated to other Member States. We would be grateful if you could let us know whether this concern has been addressed, and if so, how.

We were encouraged to note that the Government's main concerns have been met by the agreed Member State position and understand from your officials that since you wrote, it appears likely that the European Parliament will agree to the compromise negotiating text. We are therefore content to release this proposal from scrutiny and would appreciate it if you could write to us with an update once a text has been agreed.

30 May 2012

Letter from Charles Hendry MP to the Chairman

Thank you for your letter of 30 May, clearing the proposal from scrutiny. I am writing to update you on progress since I wrote on 16 May. The trilogue process involving the European Parliament was completed in May with a view to a First Reading deal. The European Parliament plenary vote is scheduled for 11 September 2012. The Decision will then be adopted without discussion (as an "A" point) at a subsequent Council.

The Department's Explanatory Memorandum in relation to this draft Decision stated that we "will want to ensure that the provisions in relation to the protection of confidential information are adequate." Your letter asks about the Government's views over the ability of the Commission to protect the confidentiality of certain pieces of information in draft agreements when these are disseminated to other Member States. In brief, I am satisfied that the draft Decision now contains adequate protections to ensure that confidential information (contained in intergovernmental agreements) is not shared with other Member States and to ensure that, where such information is shared with the Commission, it is not disseminated widely within the Commission. I set out the reasons for this below.

As you know, the draft Decision requires Member States to share information in relation to intergovernmental agreements with the Commission in certain circumstances and it provides that the Commission should, in turn, share that information with all other Member States in electronic form. The draft Decision provides that when providing information to the Commission, a Member State may indicate whether any part of the information is to be regarded as confidential and whether that information can be shared with other Member States. The Commission is required to respect such indications. Where a Member State has indicated that information is confidential, the Commission is required to share a summary of the intergovernmental agreement with other Member States as opposed to the agreement itself. In light of the above, I am satisfied that the draft Decision contains adequate protections to ensure that, where confidential information contained in an intergovernmental agreement is shared with the Commission, that information is not disseminated to Member States.

Further, whilst the draft Decision does provide that intergovernmental agreements (including any confidential information contained in them) must be shared with the Commission, the Decision now includes safeguards to ensure that such confidential information is protected. In particular, the draft Decision now provides that the Commission shall ensure that access to any confidential information is strictly limited to the Commission services for whom it is absolutely necessary to have the information available.

16 July 2012

Letter from the Chairman to Charles Hendry MP

Your letter of 16 July on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 25 July 2012.

We note that you are satisfied that the draft Decision now contains adequate protections to ensure that confidential information contained in intergovernmental agreements is not shared with other Member States, and that it is not widely disseminated within the Commission.

We would be grateful if you could write again with a summary of the agreed text following its adoption at Council.

25 July 2012

Letter from John Hayes MP, Minister of State, Department for Energy and Climate Change, to the Chairman

As requested in your letter of 26 July to Charles Hendry, I am writing to provide a summary of the Decision which has now been agreed with the European Parliament and adopted at Council on 4 October.

The Decision creates an information exchange mechanism under which the Commission and Member States will receive information on bilateral energy agreements between Member States and third countries which are likely to have an impact on the operation or the functioning of the internal market for energy or on the security of supply in the Union.

The text has undergone substantial revision in respect of some of the more prescriptive obligations in the original version. For example, the Commission's proposal for a right to observer status in negotiations has now been dropped as has the use of obligatory model clauses (these are now voluntary). The only requirement to keep the Commission informed of progress during negotiations is where a Member State has chosen to inform the Commission of its intention to negotiate. In those circumstances, the Commission may offer advice as to conformity with EU law. Further, the only ex ante assessment by the Commission now required will be where a Member State informs the Commission that it has doubts as to whether an agreement is in conformity with EU law. In those circumstances the Commission has four weeks to review the agreement and ten weeks to give its opinion.

When providing information to the Commission, Member States may indicate whether any part of the information is confidential. The Commission is required to respect such indications. In such circumstances, the Commission is required to share a summary of the intergovernmental agreement with other Member States as opposed to the agreement itself.

The Euratom Treaty already makes provision for the notification to the Commission of certain intergovernmental agreements between Member States and third countries. The UK successfully argued for the insertion of a Recital clause to clarify that intergovernmental agreements covered by the Euratom Treaty do not fall within the scope of this Decision.

The text is now acceptable to the UK with issues of concern resolved.

31 October 2012

FARMERS: AID TO FARMERS IN AREAS WITH A NATURAL HANDICAP (8858/09)

Letter from Richard Benyon MP, Minister for Natural Environment and Fisheries, to the Chairman

I am writing to update you on progress since Jim Paice's letter of 8 December 2011 on the European Commission's proposals on Areas facing Natural Constraints (ANC) under the CAP Reform proposals published in October 2011.

We have continued to work hard to influence the Commission and Danish Presidency to address our issues with the proposed ANC measure. We have also briefed MEPs on the Agriculture and Rural Development Committee (COMAGRI), and lobbied other potentially supportive Member States. Progress on our key concerns is as follows:

- on the Commission's proposed requirement to map at LAU2 level (i.e. electoral wards), to meet WTO requirements - we are supported by a number of other Member States in asking for greater flexibility on this, and the latest indications are that the Commission may shift to permit mapping based on alternative units that are WTO compliant;
- on the proposal that Member States unable to complete their ANC designation by 1 January 2014 may only make degressive payments to farmers currently eligible for LFA payments until their designation is complete – there has been strong lobbying from many Member States for increased flexibility in the transition period and the Danish Presidency appeared to be moving in this direction. The UK's goal is to ensure sufficient time is allowed for implementation of the designation and any associated scheme. While the Commission remains unconvinced that a longer transition period is required, at a recent meeting of COMAGRI, MEPs

proposed that the CAP Reform package should not include a revised ANC designation and that it should be done at a later stage. The UK does not support a further delay to the introduction of ANC and has proposed a compromise that would delay the deadline for designation to no later than 2016, and delay the introduction of degressive payments until the 2016 scheme payment year.

We have also explored with the Commission its rationale for having ANC payments under both pillars, including the proposal that Pillar 2 payments take account of Pillar 1 payments. The Commission indicated that the purposes of the payments under both pillars were the same: they were essentially income support to avoid the risk of land abandonment, and in recognition of difficult circumstances for farming. The Commission has no appetite to introduce the environmental conditionality to the Pillar 2 ANC payment that would be necessary for this payment to be viewed as an environmental payment. The Commission therefore argues that Pillar 2 payments must take account of Pillar 1 payments to avoid overcompensation. On the basis that decisions on whether to use the ANC measure in either or both Pillars 1 and 2 are at Member States' discretion, we have no further issues to raise on this aspect.

The main mechanism for support to uplands farmers in England remains Uplands Entry Level Stewardship. Any decisions we make on whether to use the new ANC measure in the future will take account of the wider CAP reform context, including developments on direct payments, greening and its impact on agri-environment schemes.

We are now undertaking mapping against the Commission's published proposals for ANC designation. We expect the results to be available by September and these will be shared and discussed with the European Commission, MEPs and all our stakeholders. I will of course also discuss the results with you and continue to keep you updated on progress.

13 August 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 13 August 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for your helpful letter and we are pleased to note that discussions in Council are recognising some of the central conclusions of our 2009 Report on the Review of the Less Favoured Areas Support Scheme, notably on mapping and on national flexibility for fine-tuning of area designation.

We are content to follow these issues up within the context of correspondence on the Common Agricultural policy reform negotiations. This strand of correspondence is therefore closed.

18 October 2012

FISHERIES: REGULATION FOR COUNTRIES ALLOWING NON-SUSTAINABLE FISHING (18545/11)

Letter from Richard Benyon MP, Parliamentary Under-Secretary for Natural Environment and Fisheries to the Chairman

The proposal above cleared scrutiny earlier this year. However, I thought that you might appreciate an update on its progress following an exchange of correspondence with Lord Roper in the spring.

The proposed regulation will set out a framework of possible sanctions that may apply in a given fisheries dispute with a third country where the EU has an interest in the fishery.

I am pleased to let you know that the proposal passed the European Parliament plenary session on 12 September with 659 votes in favour, 11 votes against and 7 abstentions. The text adopted is very closely aligned to the previously agreed UK position.

I expect the proposal to go before AGRIFISH Council on 24/25 September for adoption as an A point. I will ensure that my department informs the Committee Clerk when it is adopted.

You will also wish to be aware that, in relation to the ongoing mackerel dispute, a high level meeting between Commissioner Damanaki and the Ministers of Norway, Iceland and the Faroe Islands took

place on 3 September in an attempt to secure an agreement. Unfortunately, this meeting failed to make progress. This is disappointing and it appears that the positions of the individual coastal states are still too far apart. Commissioner Damanaki is due to report back on these discussions at Agriculture and Fisheries Council on 24/25 September and I expect the next stage in the process to be a proposal from the Commission for an implementing regulation to deal with the present dispute. I am not yet clear when such a proposal will be presented, but I will encourage the Commission to do so as soon as possible.

18 September 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 18 September following up discussions relating to non-sustainable fishing by certain third countries was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We were grateful for your update and remain interested in this dossier. We look forward to an update in due course, particularly if an implementing regulation is proposed by the Commission.

18 October 2012

FISHERIES: STOCKS (9003/09, 6079/11, 6041/12, 17949/12)

Letter from Richard Benyon MP, Parliamentary Under-Secretary for Natural Environment and Fisheries to the Chairman

Since our last communication earlier in the year regarding the above matters, negotiations are still ongoing on these proposals and there have been no further developments in the last few months. We are led to believe that EM 6079-11 will be subject to discussion in the next three months, and now a General Agreement on the CFP Reform package has been reached we are hopeful that progress will be made on EM 6041-12, EM 9003-09 and EM 17494-12. We will, of course, update you as soon as progress is forthcoming on all of the above matters.

22 July 2012

FOOD INTENDED FOR INFANTS AND YOUNG CHILDREN AND FOOD FOR SPECIAL MEDICAL PURPOSES (12099/11)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE G]

Letter from Anne Milton MP, Parliamentary Under-Secretary of State, Department of Health, to the Chairman

Thank you for your Committee's report of 16 February 2012 that concluded in keeping this document under scrutiny until certain issues had been clarified in the ongoing discussions.

My original intention was to provide you with an update on discussions following informal trilogues scheduled for early June, however, last week the European Parliament delegation informed the Council that they will progress this proposal to a second reading following a vote in June. As a result, the Danish Presidency has asked Member States to agree a general approach, with a vote in Council expected on either 7 or 11 June. Unfortunately this does not leave much time given recess. I am therefore requesting clearance (or a waiver) from the Committee in advance of this date.

The Commission's original proposal was based on a better regulation approach to the review of the original legislation. This would result in fewer products regulated under this legislation and an opening of the market to a more innovative approach.

Amendments to the Commission's approach have been proposed by the Danish Presidency, Member States and MEPs, which are summarised below. The Limite text, detailing the proposed Council mandate, is attached and is shared with the Committee in confidence [not printed].

UPDATE ON NEGOTIATIONS

The proposed Council mandate represents a balanced solution, which the UK Government is likely to support subject to further discussion to ensure that suitable transitional periods are provided for businesses to adjust to the new requirements.

If the proposed compromise position were adopted following further negotiation, it would: resolve the current confusion in defining a particular nutritional purpose food (PARNUT), clarify labelling rules for low-gluten and gluten-free products (including foods sold loose) and reduce the regulatory burden on businesses, with more categories of foods regulated under existing, more general food law.

There are proposed areas of compromise from the UK's original position in support of the Commission's proposal. These are additional controls on foods intended to replace the total daily diet for weight control and reports on milk-based drinks and similar products intended for young children (growing-up milks) and sports foods with a further recommendation on the desirability of specific legislation. However, it is clear from negotiations thus far that the proposed general approach represents the best achievable position at this point and I am content that the burdens on business have been mitigated as far as achievable during negotiations.

Apart from these issues there are a range of less contentious issues, procedural matters or minor wording changes to be agreed in the Council's negotiating position and these will be agreed, provided that the resulting legislation remains within the principles of better regulation and allows for efficient, evidence-based policy making.

LEGAL COMPETENCE

The legal basis for the proposed Regulation is Article 114 of the Treaty on the Functioning of the European Union (TFEU). This is an area of shared competence. The ordinary legislative procedure of the European Parliament applies.

REGULATORY IMPACT

The review accords well with the Government policy on Better Regulation to simplify and reduce the regulatory burden on industry. The proposed regulation aims to repeal existing regulations on slimming foods (96/8/EC), Regulation (EC) 41/2009 on gluten-free foods and Council Directive 92/52/EEC on export of infant and follow-on formula to third countries, and simplify the regulation of slimming foods, growing-up milks and sports foods. Limiting the scope of the proposal would reduce the administrative burden for industry resulting in foods that will no longer fall under the current notification procedure such as gluten-free foods and some slimming foods. Details of the impact of options under discussion in the European Parliament and Council are summarised in the EU checklist for analysis which was submitted previously.

FINANCIAL COSTS

We do not anticipate any additional financial costs to the UK Government, if the proposal was to be adopted. There may be costs to businesses, as some label changes may be necessary. The costs of changing product labels vary between £1800 and £6500 per stock keeping unit. However, we estimate that a majority of products are unlikely to need any change of labelling and the main burden will be familiarisation costs. Furthermore, an extension to the proposed 2-year transition period would further alleviate the costs of labelling, as it would fit in with the re-labelling cycle for products.

DEVOLVED ADMINISTRATIONS (DA)

DA Ministers and officials have been consulted in drawing up the proposed negotiating position.

17 May 2012

Letter from the Chairman to Anne Milton MP

Your letter of 17 May 2012 on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 30 May 2012.

We note the compromise reached and would agree that it is an acceptable one.

We are content to release the proposal from scrutiny and look forward to an update from you on progress at Council.

30 May 2012

Letter from Anne Milton MP to the Chairman

Thank you for your Committee's report of 30 May 2012 that concluded in releasing the proposal from scrutiny and requesting an update on progress in Council.

UPDATE ON NEGOTIATIONS

I am pleased to advise you that the Council of the European Union agreed the 'general approach' as outlined in my previous correspondence, on the 7 June, to give a mandate to the EU Presidency to negotiate with the European Parliament. Italy was opposed to the text and Germany abstained. The public document is now available: <http://register.consilium.europa.eu/pdf/en/12/st10/st10086.en12.pdf>

The European Parliament has adopted its first reading position on 14 June. The Council will now consider the Parliament's amendments with a view to adopting its first reading position. The report is available on the Parliament's website:

<http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=en&procnum=COD/2011/0156>

The dossier will then move forward for agreement at second reading under the Cypriot Presidency. The Presidency has indicated that this will be a priority file for them to progress and an initial meeting is planned for 20 July. It is likely that work will continue through the autumn with the second reading in the winter, or spring 2013.

11 July 2012

Letter from the Chairman to Anne Milton MP

Your letter of 11 July 2012 on the above Proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 18 July 2012.

Thank you for confirming that the Council agreed the general approach that you had set out to us in earlier correspondence. We note that the European Parliament has adopted its first reading position and that the Council will now need also need to do so.

We look forward to an update from you on further progress.

19 July 2012

FOREST REPRODUCTIVE MATERIAL (12256/12)

Letter from the Chairman to Lord de Mauley, Parliamentary Under Secretary of State, Department for Environment, Food and Rural Affairs

Your predecessor's Explanatory Memorandum of 17 July on the above Decision is yet to be considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy.

We understand that it is on the agenda of the 17 September Agriculture Council for adoption. In accordance with Article 5(b) of the Scrutiny Reserve Resolution, the Government need not withhold agreement pending completion of scrutiny.

We will retain the proposal under scrutiny and write to you in due course regarding outstanding issues concerning the dossier.

13 September 2012

Letter from the Chairman to Lord de Mauley

Your predecessor's Explanatory Memorandum of 17 July on the above Decision was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 10 October 2012.

I wrote to you on 13 September indicating that the Government need not withhold agreement at Council on 17 September pending completion of scrutiny. We would be grateful for information as to the outcome of that Council meeting.

We understand informally that material of this nature from third countries will be subject to plant health controls under the plant health Directive in the same way as all other plant material. We would be grateful, though, for your own assurance that this is indeed the case.

The EU's plant health regime is under review and legislative proposals for improvements are expected in the near future. We would urge you to press for the earliest possible publication of such proposals by the Commission.

Finally, the EM did not provide any analysis of the consistency of this proposal with the principle of subsidiarity. We would ask that you do so and that you ensure that such an analysis is always provided in the future, particularly where the Treaty of Lisbon's Reasoned Opinion procedure applies, as it does in this case.

We will release the proposal from scrutiny and look forward to a response within ten working days.

11 October 2012

Letter from Lord de Mauley to the Chairman

Thank you for your letter dated 11 October 2012.

The proposal was adopted at September Council. The European Parliament then suggested some minor amendments which were agreed by the Committee of Permanent Representatives in the European Union (COREPER) on 28 September. The Parliament will now need to adopt the new text formally with the final stage being the Council adopting it as an "A" point. While this might still take some time we have in effect agreed to the proposal.

The Commission's proposal to allow marketing of forest reproductive material of the 'qualified' category produced in the third countries listed in the Decision does not alter any of the other plant health controls. I can assure you that material of this nature from third countries will be subject to relevant plant health controls under the plant health directive.

The UK and other Member states have been pressing the Commission to make progress with publication of legislative proposals for the review of the EU's plant health regime. The latest information from the Commission is that we should expect them to issue the formal proposals early in the new year.

The UK believes that the proposal is consistent with the principle of subsidiarity. Once 'qualified' forest reproductive material has entered the EU from a third country, the proposal will allow it to be freely marketed between Member States, subject to the requirements of the Directive. Such freedom of movement would not be possible if Member States acted on their own and the action will be of benefit by making the 'qualified' category of material available to different parts of the EU.

22 October 2012

FUTURE NECESSITY AND USE OF MECHANICALLY SEPARATED MEAT (MSM) IN THE EU (17547/11)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE G]

Letter from Anne Milton MP, Parliamentary Under-Secretary of State, Department of Health, to the Chairman

Further to my letter of 4 April concerning the moratorium on desinewed meat (DSM), I thought it would be helpful to provide you with an update on developments in advance of my appearance before the Environment, Food and Rural Affairs (EFRA) Select Committee on 20 June.

I would begin by confirming that the moratorium is now fully in place. The Food Standards Agency (FSA) brought the first stage, concerning the production of DSM from ruminant bones, into effect on 28 April from which point production ceased. The FSA brought the second stage, concerning the production of DSM from non-ruminant bones, into effect on 26 May. The FSA has published guidance

on the moratorium for both industry and enforcement bodies, following consultation with these parties.

On 24 April, just before the start of the ruminant DSM moratorium, FSA and UK Permanent Representation officials met Commission officials in Brussels. At the meeting, FSA officials clarified a number of technical issues enabling certain non-ruminant DSM products to be excluded from the scope of the moratorium which has helped reduce the impact on industry. They also secured Commission agreement that products produced from ruminant DSM before the ruminant moratorium began could be sold through rather than be treated and disposed of as animal by-products which also reduced the impact on industry. FSA officials also highlighted the significant impact there would still be from implementing the non-ruminant moratorium on 26 May and paved the way for the FSA to approach the Commission requesting a delay to the introduction of this moratorium.

Accordingly, the FSA wrote to the Commission on 1 May seeking a delay to the start of the non-ruminant moratorium to 1 January 2013 to help reduce the transitional impact on industry and consumers. The Commission responded on 24 May indicating that whilst it could not agree to such a delay, the UK should ensure compliance "as soon as possible". The FSA has therefore put into place an approach to enforcement that is proportionate, educative and supportive to help industry achieve compliance.

Also on 24 April, the Commission wrote to Member States' Chief Veterinary Officers (CVOs) to remind them of the legislation relating to Mechanically Separated Meat (MSM). The letter also requested research data and scientific literature to feed into the mandate the Commission will be issuing to the European Food Safety Authority (EFSA) asking it to assess the microbiological food safety risks presented by DSM and MSM to establish if there is any difference and to assess ways of distinguishing between DSM and MSM.

The FSA responded to the CVO letter on 22 May stating that they had identified products from other Member States that appeared to be MSM but were not labelled as such, attaching evidence in the form of commercial documentation. The FSA had already provided the Commission with the UK Leatherhead Food research which provides a methodology for distinguishing between DSM and MSM to feed into the EFSA work. The FSA is now working with industry to establish whether there is any further scientific information or data that could be submitted.

As you will be aware, the FSA Chief Executive and Chairman appeared before the House of Commons Environment, Food and Rural Affairs Committee on 15 May.

On 24 May, the FSA Chief Executive met with the European Commission Director-General for Health and Consumers, Paola Testori Coggi, in Brussels to discuss the UK moratorium. The meeting was positive. The Director-General was pleased to note the progress the UK had made over a very short period of time, recognised that the moratorium had generated considerable political interest in the UK and indicated that the Commission will work with the UK to support its work in relation to the moratorium.

At the meeting the FSA Chief Executive stressed to the Director-General the importance of a level playing field across the EU with regard to DSM to ensure that UK industry is not placed at a disadvantage to its EU counterparts. The Director-General said that the Commission fully supports this, asked that the FSA continue to provide evidence of non-compliance in other Member States, and gave assurance that the Commission will take immediate and appropriate action to deal with such non-compliance.

7 June 2012

GENETICALLY MODIFIED CROPS (12371/10, 9665/11)

Letter from Lord Taylor of Holbeach, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

I am writing to update the Committee on the matters covered in these Explanatory Memoranda, both of which concern the cultivation of GM crops.

EM 12371/10 – GM CULTIVATION PROPOSAL

After nearly two years of negotiation the Council of Ministers has failed to agree a common position on this proposal. The Danish Presidency tabled a suggested compromise text earlier this year which envisaged two possible routes for securing a national restriction on GM cultivation:

Route 1 (a new idea): this would apply when an application had been made for EU approval for cultivation, but no decision had yet been taken. In this context a Member State would have the option of reaching agreement with the relevant company that its GM seed should not be grown in some or all of the Member State's territory. If agreement is reached it would be reflected in the EU authorisation (as, in effect, a national opt-out). No formal explanation or justification would be required in support of this.

Route 2 (based on the Commission's original proposal): after a GM crop seed has secured EU approval Member States would have the option of introducing a national measure to restrict or prohibit its cultivation. This measure would have to be justified on one or more grounds unrelated to the matters considered as part of the EU-level safety assessment process (e.g. land use, or town and country planning).

After discussions at official and Ministerial level it became clear that several Member States were unable to vote for this approach, including the UK, France and Germany. Therefore, for the June Environment Council the Danish Presidency tabled a report which noted that no agreement was possible, leaving the matter for consideration by the incoming Cypriot Presidency. So far, Cyprus has suggested that it will not be pro-active in trying to find a way forward on this dossier.

On both the original proposal and the Danish compromise, the Government raised concerns about the legal and single market implications, the idea of moving away from regulatory decisions being grounded on a science-based safety evaluation, and the need to uphold the integrity of the EU assessment process.

EM 9665/11 – REPORT ON THE SOCIO-ECONOMIC IMPLICATIONS OF GM CULTIVATION

To take forward work on this issue the Commission is in the process of establishing a European GMO Socio-Economics Bureau (ESEB), to be made up of experts from Member States and the Commission. Its aim will be to organise and facilitate the exchange of information on the socio-economic impacts of GM cultivation, and to develop Consensus Documents that enable a science-based assessment of such impacts in the EU. To do this the ESEB will:

- define methodological tools to investigate the crop/trait or product-specific ex-ante and ex-post socio-economic implications, on users and non-users of GMOs, of the cultivation and processing of GMOs along the seed-to-shelf chain in Europe
- undertake analysis of data collected at Member State level according to the agreed methodologies as necessary

Only one type of GM seed is now being grown commercially in the EU, an insect-resistant maize of no practical interest to the UK. It can be expected, therefore, that the first ESEB Consensus Document will focus on assessing the impact of that particular crop.

5 July 2012

Letter from the Chairman to Lord Taylor

Your letter of 5 July 2012 on the above documents was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting on 18 July 2012.

We note that it has not proved possible to reach agreement on either of the approaches set out and that you maintain your stance regarding the legal and single market implications, as also the integrity of the EU's science-based approach to evaluation. From your letter, it seems that agreement under the Cypriot Presidency is very unlikely but please do let us know if that changes or if there is any alteration to the Government's position.

With regard to the report on the socio-economic implications of GM crops, we are grateful for the update that you have provided on the Commission's work. In our last letter on this subject we asked your predecessor about a Defra review of data on the environmental and economic impact of current GM crops, which should have reported by the end of 2011. We asked that the Government let us

know the findings of the review as soon as they became available. If the review has indeed been completed, we would be grateful if you could pass on the findings to us.

Finally, we are aware that a system of economic liability has been established elsewhere in the European Union (notably Denmark), to provide for compensation in the event that the cultivation of crops causes economic harm to others. In determining the Government's policy on the cultivation of GM crops, have you considered introduced any systems to tackle economic liability?

We will continue to hold the documents under scrutiny and look forward to a response by the end of September at the latest.

19 July 2012

GREENHOUSE GAS ALLOWANCES: THE TIMING OF AUCTIONS (I3052/12)

**Letter from the Chairman to the Rt. Hon Gregory Barker MP, Minister of State,
Department of Energy and Climate Change**

Your Explanatory Memorandum (EM) on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 10 October 2012.

Like you, we support a strengthening of the ETS in order to send the appropriate signals to the market that will encourage investment in low carbon technology. It is important that the EU ETS is a flexible instrument and therefore the proposal is acceptable.

We note that the Commission takes the opportunity in its own Explanatory Memorandum to reaffirm its earlier "commitment to urgently examine and present options for action with a view to adopting further appropriate structural measures to strengthen the ETS during phase 3, and make it more effective". In the context of our inquiry into EU energy policy, we look forward to following up these very important wider issues concerning the future of the EU ETS.

We are content to release the proposal from scrutiny and do not require a response to this letter.

11 October 2012

GREEN PAPER: FOREST PROTECTION IN THE EU (7060/10)

**Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary of
State, Department for Environment, Food and Rural Affairs**

Your letter of 30 April 2012 relating to the EU Forest Strategy was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 22 May 2012.

We are grateful for the information that you have provided about the process leading up to a Commission report in advance of a revised EU Forest Strategy.

While we are content to regard this strand of correspondence regarding the Green Paper closed, we look forward to sight of the Commission's report and, subsequently, information from you setting out Member States' thinking on how the report will be used to shape a revised EU Forest Strategy.

We would also wish to take this opportunity to remind you that we are particularly keen that EU Member States share among themselves information on the nature of economic incentives that they use respectively to promote afforestation.

23 May 2012

HUMANE TRAPPING STANDARDS (I2200/04)

**Letter from Richard Benyon MP, Minister for Natural Environment and Fisheries,
Department for Environment, Food and Rural Affairs to the Chairman**

I am writing to inform the Committee that I am not aware of any progress on this matter since my last letter of 21 October 2011. Looking forward, I am not aware of any timetable for progress and as

such it seems unlikely that there will be anything to report in the foreseeable future. I will of course keep you informed if I hear of any substantive developments.

23 July 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 23 July 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for your letter informing the Committee that there has been no progress relating to this issue since your last letter of 21 October 2011, and see nothing in the foreseeable future that you would be able to report on.

The Committee would, however, appreciate any further updates and information as they become available.

18 October 2012

INTERNATIONAL ORGANISATION FOR VINE AND WINE (9294/12)

Letter from the Chairman to the Rt. Hon. Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 30 May 2012.

We agree with your position on the important role of the OIV in setting international standards, but we also concur with your legal analysis of the role and proposed solution.

On that basis we are content to release the proposal from scrutiny and look forward to an update from you on the outcome of your discussions with other Member States.

In addition, we would be grateful if you could update us on the Government's discussions as regards rejoining the OIV.

30 May 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 30 May in which you released the above proposal from scrutiny.

I am pleased to report that good progress was made at the OIV General Assembly, with resolutions that allow greater scope for the dealcoholisation of wine, and the correction of alcohol in wine being adopted. In addition, the OIV adopted rules provide a framework to allow clearer marketing definitions of wines that have been either partially or completely dealcoholised. The adoption of these resolutions marks a significant step forward in this important area, and allows producers greater scope to produce and label products to meet increasing consumer demand for lower strength wines. It is now essential that the EU quickly aligns itself with these international standards and the UK will press strongly for this.

The UK did hold reservations over the lack of flexibility built into Common decision process, and the legal base cited by the Commission. However as we held the swing vote on this proposal, we took the pragmatic step of supporting the proposals (without which none would have been adopted), but issued a written statement clearly expressing our concerns at the Commission's approach, joining similar statements issued by the Netherlands, Greece and Hungary.

Regarding the UK's position on OIV membership, in January this year DEFRA hosted a meeting with the UK wine trade, wine producers and a delegation from the OIV to discuss the OIV and how the UK might benefit from rejoining the organisation. Discussions progressed positively, and were followed up in March by UK policy officials being invited as guests to attend working meetings held in the context of the OIV General Assembly in Paris. Again officials took this opportunity to meet with senior OIV representatives, and were also able to take soundings from officials from key third country producer nations supplying the UK market. This series of meetings proved extremely useful, and has provided us with a far better understanding of the current work of the organisation, what its aspirations are, and where the UK might benefit.

Inevitably costs and other resources associated with re-engaging with organisations at an international level need to be considered carefully and measured against other Departmental priorities. We are in the process of looking at the business arguments for the UK rejoining the OIV. In considering this we will take account of our small but flourishing and highly successful domestic production; our position as one of the world's most important and influential trade and consumer markets; and the potential wider benefits that might accrue, for example progressing matters allied to alcohol and health policy, and the lead role the OIV is taking in setting sector-wide CO2 accounting principles. We hope to have this process completed by November.

29 August 2012

Letter from the Chairman to David Heath MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your predecessor's letter of 29 August 2012 on the above Proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 17 October 2012.

We were interested to learn of the outcome of discussions at Council and at the OIV and we note the ongoing debate regarding UK membership of the OIV.

Please consider this strand of correspondence closed.

18 October 2012

IONISING RADIATION: BASIC SAFETY STANDARDS FOR PROTECTION (I4450/11)

Letter from Baroness Verma of Leicester, Parliamentary Under Secretary of State, Department of Energy & Climate Change

Further to the European Scrutiny Committee's decision to continue to hold the above Explanatory Memorandum (EM) under scrutiny pending a more detailed Impact Assessment, I am writing to inform you of the latest developments with regard to this dossier.

As noted in the EM the scope of the proposal, which contains 108 detailed Articles and 15 Annexes, is extremely broad. Consequently, progress made under successive European Presidencies has been slow. The delay has proved beneficial in that it has allowed the UK and other Member States to provide detailed written comments and drafting suggestions on the draft proposal and to seek clarification on the intentions of the European Commission behind some of the more complex issues covered.

As a result of these detailed comments, the European Presidency undertook, in June 2012, to provide a new draft proposal and the indications were that there would be significant changes to the text. This new draft is expected imminently.

My officials have been working on developing a detailed Impact Assessment. However, once it was clear that a new draft proposal was forthcoming the decision was taken that it would be more beneficial to base the IA on the new draft. Unfortunately the new draft has taken the Presidency much longer than expected. On the basis that the new draft will be issued in October, my expectation is that the IA will be completed by the end of the year.

I will continue to update the Committee in the event of further delays.

17 October 2012

Letter from the Chairman to Baroness Verma

Your letter of 17 October 2012 on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 24 October 2012.

We are grateful for your letter updating the Committee on the development of this dossier, and we understand that the proposal's broad nature has resulted in a delayed progress. The Committee is, however, pleased to note that a benefit of this has been to allow the UK and other Member States to engage in more scrutiny and provide detailed written comments.

The Committee appreciates that, with a new draft expected, it would be prudent to postpone the Impact Assessment so that it may reflect the changes expected.

Given the dependence on the Impact Assessment, we are content to defer a response beyond the usual 10 working day deadline, and look forward to an update as it becomes available. We will retain the proposal under scrutiny.

25 October 2012

JOINT PROGRAMMING INITIATIVES (9585/10)

Letter from the Rt. Hon David Willetts MP, Minister for Universities and Science, Department for Business, Innovation and Skills to the Chairman

I am writing to provide the Committee with updates on two Joint Programming Initiatives (JPIs) which it has taken a specific interest in: Agriculture, Food Security and Climate Change; and Healthy and Productive Seas and Oceans. I am also taking the opportunity to provide some information about the other JPIs which the UK is participating in.

9585/10 - AGRICULTURE, FOOD SECURITY AND CLIMATE CHANGE

I provided an update on this JPI on 21 June 2011 when I reported that governance structures were in place, the Strategic Research Agenda had been published, links with other JPIs and related global initiatives had been made, and funding for co-ordination and support from the Seventh Framework Programme had been agreed. The Biotechnology and Biological Sciences Research Council (BBSRC) continue to be the joint lead for this JPI with the French National Institute for Agricultural Research (INRA). The JPI now has 21 participating countries including Israel and Turkey. BBSRC and Defra form the UK representation on the JPI Governing Board.

I am pleased to report that key progress has been made in establishing a Knowledge Hub, Modelling European Agriculture with Climate Change for Food Security (<http://www.macsur.eu/>), which aims to develop pan-European capability in the development, use and interpretation of models to perform risk assessments of the impacts of climate change on European agriculture. The Knowledge Hub is organised in three coordinated themes: Crops; Grasslands and Livestock; and Economics and Trade, under the coordination of Richard Tiffin (Reading, UK) and Martin Banse (Germany). It brings together 73 partners from 16 countries. The UK funding partners are BBSRC and the Scottish Government, joined very recently by the Natural Environment Research Council (NERC).

In addition, a stakeholder consultation took place in spring 2012 as the basis for developing the Strategic Research Agenda, which is to be adopted at the next Governing Board meeting on 25 October. The JPI is at the early stages of developing a proposal for ERANET Plus funding which, if successful, will mean the European Commission will add to a joint budget to fund new research activities identified for implementation in the Strategic Research Agenda.

HEALTHY AND PRODUCTIVE SEAS AND OCEANS

I provided an update on this JPI on 9 November and Lord Roper replied on 16 November 2011. The JPI was then at an early stage and was endorsed by the Competitiveness Council on 5 December 2011. There are 17 participating countries with Norway in the lead. NERC is leading on this JPI for the UK. Defra is also engaged and, as the lead for the Government's Marine Science Coordination Committee, is well-placed to act as a mechanism to engage with other departments with marine/maritime interests.

The Governance Structure is agreed, the Management Board is in place and nominees for the Scientific Advisory Board are agreed. Funding for co-ordination and support from FP7 will start on 1 September. This will help provide the knowledge base to help define gaps and priorities for action.

There is strong co-operation with ERA-Nets and other initiatives and projects; for example, there are strong links with the current 'SeasERA' EraNet which runs to April 2013.

OTHER JPIs

Progress is also being made with the other seven JPIs that the UK is participating in, with those established earlier being more advanced.

- Neurodegenerative diseases: As the first JPI to be endorsed by the Competitiveness Council, this is well-established with 27 participating

countries, all governance structures and coordination and support arrangements are in place, and the Medical Research Council (MRC) and UK scientists are taking leading roles. The first joint call was launched in September 2011 and four projects have been funded including one from the UK focussed on Creutzfeldt-Jakob disease led by the University of Edinburgh. Further implementation initiatives are planned for 2012.

- Cultural Heritage: This has 17 participating countries and governance structures and coordination and support arrangements are in place.
- The Arts and Humanities Research Council is taking a leading role in identifying research areas, activities, gaps and needs which will form the basis for developing a Strategic Research Agenda. A Heritage Portal, developed by the UK, is central to this JPI.
- A Healthy Diet for a Healthy Life: This has 20 participating countries and governance structures and coordination and support arrangements in place. The first annual conference was held in June 2012 when a project on the determinants of diet and physical behaviour was launched. Two more projects are being developed for launch in autumn 2012.
- More Years Better Lives – the Potentials and Challenges of Demographic Change: This has 13 participating countries, governance structures are in place, coordination and support activities are expected in summer 2012 with joint activities due to be launched in 2013/14. The Economic and Social Research Council (ESRC) is leading for the UK.
- Connecting Climate Change Knowledge for Europe: This has 12 participating countries, governance structures are in place, coordination and support activities are expected in late 2012. Four working groups have been set up and 11 fast track activities agreed in May 2012 to address the transdisciplinary and mainstreaming character of this JPI with the UK involved in four of these activities. NERC and the UK Met Office are represented on the Governing Board and Defra is represented on the Transdisciplinary Advisory Board.
- The Microbial Challenge – an Emerging Threat to Human Health: This addresses the increasing threat of antimicrobial resistance. The JPI has 17 participating countries, governance structures are in place and a Stakeholder Advisory Board is being set up. This JPI was formally approved in December 2011 and funding for the coordination and support activities is being finalised. The Scientific Advisory Board has identified six key themes as the basis for development of a Strategic Research Agenda. The MRC is taking an active part in the JPI which is led by the Swedish Research Council.
- Water Challenges for a Changing World: This has 16 participating countries and governance structures are in place. A pre-launch event for coordination and support activities is planned for November 2012 with a full launch planned for February 2013. NERC (via the Centre for Ecology and Hydrology) is active in this JPI.

There is one further JPI, Urban Europe, which is led by Austria and has a vision of finding joint European solutions to global urban challenges.

We are currently monitoring developments with a view to increasing involvement if appropriate.

JPIs are complex initiatives. They initially require a focus on strategic thinking which takes time and it should be noted that, apart from JPND, JPIs have had less than two years of formal activity. We are happy to provide further updates when there are significant developments to report.

16 August 2012

Letter from the Chairman to the Rt. Hon David Willetts MP

Your letter of 16 August 2012 in relation to various Joint Programming Initiatives (JPIs) was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 10 October 2012.

The information that you provided was extremely helpful in updating us on progress with the JPIs. Please consider this strand of correspondence closed.

11 October 2012

LAND USE, LAND USE CHANGE AND FORESTRY (7639/12, 7640/12)

Letter from the Chairman to Gregory Barker MP, Minister of State, Department of Energy and Climate Change

Your Explanatory Memorandum (EM) on the above Proposal and Communication was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 22 May 2012.

We are content to release the Communication from scrutiny but will retain the proposed Decision under scrutiny.

Broadly, the proposal is acceptable as it takes forward in the EU action agreed at the international level. Clearly it is necessary to develop accounting rules before including the sector in the EU's greenhouse gas reduction commitment.

We consider your approach of ensuring that the legislation is aligned with international definitions and calculations is sensible, as also allowing the flexibility of delegating power to amend the legislation to the Commission in order to bring it into line with international developments.

You have some concerns, though, that delegation of powers to the Commission may not be appropriate in all of the instances proposed by the Commission or, where acceptable, it may need to be clarified. We would be grateful if you could highlight which instances of proposed delegation are of concern to you.

A further concern that you express is in relation to the national land use, land use change and forestry Action Plans, which you shall seek to ensure do not lead to an assumption of competence by the Commission over forestry matters in particular. Could you please expand on the nature of your concerns and which elements of the relevant article you consider to present a particular threat. In our view, a LULUCF Action Plan for the UK and other Member States would in fact be helpful, setting out reforestation plans for example and how reforestation might be financed.

On one point of detail, we are unclear why accounting for wetland drainage and rewetting should be voluntary and would welcome your observations on this matter. In fact, peatland is a huge carbon sink in the UK. Elsewhere in the European Union, there is a risk that potentially fertile wetland might be drained in order to facilitate its use for productive agriculture. Against that background, we see a strong case for making accounting of these activities compulsory.

You note that you are investigating the UK's technical capacity for mandatory accounting of cropland management and grazing land management. We are glad to hear of your investigations and look forward to the outcome.

We recognise that negotiations are at an early stage and that you are yet to produce an impact assessment. In due course we look forward to an update on the progress of negotiations and, within ten working days, we would appreciate your response to the issues highlighted above.

22 May 2012

Letter from Gregory Barker MP to the Chairman

Thank you for your letter dated 22 May 2012, in which you released from scrutiny the Communication while retaining scrutiny on the proposed Decision until further information is provided. Your letter sought clarification of some of the concerns we raised regarding the delegation of powers to the European Commission, LULUCF Action Plans, and voluntary accounting for the activity wetland drainage and rewetting. I will address each of these in turn.

With regard to the proposed delegated powers, we are primarily concerned about the scope of Article 6(9) which could allow the EU to update forest management reference levels, and Article 9(5) where we would want to ensure greater specificity of scientific evidence that the Commission will be drawing upon. We will continue to monitor all of the proposed powers.

With regard to the proposal for LULUCF Action Plans, we agree that there are benefits to providing information on LULUCF action in the interests of transparency and best practice sharing among

Member States. However, as proposed, we are concerned that the LULUCF Action Plans cut across the right balance of effort between European and Member State level. In line with the principle of subsidiarity it is Member States who clearly understand the character and management of their forests and which measures will be best suited. We are therefore concerned to ensure that the Commission promotes knowledge sharing and common reporting whilst Member States retain the initiative to act. In particular we are concerned about the need to produce an additional Action Plan, as opposed to using existing Member State reporting arrangements and we are also concerned by the proposed evaluation of Member State Action Plans by the Commission.

We support a move towards fuller accounting in the LULUCF sector and were pleased to see forest management become a mandatory activity under the Kyoto Protocol. With regards wetland drainage and rewetting I appreciate your view that this should also be made mandatory. However, wetland drainage and rewetting is a newly defined LULUCF activity and the science is still being developed. The Intergovernmental Panel on Climate Change (IPCC) is working on a wetlands report which is scheduled for completion in July 2013 and the IPCC is also undertaking a report on supplementary data requirements for accounting for these emissions. So at this stage we support the European Commission proposal that wetland drainage and rewetting is a voluntary activity. The UK and other Member States may in future elect these activities, so long as we have the science and methodologies to estimate emissions and removals, and can get the requisite activity data, this we are starting to explore.

In addition, the Commission have themselves described this proposal as phase I of a 2-phase approach. We will therefore have the opportunity in any subsequent proposal to include LULUCF activities in Europe's Climate and Energy package, to review the voluntary nature and the current state of the science with a view to possible mandatory inclusion of additional activities such as those mentioned above.

On the accounting for cropland management and grazing land management activities, Defra are undertaking work to assess the feasibility of this for the UK.

By way of update on the progress of the proposal, since you had sight of the proposal, negotiations have continued over three Working Party on Environment meetings and an orientation debate in Environment Council took place on 11 June 2012.

13 June 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 13 June 2012 on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 20 June 2012.

We will continue to retain the proposal under scrutiny.

We are grateful for clarification of your concerns regarding the proposed delegation of powers to the Commission and would ask that you keep us updated on your progress as regards Articles 6(9) and 9(5).

You have helpfully clarified your position on the national LULUCF Action Plans and we would agree that promoting knowledge sharing and common reporting must be the objective of EU action, while Member States retain the right to decide on their own management measures. Some form of evaluation or peer review may be necessary, without binding Member States to subsequent action.

In my previous letter, I suggested that there was a strong case for making accounting of wetland drainage and rewetting activities compulsory. You argue that the science is such that their accounting should be voluntary for the time being. We would accept that the science is developing but we would argue that there is a wealth of information already available, as demonstrated by the report of IUCN UK's Commission of Inquiry on Peatlands.

While it may not be possible to persuade the Commission and sufficient Member States that such accounting should be compulsory, we would suggest that the nature of UK peatland as a large carbon sink is such that the UK is in an excellent position to take a lead and encourage others to follow. Certainly, it seems to us that there is no need to await the IPCC wetlands report in twelve months' time.

As we understand the international situation, the UK will need to decide this year (i.e. before the beginning of the next international commitment period) whether to include wetland drainage and rewetting activities in its national greenhouse gas inventory. We would be grateful if you could confirm this, as also the extent to which your position reflects that of the Scottish Government.

In your letter, you mentioned that negotiations have continued and there has been an orientation debate. It would be helpful if you could set out the nature of any progress made.

We look forward to your response within ten working days.

21 June 2012

Letter from Gregory Barker MP to the Chairman

Thank you for your letter dated 21 June which focused primarily on accounting for wetland activities. You also asked for an update following the orientation debate on Environment Council on 11 June, and to be kept informed of developments regarding the proposed delegation of powers to the European Commission in Articles 6(9) and 9(5).

At the orientation debate, Member States broadly welcomed the Commission's proposal and the staged approach to including LULUCF in the EU's climate targets. However, many Member States shared our concerns about the proposed delegation of powers to the European Commission, LULUCF Action Plans, and mandatory accounting for cropland and grazing land management. On 14 June, the Danish Presidency proposed a compromise Decision text which is closer to the UK's position and was broadly welcomed by Member States at a meeting of the Working Party on Environment on 22 June. Notably, the Presidency text seeks to limit the delegation of power conferred on the Commission to a duration of 8 years from the date of entry into force. A draft report on the Commission proposal by the European Parliament Rapporteur was also released on 19 June.

Regarding accounting for wetland activities, your previous letter recognised that the science is still developing. There are a couple of important points to bear in mind. First, you suggest that wetlands are a large carbon sink. However, we do not have evidence that wetlands in the UK are an overall sink, as many of the peatlands in England are degraded - only 1-30% of English peatlands are currently peat forming (this is likely to be closer to the 1% end of the range) so they will be sources rather than sinks. Degraded peatlands are sources of carbon dioxide (CO₂) and nitrous oxide (N₂O), whilst restored peatlands are a source of methane (CH₄).

Secondly, wetland drainage and rewetting is a new activity and one that the UK does not have the methodology in place to report on in full. We currently report on a voluntary basis the extraction of peat for horticultural use in the UK because of biodiversity impacts, and the historic drainage of lowland peats in England used for arable crops because we have the data available from previous studies. There is currently no agreed methodology for monitoring greenhouse gas emissions from peat and this will not be available until the Intergovernmental Panel on Climate Change (IPCC) report is completed in July 2013.

Nevertheless, a draft methodology is available, some other countries are already accounting for wetlands and the Scottish Government is keen that we account for them in the UK's national Greenhouse Gas Inventory reporting. As you point out, whether the UK voluntarily reports on this activity or not is currently a matter for the UK, and is not therefore a consequence of the proposal before you for scrutiny. Although currently not Government policy I am consulting with colleagues, including in the Devolved Administrations, as to your suggestion that the UK should include wetlands ahead of the IPCC report and will have to respond to you separately in due course.

4 July 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 4 July 2012 on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 11 July 2012.

We will continue to retain the proposal under scrutiny.

It seems that discussions in Brussels are progressing swiftly. We would be grateful if you could update us on the content of those discussions as also on the likely timetable for agreement.

Your letter implies that the vast majority of peatlands in the UK are degrading and thus are net sources of carbon dioxide and nitrous oxide rather than sinks. While we are aware of a certain level of degradation, your comments were alarming. We would be grateful if you could set out for us your intended actions to address the degradation of peatlands.

We are intrigued that the Scottish Government are comfortable with the emerging methodology to account for wetlands but that the UK Government are clearly not. It is our assumption that both

Administrations have access to similar science and advice. If so, how do you explain the difference of approach on an issue which would not appear to be especially political?

We look forward to your response within ten working days.

12 July 2012

Letter from Gregory Barker MP to the Chairman

1. Thank you for your letter of 11 July requesting an update on the negotiations in Brussels and likely timetable for this Decision, and raising questions on action to address degradation of peatlands and apparent differences in approaches between the UK and Scottish Governments on the methodology to account for wetlands. A Minister for Defra will respond on these last points.

2. Since the Explanatory Memorandum was submitted to Parliament, negotiations have taken place at four meetings of the Working Party on the Environment where the UK Government has raised specific concerns regarding delegation of powers to the European Commission; proposed LULUCF Action Plans; ensuring consistency with the approach agreed at the UN level; and mandatory accounting for the agricultural activities known as cropland management and grazing land management.

3. The draft Decision empowers, for an indeterminate period, the Commission to update definitions, accounting periods and reference levels using delegated acts. We have sought to ensure consistency with UNFCCC and other EU emission reduction commitments as well as to limit the delegation of power – to a duration of 8 years from the date of entry into force or until the end of the Commitment Period, whichever is shorter.

4. We have agreed that there are benefits to providing information on LULUCF action in the interests of transparency and sharing of best practice among Member States. However we have questioned the need for Action Plans, as set out, to share best practice and have suggested that this can be achieved through the publication of Member State reports. We have opposed the proposal that these should be subject to evaluation by the Commission as, in line with the principle of subsidiarity, it is Member States who clearly understand the character of their forests and which measures will be best suited to their management.

5. The UK supports the objective of fuller accounting in the LULUCF sector while recognising that the science needed to account for cropland management and grazing land management is still developing. Many Member States may not yet be ready to account for these activities, but some may be prepared to account voluntarily at some stage during the accounting period. We are working with Defra to improve the evidence base and determine whether it is possible (and desirable) to quantify these emissions.

6. At the orientation debate in Environment Council on 11 June, Member States broadly welcomed the Commission's proposal and their two-step approach to including LULUCF in the EU's climate targets, while many also shared the UK's concerns (on the need for consistency with the Kyoto Protocol, delegation of powers to the European Commission, LULUCF Action Plans, and mandatory accounting for cropland management and grazing land management). On 14 June, the Danish Presidency proposed a compromise Decision text which is closer to the UK position and was broadly welcomed by Member States at a meeting of the Working Party on Environment on 22 June.

7. As noted in my letter of 11 July, a draft report on the Commission proposal by the European Parliament rapporteur was released on 19 June and considered at the Committee on the Environment, Public Health and Food Safety meeting on 9-10 July. It proposes expanding the list of mandatory accounting sectors further to also include revegetation, and wetland drainage and rewetting activities. It also proposes that Member States should track and account for emissions from harvested wood products that were harvested outside the Union and used for energy purposes within the Member State on the basis of instantaneous oxidation, while also providing information on the country of harvest and whether harvested in a sustainable manner.

IMPACT ASSESSMENT

8. I enclose an Impact Assessment (Checklist) which sets out early estimates of the main costs and benefits to the UK should a regulatory approach be adopted. The potential impacts of the Decision are that there would be new reporting obligations, requirements to report on additional agricultural

activities and the adoption of new definitions for the purpose of the Decision. As indicated in the explanatory memorandum a full Impact Assessment will be available in September 2012.

9. The Commission's Impact Assessment concludes that LULUCF should not be included under the current 20% emission reduction target, but that LULUCF should contribute to a more ambitious EU target. The preferred method for inclusion of LULUCF would be as a separate legal framework, with the accounting rules as outlined in the Decision. This corresponds to the UK position on the proposal: we are in favour of a move to a robust and comprehensive accounting of LULUCF, based on an increase of the EU's emission reduction target to 30% by 2020.

FINANCIAL IMPLICATIONS

10. In terms of the impact of the accounting rules, the UK already reports some very limited information on emissions and removals from specific activities within cropland management and grazing land management, based on available activity data. Our initial estimate is that the additional reporting burden could have an upfront cost for Government of between £200,000 and £450,000 with a smaller annual cost after that.

11. The proposed definition of 'forest' would require a re-survey of the UK's forests which would have a one-off estimated cost for Government of between £300,000 and £500,000 with an estimate of between £100,000 and £300,000 per year after that.

TIMETABLE

12. The next meeting of the Working Party on the Environment is on 23 July. A vote on the rapporteur report is expected in October and a plenary vote is expected on 15 January 2013.

30 July 2012

Letter from Richard Benyon MP, Minister for Natural Environment and Fisheries, Department for Environment, Food and Rural Affairs, to the Chairman

Thank you for your letter of 12 July 2012 to the Department of Energy and climate Change in which you retain security on the proposed Decision. Your letter has been transferred to Defra due to its focus on the state of peatlands and accounting for wetland drainage and rewetting. I will address each of these issues in turn. As regards your request for an update on EU negotiations, DECC has already provided this by separate letter at the end of July.

With regard to the state of peatlands, Natural England surveyed the state of peat soils in their 2010 report "Englands Peatlands, carbon storage and greenhouse gases" and concluded that a 70% of peatlands showed 'on the ground degradation', with only 1% of the deep peats described as undamaged. A quarter of the deep peat area is under agricultural cultivation, including almost 40% of the lowland fen peat, with pressure also coming from the extraction of peat for use in horticulture.

Defra is taking a wide range of action to protect and enhance England's peat soils. Government provides protection for peatland habitats through statutory area designations, such as Sites of Special Scientific Interest (SSSI) and Areas of Outstanding Natural Beauty (AONB), as well as providing specific incentives for peatland restoration through agri-environment schemes. In addition, three of the twelve Nature Improvement Areas announced by Defra in February 2012 are focused on improving peatland habitats in both upland and lowland areas.

With respect to peat extraction, in the Natural Environment White Paper Government sets out its goal to reduce the use of peat in horticulture to zero by 2030, underpinned by a number of voluntary targets. This is supported by the National Planning Policy Framework, which states that local authorities should not grant further planning permission for peat extraction.

Finally, whilst our understanding of the importance of peat and the benefits it can deliver has grown considerably in recent years, more research is needed to understand, for example, the role of peatlands in climate change mitigation and the impacts of different forms of peatland restoration. Defra has invested £1.5m in a 5 year research programme to establish which restoration methods result in the most cost beneficial impacts, including greenhouse gas savings. We are also investigating the greenhouse gas emissions associated with the agricultural use of drained lowland fens under various management regimes in a £2m project over 5 years. This work will allow us to provide practical advice and guidance on how to most effectively manage these productive areas.

Based on discussions between officials, my understanding is that the Scottish Government position on reporting and accounting for wetlands is similar to our own. The Scottish Government is interested in establishing a methodology for incorporating emissions abatement from peatland restoration into the methodology for calculating the net Scottish emissions account. However, they are clear that they intend to follow (and not anticipate) the IPCC guidelines. They have also communicated to us that they are comfortable with the overall UK approach to support voluntary accounting for these emissions. We will continue to work closely on this with our colleagues in Scotland.

6 August 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 30 July 2012 and the letter from Richard Benyon MP, Minister of State at Defra, dated 6 August 2012 were considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 10 October 2012.

We are grateful for the information provided by both Departments, particularly as regards action to tackle the degradation of peatlands. We can support the approach that you are taking in negotiations and would ask that you provide a further update in due course. In the meantime, we shall retain the proposal under scrutiny.

11 October 2012

LIFE: PROGRAMME FOR THE ENVIRONMENT AND CLIMATE CHANGE (18627/11)

Letter from Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

You outlined in your letter of 9 February 2012 that you were retaining the above proposal under scrutiny. I am therefore writing to provide you with an overview of progress as well as more information on the UK position on the key issues which we have been working on with other Government Departments. I hope the following reassures you that we are consistently pursuing our agreed approach to create more opportunities from the new Regulation and I would be grateful please if you could now issue scrutiny clearance. However, only limited progress has been made on a number of the key issues, and it is difficult to say exactly what will be concluded at forthcoming working groups. I will ask my officials to update yours prior to your sub-committee meeting if there have been significant developments.

TIMETABLE

There have now been five working group sessions on this issue as well as an orientation debate at the March Environment Council. The Danish Presidency has been trying to progress this file rapidly and intends to agree a partial general approach at the 11 June Environment Council. The European Parliament timetable aims to finalise a draft report by the end of May and debate it in the June ENVI committee.

UK POSITION ON THE LIFE REGULATION

The Ministerial write-round agreed ahead of the March Environment Council the following approach:

Sub Programmes

The creation of a specific sub-programme on Climate Action is to be welcomed, and is in line with Europe 2020 objectives. More generally the other identified priority areas (nature and biodiversity, resource efficiency, waste, water and air) support delivery of UK objectives. However we consider the Programme should support a more holistic approach to biodiversity issues and not focus too narrowly on action solely on Natura 2000 sites, in line with the landscape scale approach being adopted in the UK.

Multi-annual work programme

In general the Commission are proposing that much of the detail of how the programme will operate should be left to either implementing acts, such as the multi-annual work programmes (which must be

agreed by a Committee of Member State representatives) or be dealt with by delegated acts (which can only be blocked by the Council or European Parliament), which leaves the Commission with considerable discretion. We believe that some issues (such as the concept of geographical balance, the percentage of the programme budget to be allocated to action grants and the split of funding between Integrated and Traditional projects) are fundamental to the operation of the programme and we are therefore supporting calls for these to be dealt with within the Regulation itself.

Integrated Projects

In principle the concept of Integrated Projects and their aim to promote a more strategic approach in specific priority areas and better alignment with other EU and national funds sounds very sensible and is one we are welcoming. However this is a new approach at the EU level, is untried and raises issues around how the co-ordination with other EU funding will be secured. The projects are expected to be much larger in scale and consequently are likely to require leadership from public bodies in partnership with others. In order that these projects are viable our position has been that requirements should not be overly prescriptive and in particular that there should not be a strict requirement for the mobilisation of other EU funds (such as structural funds). In particular we have been arguing that Member States should retain the flexibility to decide where and how LIFE is better aligned with other EU funding streams. We have also been supporting measures to move to integrated projects on a gradual basis, to introduce a review mechanism and to define the proportion of funding for integrated projects compared to traditional projects.

Territorial Scope

The Commission proposes to expand the range of countries able to participate in the new LIFE programme to include, for example, Morocco, Egypt and Syria (which are covered by the European Neighbourhood Policy). Some Overseas Territories of Member States, such as France, have been able to access LIFE funding because they are regarded as EU Outermost Regions and subject to all the provisions of EU law. It has been generally accepted that the Overseas Territories of the UK and other Member States were not eligible. However a recent Commission intervention suggests that these Overseas Territories may be within scope of both the old and the new Regulation, and we are awaiting clarification on this from the Commission's legal services. In any event we will continue to press the Commission to be consistent in its approach on overseas areas and accept that there is a strong case for assisting our Overseas Territories, in particular recognising their importance for biodiversity. One of the concerns for some Member States is that this may reduce any nominal national allocations, although we consider that this can be managed by including such expenditure within any national provision. We have therefore been working with the French and Dutch to build an alliance on this issue and argue for the express inclusion of Overseas Territories within the Programme. We believe that this is also likely to be raised when the European Parliament considers the Commission's proposal.

Simplification process

The key change here is that VAT costs and the costs of permanent staff not specifically recruited to projects should become ineligible for funding. The Commission's argument is that these costs are overly burdensome in terms of monitoring and reporting both for the Commission and project beneficiaries. Their proposal is to increase the rate of co-financing from 50% to 70% (and in the case of Integrated Projects to 80%) and are arguing that this increase will mean project beneficiaries are not disadvantaged and receive the same level of support as under the current LIFE+ Regulation. However there is concern amongst UK stakeholders both in relation to the principle of making these costs ineligible (which it is considered might make it much more difficult for some previous recipients, such as NGOs, to apply for funding) and about whether the proposed increase to the co-financing rate is adequate compensation. We consider these costs should be eligible and, as a fallback, that the co-financing rate should be increased above 70%.

Management

We are concerned that the Commission's proposal to remove the system under the current programme of indicative national allocations of the budget amongst Member States could reduce the amount of funding received by UK projects. The Commission propose that funding for Traditional projects is based solely on merit which would tend to favour Member States that submit a very high number of proposals at present, and disadvantage Member States that submit fewer (such as the UK) or have less capacity to generate high quality proposals. They are also recommending a system of geographical balance for Integrated Projects but there is no agreed process on how that would work. We have therefore been arguing that the current system should be rolled forward whereby indicative funding for all project types is divided between Member States on the basis of clear criteria with all

projects having to meet a minimum threshold (thereby providing reassurance as to the quality of projects).

Budget

The Government's position is that the majority of EU financing for environmental and climate objectives should come from mainstreaming these concerns across the EU budget. The contribution from the LIFE programme is therefore recognised as one small, yet important, component in achieving our climate, biodiversity and environmental objectives by focussing on funding innovation and establishment of best practice.

The Commission has proposed an increase to the Programme budget from €2.1 billion in the current programme period to €3.6 billion between 2014-2020 in commitment terms. It is likely that the payments flowing from these commitments will represent an increase above a real-terms freeze in payments. The Government's overriding priority for the Multiannual Financial Framework is to secure budgetary restraint, thereby ensuring that the EU budget contributes to domestic fiscal consolidation. The Prime Minister has stated, jointly with his EU counterparts, that the maximum acceptable expenditure increase through the next MFF is a real-terms freeze in payments. The UK's approach across the budget is consistent with the overall freeze on spending. The UK is not asking for additional funding in any area of the Budget, even in priority areas. We cannot therefore support a real-terms increase in the LIFE programme, as proposed by the Commission. We will continue to monitor the exact position and overall size of the budget with HMT as negotiations on the MFF progress.

NEXT STEPS

Negotiations are continuing on an article by article basis. We have also been working with MEPs ahead of the discussions in European Parliament to highlight our key concerns and issues.

Based on the above and our previous correspondence, I would be pleased if you could grant scrutiny clearance, or a scrutiny waiver, prior to the Environment Council.

14 May 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 14 May 2012 on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 22 May 2012.

We understand that agreement to a partial general approach is very unlikely at the 11 June Environment Council. In that context, we shall retain the proposal under scrutiny but, should the situation change as regards the 11 June Council, please do write to me accordingly.

Your detailed outline of the UK position was very helpful. We look forward to an update on progress once the plans of the Cypriot Presidency for this dossier are clear.

23 May 2012

MARINE KNOWLEDGE 2020: FROM SEABED MAPPING TO OCEAN FORECASTING (13457/12)

Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the Marine Knowledge 2020 Green Paper was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

The Committee will retain this document under scrutiny.

You helpfully set out the Government's initial reaction to the Green Paper, but we would welcome confirmation that the Government will also be expressing its views directly to the Commission through a response to the consultation and that you will share the content of your response with the Committee upon completion.

The Paper relates closely to our work on fisheries and energy in the marine environment. We welcome the principle of ensuring that information on the marine environment is shared wherever possible. This is clearly logical, avoids duplication and represents value for money.

In designing mechanisms for doing so, it will of course need to be ensured that they are efficient and that they respect the principle of subsidiarity. We would point out that regional and local administrations also have an interest.

We are concerned about the lack of clarification in regards to the commitment expected from Member States and the private sector. Are you aware of any views that have been expressed on this issue by other Member States or private sector companies?

We look forward to a response in due course.

18 October 2012

NON-COMMERCIAL MOVEMENT OF PET ANIMALS (7326/12)

Letter from Lord de Mauley, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

Further to your letter of 25 April, I am writing to provide an update on the above proposal.

Overall, I am pleased to report that the negotiations have progressed well. There is wide-ranging support amongst Member States for existing regulations on pet movements to be updated in line with the Commission's proposals and a broad consensus has been established on content. Discussions at Council have now concluded and we are content with the latest draft of the Commission proposals.

As my predecessor, Lord Taylor explained in the Explanatory Memorandum of 19 March 2012, there were three key amendments to the pet movement regulations proposed by the Commission, which the UK supported, namely:

- a derogation to exempt certain intra-Community movements of pets from the vaccination requirement;
- a derogation to allow Member States to authorise movements of non-compliant pets into their territory;
- a new checking provision whereby Member States must carry out random or targeted documentary and identity checks on pets coming from other Member States.

A number of Member States expressed concern at these amendments, primarily on the basis that they could erode the principle of having a universal set of rules across the EU. The UK argued that these amendments would build important flexibility into the system, which is something we and a number of other Member States have been seeking for some time. The Commission also defended these proposals robustly and they remain substantively unaltered in the proposals.

The two areas of concern for the UK with the proposals were the requirement for vets to keep records for ten years and some suggested revisions to definitions, in particular what constitutes a 'non-commercial movement'. The Commission accepted the UK's argument that there would be a disproportionate burden placed on vets and the revised draft now requires vets to keep records for a maximum of three years. This is in line with veterinary practice in the UK so this is a welcome amendment.

Overall we are content with the current set of draft definitions, including for non-commercial movement, which should not prevent pet owners travelling to shows under non-commercial pet movement rules. The latest draft of the Commission proposals can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0089:FIN:EN:PDF>

I enclose an initial economic analysis of the proposal following the conclusion of discussions at Council confirming that estimated costs of implementation as currently drafted are likely to be minimal [not printed].

The proposals are now before the European Parliament for consideration. The Rapporteur published his report in August. He proposed around 170 amendments, mostly minor and related to improving

the structure and readability of the document. There are however two amendments which are of potential concern for the UK.

The first relates to microchipping. The Rapporteur has proposed an amendment to Article 17 to restrict the implantation of transponders to veterinarians. We agree that there should be minimum levels of competence for implanting microchips: however, we are not aware of any definitive evidence to suggest that well trained, highly practiced non-vets cannot carry out these procedures as well as, if not better, than vets who often have received no specific formal training on microchip implantation. This position is supported by key UK NGOs, including the RSPCA, Dogs Trust and Kennel Club, who have experience in this area and currently implant the vast majority of microchips in the UK.

The second area relates to the establishment of a database to record pet movements. We expect there to be a number of MEP amendments supporting this, following lobbying by NGOs. In our view the benefits of such a "pet database" are significantly outweighed by the costs. There are many hundreds of thousands of pet movements across EU borders each year so the cost of designing, building and maintaining a database capable of accurately recording and reporting on these movements is likely to be substantial. Other EU-level databases have in the past proved unreliable with the technology quickly becoming obsolete. A database will also place burdens on those responsible for recording the information and pet owners themselves may be faced with extra costs to keep their information up to date (for example if they change address).

The benefits of such a system are unclear. Pet movement rules are in place to control disease, in particular rabies. The purpose of the microchip under EU pet movement rules is to provide objective evidence that the animal presented for entry is the animal referred to in the supporting documentation; the documentation provides evidence that it has undergone the necessary animal health procedures. The registration of animals on a database will provide no added disease control benefits in this context. In a disease outbreak involving an imported pet, a database would only be of limited help in confirming date and point of entry which, in the majority of cases, could be confirmed by the owner in any case. A database would not help address the key questions about that animal's movements and possible contacts once it was in the country. Both the Rapporteur and the Commission support our view that establishing a pet movement database would not be cost effective.

Discussions are at an early stage and we are working with UK MEPs represented on the ENVI Committee (who are the lead Committee for this proposal) to propose counter-amendments that better reflect our views. We expect the proposals to be considered at the European Parliament plenary session in March 2013.

30 October 2012

NORTH-EAST ATLANTIC: FISHING AND DEEP-SEA STOCKS (I2801/12)

Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 10 October 2012.

We strongly support the proposal and would emphasise the urgency of its adoption. You note that you have concerns about the quality of the draft, which you will no doubt be raising with the Commission at the earliest opportunity. We would welcome information from you on the Commission's response, and also information on the position of other Member States.

You indicate that you will be undertaking further analysis on the application of the proposal to the UK fleet operating mixed fisheries with deep-sea fisheries as bycatch. We would appreciate information on the outcome of your analysis once complete, and also any information that you are able to share on the outcome of your discussions with stakeholders.

It is clear to us that success of the legislation will rely on effective monitoring and enforcement. How convinced are you that appropriate mechanisms are in place to ensure effective monitoring and enforcement across the North-East Atlantic, including EU waters?

We will retain the proposal under scrutiny and look forward to receipt of the information requested within twenty working days.

11 October 2012

NUCLEAR DECOMMISSIONING: ASSISTANCE PROGRAMMES FOR BULGARIA,
LITHUANIA AND SLOVAKIA (17752/11)

**Letter from Baroness Verma of Leicester, Parliamentary Under Secretary of State,
Department of Energy & Climate Change**

You wrote to my predecessor on 17th January 2012 following the Government's submission of an Explanatory Memorandum on the above EU assistance proposal.

In your letter you raised three issues; whether the UK Government considered the level of financial assistance available to be adequate, whether the conditionalities are sufficiently robust and, the involvement of UK interests in the decommissioning work being undertaken.

Since you wrote the Council's Atomic Questions Working Group (AQWG) have again considered the proposal. Bulgaria, Lithuania and Slovakia all stated that the financial assistance offered falls short of what they claimed was needed – they are seeking around €500m (£400 million) each to complete their decommissioning programmes. While undoubtedly there are high costs to undertaking such work they did not provide any compelling arguments on why the additional costs cannot, as was agreed as part of their Accession Treaties, be met nationally rather than at the EU level.

The Commission are standing resolutely by their assessment that an additional €500 million (£400 million) shared between the three Member States is adequate. This figure needs to be considered in light of the Accession Treaties which require that any additional finances to those provided by the EU would need to be found by the Countries themselves.

Bearing in mind the sums of money already provided - €2.85 billion (£2.3 billion) covering the period up to the end of 2013 - it is the view of the UK that the money offered by the proposal and the Commission's assessment is reasonable.

However, the delivery of the programmes does rely on the ability of the countries to effectively manage the programmes and ensure they make sufficient contributions to the overall cost from national budgets. Any decision on allocating additional EU funds above those proposed by the Commission can only be taken in light of the wider aims of the UK's position on the EU budget.

It is also the view of the UK that the ex-ante conditionalities contained within the regulatory proposal provide a robust mechanism for ensuring any assistance provided is effectively used so that value for money is achieved. The provisions will provide the Commission with sufficient information to ensure an appropriate level of oversight on the management of the programmes.

In relation to your final point on the opportunities open to UK business from the decommissioning programmes I can confirm that, like all EU Member States, UK business is able to bid and compete for contracts. UK business has had some good success in this regard as, for example, AMEC are currently leading a consortium of businesses undertaking decommissioning work at the Ignalina site in Lithuania.

16 October 2012

Letter from the Chairman to Baroness Verma

Your letter of 16 October 2012 on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 24 October 2012.

On a procedural level, the Committee would be grateful to know why it took nine months to receive a response on this highly important topic.

Turning to the substance of your letter, we understand the Government's position that the money offered by the proposal and the Commission's assessment is reasonable, but that the Government are concerned that, if the money proves insufficient, the Member States involved will not be able to complete the project. Your letter states that any decision on allocating additional EU funds "can only be taken in light of the wider aims of the UK's position of the EU budget". Does the Government yet have a position on whether, if negotiations on the rest of the EU budget are not favourable, it will be content to run the risk that these programmes will end before completion of decommissioning? Moreover, based on the experience of decommissioning in the UK, the Committee is interested to know what the actual cost of the decommissioning programmes in these three countries would be?

We appreciate confirmation that the Government considers the ex-ante conditionalities contained within the proposal as a robust mechanism. The Committee is also pleased to note the involvement

of UK interests in the decommissioning work being undertaken, such as the consortium being led by AMEC.

We will retain the proposal under scrutiny and we look forward to a response within ten working days.

25 October 2012

POWERS TO BE CONFERRED ON THE COMMISSION: BREAKFAST DIRECTIVES (8842/12)

Letter from the Chairman to the Rt. Hon. Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 22 May 2012.

Pending further progress on the Regulation, and particularly with your assessment of the acceptability or otherwise of the changes proposed, we will retain this item under scrutiny. We would appreciate an update from you once you have had a chance fully to consider the Commission proposals and to form a view.

We note that you will be looking to retain consistency between these directives and the changes agreed for the fruit juice directive and we support your approach. In particular, we were interested to note that the Commission has proposed some supplementary and additional powers to be conferred on it in addition to those changes proposed for alignment of the existing powers. We would be grateful if you could clarify whether there are any of these additional delegated powers which you are supportive of, and if so, on what grounds.

Finally, we would be interested to hear your understanding of the initial approach to the proposal being taken by other Member States and the European Parliament. We would appreciate a response on these points within ten working days.

22 May 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter of 22 May regarding the recently submitted EM for the above proposal. You raised some additional questions and sought more detail regarding our views on the Commission's proposal for additional delegated powers and the position of other Member States and the European Parliament.

This proposal has only recently been published and discussions have not yet commenced in Brussels, so it is currently somewhat difficult to anticipate other Member States' approaches or reactions. However, it is our view that most Member States will be cautious about conferring too many additional powers on the Commission and it is likely that they will take a similar position for these directives as they have done for the recently adopted Fruit Juice Directive.

It is, of course, still in Member States' interests to enable largely technical amendments to be made quickly to respond to new technological advances or take account of developments in international standards without going through the Ordinary Legislative Procedure. We are very much supportive of this and recognise that there is a balance to be struck. At present the Commission has very limited power to amend the existing directives and these are restricted to corrections or very minor technological changes. A recent amendment to the fruit and vegetable regime provided the Commission with powers to make adjustments to the Fruit Juice Directive to take account of developments in the international Codex standard on fruit juice. Such powers do not currently exist for the five directives covered by this proposal and one of the main new provisions is to delegate powers to allow amendments, to take account of developments in international standards and adaptations to technical progress.

During discussions on the fruit juice negotiations Member States were cautious in agreeing which parts of the directive were deemed non-essential elements. As such the Commission has been restricted to amending only the technical parts of the annexes, such as those relating to authorised ingredients, treatments and substances, and setting Brix levels (a measurement of sugar/acid) for juices. Powers were not conferred on the Commission to amend any of the product definitions

contained in the annexes or indeed those definitions of the raw materials used in fruit juice production. Member States, including the UK, took the position that these definitions were an integral part of the directive and that changes to these could have significant effects on the product and on trade. The Commission does not have any power to amend the articles.

We are supportive of the proposal to confer additional powers on the Commission as a result of the Lisbon alignment exercise but only for specific non-essential elements which are technical in nature. We remain cautious about proposals which appear to suggest that the Commission would have the power to amend the products definitions contained in the annexes [not printed]. The Government would be concerned about any measures making it easier to change such definitions, particularly in the case of the Chocolate Directive, where we had to fight hard to ensure our interests were retained. For example Annex I of the Chocolate Directive defines chocolate by way of its cocoa solids content; the UK has a derogation to have a lower cocoa solids and higher milk solids content to take account of our consumer's preference for milkier chocolate. For directive 2000/36, the proposal appears to allow delegated acts to amend the products definitions. We will take a cautious approach as there may also be different views about what amounts to technical characteristics and technical progress. The UK would not be supportive of any Commission delegated powers for the product definitions and will argue that this is an integral and essential part of the Directive.

You also asked about the views of the European Parliament on this proposal. A Rapporteur has not yet been appointed nor has any discussion commenced, but it is likely that the Parliament will be against conferring too much power to the Commission and will also not wish to see the Commission with the power to amend definition and any aspect integral to the product.

The Commission has not indicated its timelines for discussion of this proposal but we envisage negotiations may get underway in the Autumn. I will of course keep the Committee updated on progress and will write again once negotiations have commenced.

30 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Thank you for your letter dated 30 May 2012, which was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 13 June 2012.

We note that negotiations on the proposal are unlikely to begin before the Autumn and that it is therefore difficult to anticipate the likely approach of other Member States and of the European Parliament. That being the case, we look forward to a further update once negotiations are underway and will continue to hold this item under scrutiny.

13 June 2012

PROPOSAL TO RELAX THE BAN ON FEEDING PROCESSED ANIMAL PROTEIN

Letter from the Rt. Hon. Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs, to the Chairman

I am writing to inform you of the Government's position on a draft European Commission Regulation (SANCO/10843/2011) to amend Regulation (EC) No.999/2001 by the regulatory procedure with scrutiny to allow the feeding of processed animal protein (PAP) derived from pigs to poultry to farmed fish.

The proposal originates from the European Commission's Transmissible Spongiform Encephalopathies (TSE) Roadmap 2, which was cleared by the House of Commons European Scrutiny Committee in September 2010 (EM 12380/10) and the House of Lords European Select Committee (Sub-Committee D) in October 2010.

The Commission is expected to seek a vote on the proposal at the Standing Committee on the Food Chain and Animal Health in June 2012, under the EU's regulatory procedure with scrutiny. The adoption of the proposal would require the use of a new test to detect ruminant (e.g. cattle and sheep) protein in animal feed, which is expected to complete the validation process in June 2012.

Although there are arguments in support of the proposal, UK Chief Medical Officers oppose it on precautionary public health grounds and the Food Standards Agency (FSA) Board has advised Ministers not to support it. The immediate benefits of the proposal to the UK are limited.

In view of the reservations outlined above, the Government has decided that the UK should not support the proposal and should abstain in any vote.

24 May 2012

PROTECTION OF JUVENILES OF MARINE ORGANISMS (13076/12)

Letter from the Chairman to Richard Benyon MP, Parliamentary Under-Secretary for Natural Environment and Fisheries, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above proposal was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 10 October 2012.

The Committee will retain this proposal under scrutiny.

Given the context of Common Fisheries Policy reform and the coexisting proposal from the Commission (EM 11915/12) on similar, more substantive amendments, the Committee would be grateful for further information regarding the reasoning behind these proposals being brought forward at the same time.

Moreover, we would appreciate information on whether there is any opposition from other Member States, as suggested in the EM, and request to be kept informed of progress in securing the withdrawal or delay of the proposal.

We look forward to a response within ten working days.

11 October 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 11 October following my Explanatory Memorandum for the above proposal. I apologise for the delay in replying.

You asked for further information regarding the Commission's reasoning behind bringing forward this proposal for alignment of the technical conservation regulation with the Lisbon Treaty, at the same time as bringing forward the proposal making substantive amendments to the same legislation (EM 11915/12).

We have no insight into the Commission's reasoning for this. There was a similar example of this earlier this year with the cod recovery plan – the Commission issued a similar Lisbon alignment proposal at a crucial time when we were keenly anticipating one making much needed substantive amendments.

We recognise the Commission's duty to bring such legislation into alignment with the Lisbon Treaty. However, we would prefer this was done with more heed to other urgent work taking place at the same time. Although in my EM I suggested a likely backlash from Member States in this case for these reasons, in fact the Cypriot Presidency has not prioritised discussions on the dossier, instead allowing the more urgent work on the transitional measures to take precedence at Council Working Group level.

The Cypriot Presidency's handling has meant officials have been able to concentrate on the important process of addressing the substantive amendment – very necessary as this needs to be agreed through co-decision before the end of the year. On that dossier currently we have an agreed Council negotiating mandate to agree a compromise proposal with the European Parliament to go forward for adoption – the indicative date for the EP plenary vote is for 20 November. I will be reporting to the Scrutiny Committees of both Houses on the detail of that very shortly.

No doubt attention will return to addressing this alignment proposal in due course, once the substantive amendments are agreed and finalised for adoption.

20 October 2012

RAW MATERIALS (7247/12)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE B]

Letter from Mark Prisk MP, Minister of State for Business and Enterprise, Department for Business, Innovation and Skills, to the Chairman

I am writing to inform you that the Council Conclusions on the European Innovation Partnership (EIP) on Raw Materials were adopted by the EU Environment Council (not Competitiveness Council as expected) on 11 June 2012 with the following paragraph:

“Furthermore, ENCOURAGES the implementation and further development of the European innovation partnerships and SUPPORTS the launch of the European Innovation Partnerships on Water and on Raw Materials to break down barriers to innovation and facilitate the development of innovative solutions in the fields of water management and of sustainable supply, use, recycling and substitution of raw materials, taking into account its (Competitive Council) Conclusions of 30-31 May 2012 on European Innovation partnerships.”

The European Commission have informed UKRep that they are working on the basis that the Competitiveness Council should also be given an opportunity to express a view on the Raw Materials EIP, because (unlike Water), the majority of the policy it covers is in the remit of that configuration of the Council. This would mean waiting until December (when the Cypriot Presidency have envisaged including this in Industrial Policy conclusions) when they hope to be able to both get endorsement for the launch and for the Council to appoint the Ministerial members of the EIP's High Level Steering Group at the same Council.

However, if Member States indicate that they are content to launch the Raw Materials EIP on the basis of the Environment Council endorsement, the Commission is ready to do so. However they will still want the Council to appoint the Ministers to the Steering Group so may still need to delay formal commencement of work until then. Regardless of the formal Council process the Commission will continue with working-level preparations.

Given that the Council's and Commission's approaches allay the Government's concerns about haste in launching the EIP and have also undertaken to let Council know at an earlier stage about future EIPs we would on balance be supportive of an early launch of the Raw Materials EIP. In particular starting now any R&D and innovation related recommendations from the Strategic Implementation Plan would be delivered in time to influence the planning for the first calls for proposals in this topic in Horizon 2020.

On 31 May, the Council Conclusions on European Innovation Partnerships adopted at the Competitiveness Council addressed some of the lessons learned from the EIP on Active and Healthy Ageing pilot EIP. The Conclusions recommended further evaluation of the pilot to clarify and develop practical implementation of the EIP concept focusing on governance issues (size and composition of the Steering Group and transparency of the appointment process) and the Strategic Implementation Plan.

The EIP Conclusions also invite the Commission to work towards ensuring a strong and high level of commitment from all key stakeholders including all types of innovation actors, in particular SMEs, on a long-term basis.

22 June 2012

Letter from the Chairman to Mark Prisk MP

Your letter on the above Communication was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 25 July 2012.

We would like to thank you for the update you have provided following the adoption of Council Conclusions on 11 June supporting the launch of European Innovation Partnerships (EIPs) on water and raw materials.

We note that your concerns about the haste with which the EIP on raw materials was being launched have been addressed, to the extent that you are now supportive of an early launch. Please could you clarify whether it is likely that this early launch of the EIP, not waiting for the Competitiveness Council in December, will go ahead.

A concern you previously expressed on the EIP proposal, shared by the Internal Market, Infrastructure and Employment Sub-Committee, related to the importance of strong and effective leadership for the success of EIPs. It is not clear to us from your letter whether this point has been resolved to the Government's satisfaction – we would be grateful if you could address this issue in your reply.

The Sub-Committee on Agriculture, Fisheries, Environment and Energy has also scrutinised the proposed EIPs on agriculture and water. In both instances, the importance of engaging stakeholders at a local level has been emphasised, in addition to ensuring that the outcome of work by the EIP filters down. These issues are part of the linked concepts of innovation networks and knowledge transfer. We would welcome details on your proposed strategy to highlight the potential benefits of the raw materials EIP to relevant local stakeholders in the UK, as also how you consider the outcome of the EIP's work can filter down most effectively.

We look forward to a response within ten working days.

26 July 2012

REFORM OF THE COMMON ORGANISATION OF THE MARKET IN WINE (11446/12)

Letter from the Chairman to the Rt. Hon Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above Special Report was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 25 July 2012.

We are content to release the Report from scrutiny, but would appreciate your assistance with some outstanding issues.

First, the EM states that the report has no implications for Community wine policy. This we question, though, as the Common Organisation of the Market proposal, discussed in Council just last week, includes provision on wine. Could you clarify whether or not that proposal would make any changes to the wine regime? Furthermore, are there any issues arising in the Special Report which might be resolved in the current negotiations, such as the important issue of addressing the tension between the grubbing-up measure and funding for restructuring and conversion?

Second, we heard in our 2006-7 inquiry into the EU wine regime that the planting rights system applies only to production in Member States whose annual production of wine exceeds 25,000 hectolitres. We understood that UK production might rise to about that level by 2010. At what level does UK production currently stand and what are the implications of that for the possible impact of the EU regime on the UK industry?

26 July 2012

Letter from the Rt. Hon Jim Paice MP to the Chairman

Thank you for your letter dated 26 July 2012 in which you released the above proposal from scrutiny.

The report of the European Court of Auditors (ECA) will not have any direct impact on the wine regime. It does raise a number of issues that we hope will be reflected in the Commission's Report to the European Council and Parliament on the Wine Reform at the end of the year. This will be an important document, as it will help shape the future of the wine elements in the post 2013 CAP. As part of our wider considerations on this, we will look closely to see how the restructuring and conversion scheme could be improved to make it operate more in harmony with measures to control surplus production.

Against this backdrop, some small scale changes to the existing Single CMO Regulation are still being considered. Among these is a proposal to harmonise the financial aspects of the wine single payment scheme (SPS), which is currently based on an annual funding cycle, with the multi-annual SPS arrangements that apply to other sectors. We support the administrative simplification proposed by the Commission. The UK has already taken the decision to allocate payments to vine growers through the general SPS arrangements, so these are already aligned with the multi-annual system.

As part of the 2008 Wine Reform discussions, the UK successfully negotiated a permanent exemption (without any ceiling of production) from the vine planting controls system operated by the larger EU producers. We also supported the removal of EU planting controls in 2015 or 2018 if required.

However the planned removal of the planting rights system has recently been called into question by key European industry and political figures. The Commission has convened a High Level Group to consider the matter in detail. The UK is represented on this group and maintains the view that EU planting controls should be removed, consistent with the key aims and objectives of the Reform. At this stage there is no suggestion that these rules would be extended to the UK, but we are monitoring this closely.

The UK currently produces on average around 20k hectolitres of wine. This figure is increasing but also highly weather dependent. 2010/11 for example saw our biggest harvest ever of over 30k hectolitres (approx 4 million bottles). Year on year our planted area of vines is steadily increasing, but with a three to four year maturation, those planted in 2008 are only now expected to come fully into production.

29 August 2012

Letter from the Chairman to David Heath MP, Minister of State, Department for Environment, Food and Rural Affairs

Your predecessor's letter of 29 August 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for the helpful letter informing the Committee that whilst the report of the European Court of Auditors will not have any direct impact on the wine regime, it does raise a number of issues (which will hopefully be reflected in the Commission's Report to the European Council and Parliament on the Wine Reform). The Committee also appreciates the response providing the UK's current production level of 20k hectolitres.

The Committee is content to mark this strand of correspondence as closed.

18 October 2012

REFORM OF THE SUGAR MARKET (16315/10)

Letter from the Chairman to the Rt. Hon Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

As you are aware, following our last correspondence on this item in March, our Sub-Committee on Agriculture, Fisheries, Environment and Energy undertook an inquiry into the EU sugar regime. We have now concluded that inquiry and will publish our report on 4 September.

In that context, we would like to mark scrutiny of the sugar regime under this dossier as closed and to take this forward in the context of our inquiry and corresponding Committee report and, as you suggest, within our scrutiny of the CAP reform proposals as a whole.

Thank you once again for your contribution to, and assistance with, our inquiry.

This letter does not require a response.

26 July 2012

REMOVAL OF FINS OF SHARKS ON BOARD VESSELS (17486/11)

Letter from Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

With regard to your letter dated 18 January 2012, I am pleased to provide the Agriculture, Fisheries and Environment Sub-Committee with an update on progress made on amending Council Regulation (EC) No 1185/2003. The intention of the amendment, which the UK strongly supports, is to remove a derogation that allows Member States to issue, subject to certain requirements, special fishing permits for the removal of shark fins at sea.

We are still awaiting the formal submission of the Portuguese Rapporteur's draft report on the proposed amendments to the Regulation. This is expected in July 2012. Following this we are expecting a vote on the amendments by the European Parliament Committee on Fisheries (PECH) to take place during September and a Plenary vote in October/November 2012.

I will contact you again when further progress has been made on securing the proposed amendment to Council Regulation (EC) No 1185/2003.

16 July 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 16 July 2012 on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting on 25 July 2012.

We are grateful for your letter and look forward to an update from you in the Autumn, with some clarity on the emerging detail of the text of the draft Regulation as it progresses through the European Parliament and Council.

26 July 2012

“RENEWABLE ENERGY: A MAJOR PLAYER IN THE EUROPEAN ENERGY MARKET” (11052/12)

Letter from the Chairman to Charles Hendry MP, Minister of State, Department for Energy and Climate Change

Your Explanatory Memorandum (EM) on the above Communication was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 11 July 2012.

It is unclear to us whether you would support targets for renewable energy post 2020 and we would welcome clarification on this. On the particular issue of encouraging emerging renewable technologies such as wave and tidal stream, electric cars and advanced biofuels, you note that they will need support. In our view, some of them – particularly marine technologies – will be able to support themselves very soon. Might a strong renewable target be of assistance to such technologies, which may just need that additional regulatory guarantee in order to secure investment? If not, how do you intend to encourage the development of those technologies?

Your policy is predicated on a clear carbon reduction pathway. Agreement on this appears to be elusive among the EU-27. For the moment, therefore, the EU has no discernible climate or renewables policy post-2020. How are you working to resolve this diplomatic impasse?

You note that the proposal to develop the EU's sustainability framework further is consistent with the recently published UK Bioenergy Strategy. In that Strategy, you commit to working closely with the Commission on the sustainability of bioenergy. Could you set out for us what work the Government are already undertaking to that effect?

The third of the Commission's options for future actions suggests binding national renewable energy targets and co-ordinated support. You refer to your position on state aid and you wish to ensure that any Commission guidance regarding renewable support schemes should take into account work on the modernisation of state aid. Could you elaborate, please, on the outcomes that you would like to see for state aid as applied to renewable energy support throughout the EU?

We would be grateful if you could inform us when it becomes clearer what action the Cypriot Presidency would like to take on this Communication. We shall retain the Communication under scrutiny and look forward to a response within the usual ten working days.

12 July 2012

Letter from Charles Hendry MP to the Chairman

Thank you for your letter of 12 July in which you raised a number of questions following consideration of our Explanatory Memorandum on the Commission's Communication at the Agriculture, Fisheries, Environment and Energy Sub-Committee meeting. I will take each of your points in turn.

POST-2020 AMBITIONS FOR RENEWABLES

We wrote to the Commission in March 2012 following the publication of their 2050 Energy Roadmap. In that letter (attachment A) [not printed], we set out our vision where multiple low carbon

technologies: renewables, nuclear and CCS all compete freely against each other in the years to come, driving down capital costs as the market forces innovation and greater efficiency. For that reason we said that, while we expect renewables to provide the bulk of low carbon generation in the UK and accepting the need to provide long term certainty to the market, we are not minded to support a 2030 renewable target. Any technology-specific target we feel risks distorting the market and making investment in low carbon technologies more difficult. It could also force the EU down a more expensive route to 2050 than is necessary.

SUPPORT FOR EMERGING RENEWABLE TECHNOLOGIES

Given the considerable uncertainty over which technologies will emerge as the most economically efficient and appropriate to deliver the necessary carbon reductions and energy security over the coming decades, we need to ensure that we retain the maximum possible flexibility in delivering these goals. Through the Electricity Market Reform and supporting policies, the UK's aim is to provide the framework for competition between all low carbon technologies - renewables, nuclear power and carbon capture and storage - to drive innovation and cost reduction, and to hedge against the risk of one technology failing to reduce costs or to maintain public acceptability. Setting targets for specific renewables technologies could lead to a situation where the UK might be foregoing the most cost-effective carbon savings.

There are though less mature technologies for which we will need to identify the most appropriate way to help secure investment to encourage and enable their further development and commercialisation. We will retain the flexibility under Electricity Market Reform to treat these differently to the majority of technologies, as we do within the Renewables Obligation.

For example, wave and tidal stream technologies are still at a relatively early stage of development with around 8 MW of prototypes undergoing testing in the UK. While progress has been made in pre-commercial deployment in recent years we are working with the sector, through the Marine Energy Programme Board and the Marine Energy Array Demonstrator scheme, to help drive development and deployment of commercial scale wave and tidal stream energy devices. In the Renewables Obligation banding review consultation we also propose to more than double the current level of support for wave and tidal technologies to 5 ROCs/MWh (Renewable Obligation Certificates per megawatt hour) subject to a 30MW project cap to help stimulate further investment in the sector.

EU POST-2020 POLICY FOR CLIMATE CHANGE AND RENEWABLES POLICY

The Commission have issued a series of Communications that outline how the EU could meet its 2050 carbon reduction goals. As a follow up to these Communications we expect the Commission to come forward with more concrete proposals for the post-2020 framework in the coming 18 months. At this moment the exact timetable and nature of proposals is not yet clear.

The **Low Carbon Roadmap 2050** (full title: 'Roadmap for moving to a competitive low-carbon economy in 2050') published in March 2011, looks beyond the 2020 objectives for carbon reduction and sets out a plan to meet the long-term target of reducing domestic greenhouse gas emissions by 80 to 95% by 2050 compared with 1990 levels as agreed by European Heads of State and Governments. It presents the results of the Commission's modelling of possible cost effective trajectories to the EU's 2050 objective of cutting emissions by 80-95% on 1990 levels.

The **Energy Roadmap 2050**, published in December 2011, explores the challenges posed by delivering the EU's decarbonisation objective of an 80-95% emission reduction by 2050, while at the same time ensuring security of energy supply and competitiveness. The Communication does not replace national, regional and local efforts to modernise energy supply, but seeks to develop a long-term European technology-neutral framework in which these policies will be more effective.

The **Communication on the Renewable Energy Strategy**, published on 6th June, proposes that the Commission start work with Member States on development of a post-2020 policy framework for renewables. The Cypriot Presidency aims to adopt Energy Council conclusions on the Communication on the Renewable Energy Strategy - will first be discussed at the Informal Energy Council in September with the aim of adopting conclusions at the December Energy Council. The Council conclusions would cover: the integration of renewables into the internal market; trading; R&D; predictability of support schemes; and post-2020 strategies (including possible targets).

As part of the work going forward through the Energy and Environment Councils, Ministers and officials will be engaging with the Commission and counterparts in other Member States to influence proposals that may be put forward in the coming 18 months.

SUSTAINABILITY OF BIOENERGY

The UK has worked closely with the Commission and other Member States over the past 2 years through meetings and workshops on the development of sustainability criteria for bioenergy. We also await publication of the Commission's proposals on the Indirect Land Use Change (ILUC) impacts of biofuels in transport.

We are keen to see the successful introduction of a harmonised approach to the use of solid biomass and biogas for electricity and heat across the EU. This would offer the important benefits of supporting a single European market, and ensuring that the growth in bioenergy delivers on wider EU ambitions on carbon and energy. The UK has already introduced biomass sustainability criteria to the Renewables Obligation (RO) to demonstrate how such an approach could work in practice.

Attached is a copy of the letter (Attachment B) [not printed] sent jointly by the DECC and Defra Secretaries of State to the Energy Commissioner, Gunther Oettinger, in December 2011 addressing these issues.

STATE AID AND RENEWABLE SUPPORT SCHEMES

In May 2012, the European Commission set out a programme to reform and modernise the EU state aid framework. Their objectives are to ensure that state aid supports growth, to streamline and speed up decision-making and to improve enforcement of the state aid rules. We support these objectives, but are waiting further details of their proposals. We look forward to working with the Commission and other Member States to ensure the state aid rules support our renewable energy objectives and to ensure that the development of any guidance on Renewable Energy support schemes shall be consistent with the Environmental Aid guidelines and not undermine the streamlining and efficiency of the state aid decision processes.

23 July 2012

Letter from the Chairman to John Hayes MP, Minister of State, Department of Energy and Climate Change

Your predecessor's letter dated 23 July on the above Communication was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 10 October 2012.

We are grateful for the clarity regarding the Government's position on a 2030 renewables target and we note the Government's aim to provide the framework for competition between all low carbon technologies through the Electricity Market Reform.

We understand that the Commission is expecting to introduce more concrete proposals for the post-2020 framework in the coming 18 months (although the exact timetable and nature of the proposals is not yet clear). The Committee also appreciates the Minister's update on the sustainability of bioenergy and state aid and renewable support schemes.

This topic is pertinent to the inquiry recently launched by the Committee into EU Energy Policy and the Committee will therefore take these issues forward in that context.

We are content to release this from scrutiny and mark this correspondence as closed.

11 October 2012

REPORTING ON GREENHOUSE GAS EMISSIONS (17549/11)

Letter from Gregory Barker MP, Minister of State, Department of Energy and Climate Change to the Chairman

Further to the Explanatory Memorandum I submitted to the Committee on 19 December regarding the proposed Regulation on a mechanism for monitoring and reporting on greenhouse gas emissions

and the accompanying letter submitted on the 9th February; I am now in a position to update you further on this Regulation.

In your last letter you noted that we were at that time still giving consideration to some aspects of the proposal and you asked us to write again when our consideration was complete.

The Government welcomes the European Commission's intention to establish an EU Regulation which combines the existing Monitoring Mechanism Decision, and the elements required to implement the Effort Share Decision, whilst at the same time wishes to ensure that unnecessary reporting burdens are not created and existing systems are streamlined wherever appropriate.

Therefore the Government's objectives will be to: minimise as much as possible additional burdens imposed on Member States through new reporting requirements, whilst recognising the benefits of extended reporting where appropriate, i.e. reporting which identifies the efforts that Member States are making towards tackling climate change and what more needs to be done; ensure any powers being devolved to the Commission are appropriately limited and consistent with ongoing international negotiations; otherwise to ensure that Member States maintain necessary control over their inventories with input from the Commission where appropriate.

Reporting requirements additional to those under the UNFCCC would be acceptable in areas where they can be clearly justified. For example additional reporting requirements could be justified where their implementation would be key to developing policy across Europe to ensure that all Member States have a similar and comparable level of policy projections. Such additional requirements should be accepted where they are compatible with existing or planned reporting requirements and where the importance outweighs the additional administrative burdens.

The negotiations are expected to be fast moving over the autumn as we try to reach a first reading deal before the climate negotiations in Doha in November. Although our position is shared in many respects by most Member States, the European Parliament has taken a very ambitious initial position.

4 September 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 4 September 2012 on the above Proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 10 October 2012.

Thank you for the information that you have provided. You note that the European Parliament has taken a very ambitious initial position, but also that there is an aspiration to reach a first reading deal before the Doha climate negotiations. Could you, please, indicate where the most contentious differences lie between Council and Parliament and how hopeful you are that they can be resolved?

We will retain the proposal under scrutiny and look forward to your response within ten working days.

11 October 2012

Letter from the Rt. Hon Gregory Barker MP to the Chairman

Thank you for your letter of the 11th October asking about the most contentious differences between the Council and Parliament. The main areas of difference relate to reporting requirements on financial and technology support provided to developing countries, maritime emissions reporting and reporting on national adaptation actions.

In these areas the European Parliament would like to go beyond current reporting requirements (currently agreed under the Monitoring Mechanism Decision and Internationally) while the Council (along with the UK) have specified that they would prefer aligning reporting with international reporting obligations and any developments that result from current discussions at the international level. There is scope for more reporting to be available in these areas, however for reporting to remain consistent and less burdensome it is important to align the articles which are currently under debate with reporting already agreed internationally and elsewhere in the EU.

A difference between the European Parliament and the council's mandate is the content and form of the powers being devolved to the Commission. The Council (including the UK) are content that the council's mandate of delegated powers is appropriately limited and consistent with ongoing international negotiation. The European Parliament's initial position goes further than what the council would be happy with. It has been indicated that the council are fully behind the agreed position.

Other Member State officials in the council have agreed that they are in a similar place to us; in that they are reluctant to agree a Regulation that goes further than current reporting requirements or requires different formats or additional reporting than we are already obliged to provide as part of the UNFCCC process. In particular, their concerns focus (like ours) on potential added bureaucratic burdens for Member States and their desire for additional reporting requirements to be implemented only where fully justified. This agreement has meant that the Council has entered into the dialogues with a mandate with which UK policy officials and legal personnel are content with and which is in line with the cleared negotiating position. The likely shape of any agreement should see reporting linked with international decisions, with additional reporting agreed in areas that there is scope to expand, or that reporting in these areas already exist.

The timetable for the proposal has slipped slightly and dialogues are planned to take place during negotiations at Doha. The mandate taken into the dialogues is to that reporting requirements additional to those under the UNFCCC are only acceptable in areas where they can be clearly justified and in which reporting already takes place. This has been to ensure that the EU negotiations will not interfere with current international agreements. This Regulation contains text that will allow for reporting to be updated in accordance with any international decisions made.

Further information regarding the detail of the differences between the Commission's original proposal and the Parliament's position are contained in the report of the European Parliament's tabled amendments available here:

[http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0372\(COD\)&l=en#documentGateway](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2011/0372(COD)&l=en#documentGateway).

25 October 2012

REPUBLIC OF KIRIBATI: FISHERIES PARTNERSHIP AGREEMENT (13208/12, 13210/12, 13209/12)

Letter from Richard Benyon MP, Minister for Natural Environment and Fisheries, Department for Environment, Food and Rural Affairs, to the Chairman

I am writing to advise you that these proposals relating to the Fisheries Partnership agreement with the Republic of Kiribati were voted upon and adopted at the ECOFIN Council on 9 October. The UK abstained on these proposals both because we still have concerns about value for money aspects of the new Fisheries Partnership Agreement and also because the proposals have not yet come before the European Scrutiny Committee. The proposals will now be subject to the European Parliament procedure and are likely to have their first reading in April 2013.

18 October 2012

ROADMAP: MOVING TO A COMPETITIVE LOW CARBON ECONOMY IN 2050 (7505/11)

Letter from the Rt. Hon Edward Davey MP, Secretary of State, Department of Energy and Climate Change

On 9 March the Environment Council discussed the 2050 low carbon roadmap, which finds that the cost effective pathway for EU emissions passes through domestic milestones of -25% in 2020, -40% in 2030 and -60% in 2040. The Council failed to unanimously agree conclusions on the Roadmap. Instead, 26 Member States and the European Commission agreed Presidency Conclusions on the Roadmap, which Poland vetoed. I took a firm stance in Environment Council arguing that the text should welcome the 2050 roadmap and explicitly recognise that the cost effective domestic emissions reduction pathway passes through -25% in 2020, -40% in 2030 and -60% in 2040. A domestic EU milestone of -25% once international credits are included, equates to an EU wide 30% reduction.

Whilst we did not secure explicit recognition of the -25% milestone in the Presidency Conclusions, we did achieve agreement on a number of priority issues for the UK. Specifically, the Presidency Conclusions:

- welcome the Roadmap and recognise that the cost effective trajectory to the EU's 2050 objective of cutting emissions by 80–95% passes through domestic

milestones of -40% in 2030 and -60% in 2040, an important step towards eventually agreeing targets in line with this trajectory;

- invite the Commission to present timely and cost effective policy proposals to deliver the emission reductions in the roadmap to 2030; and
- look forward to early agreement on the Energy Efficiency Directive (EED) and “preserving the integrity of the EU ETS”.

I believe that the Presidency Conclusions represent a clear mandate from 26 Member States for the Commission to present policy proposals to help deliver the EU low carbon economy. In addition, on 15 March the European Parliament voted through with a large majority a non-binding Report on the 2050 Low Carbon Roadmap, which:

- recognised the milestones of -40% in 2030 and -60% in 2040;
- called on the Commission to present proposals to deliver the emission reductions to 2030; and
- noted that the EU Emissions Trading System (EU ETS) was failing to deliver the necessary incentives for investment and called on the Commission to if appropriate amend the necessary legislation to allow the EU ETS to function as originally planned through measures which may include withholding allowances in the EU ETS.

Since then, I have been working hard with our allies in Europe to continue to press for an EU 30% target on the basis of these strong calls from the European Parliament and the vast majority of the European Council. In particular, we have been considering ways to strengthen the EU ETS. The UK has already been supporting a set-aside of EU ETS allowances in the context of the Energy Efficiency Directive and I am open to options such as this to strengthen the EU ETS in the short-term. Increasing ambition in the EU ETS would be a significant step towards a move to a 30% target.

On 19 April 2012, Ministers for Environment in Horsens, Denmark, discussed the future of the EU ETS. Minister Hendry represented the UK, and again he argued that the best means to secure a strong and stable carbon price in the EU ETS was for the EU to move to a 30% reduction target for 2020. There was widespread support for action to strengthen the EU ETS and following the meeting Climate Commissioner Connie Hedegaard announced that the Commission will review its auctioning rules for EU ETS allowances in a bid to boost the flagging price of carbon, currently trading at around £6 per tonne.

I understand that she intends to present proposals this year which would strengthen the ETS and could deliver greater emission reductions in Europe. This would be a significant step towards our 30% ambitions.

The Government remains committed to supporting a 30% target and Ministers continue to use every opportunity to build international support for this.

20 May 2012

Letter from the Chairman to the Rt. Hon Edward Davey MP

Thank you for your letter of 20 May 2012, which was considered by the Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 30 May 2012.

We were pleased to receive the update from you about the Environment Council’s consideration of the 2050 low carbon roadmap. We note that the Presidency Conclusions included agreement on a number of priority issues for the UK and support the Government’s stance.

We do not require a response to this letter and are content to mark correspondence on this item closed.

30 May 2012

**Letter from the Rt. Hon. Jim Paice MP, Minister of State for Agriculture and Food,
Department for Environment, Food and Rural Affairs, to the Chairman**

Thank you for your letter of 25th April about this proposal for a Council Decision requiring Member States to ratify or accede to the Hong Kong Convention.

I note that you have sympathy with the attempt in the draft Decision to put pressure on Member States to ratify the Convention, but that you share the Government's view that it is not appropriate for Council to command that they do so.

We agree with you that it may be possible to include some form of encouragement to ratify or accede to the Convention in the Regulation itself, and we will be exploring options as negotiations continue. If there is little support and the majority of Member States are content to go ahead with the Decision, we will seek to remove the mandatory language so that the Decision "authorises" rather than "requires" Member States to ratify or accede to the Convention.

9 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 9 May 2012 on the above Proposals was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 22 May 2012.

We are content with your position and will now release both proposals from scrutiny. We look forward to an update on negotiations in due course.

23 May 2012

**SIXTH COMMUNITY ENVIRONMENT ACTION PROGRAMME: FINAL ASSESSMENT
(13683/11)**

**Letter from Lord Taylor of Holbeach, Parliamentary Under-Secretary of State,
Department for Environment, Food and Rural Affairs, to the Chairman**

Lord Roper's letter of 10 November 2011, had asked to be kept informed on progress towards a 7th Environmental Action Programme. I am writing to update the Committee in this regard. Environment Council Conclusions adopted last December urged the Commission to produce a proposal for a 7th EAP by January this year, although the Commission had previously indicated that this was not realistic and made a statement to that effect in Council. The Commission has since posted an 'indicative roadmap' on the Europa website stating that its proposal is likely to be adopted in October 2012.

In the meantime the Danish Presidency and others including the UK have hosted a number of workshops to explore priorities for a 7th EAP, which was one of the topics for discussion at the recent Informal Environment Council in Denmark. Caroline Spelman has written to you separately to report on the outcome of those discussions, which focused on two themes: the vision to 2050 (and better implementation and strengthening of the environmental acquis); and the transition to a green economy. We were broadly content with the Presidency's proposed 'way forward' in both cases, albeit with some reservations on specific issues which we had previously flagged. For example, we agree that resource efficiency will be a key factor in transforming the economy but have cautioned against setting concrete targets too early. Rather, we support the development of a series of indicators on key natural resources as a logical and proportionate first step towards considering the setting of resource efficiency targets based on evidence and robust impact assessments.

The Presidency is aiming to adopt Council Conclusions in June on what Member States want to see in a 7th EAP, to help inform Commission thinking. We shall continue to try to influence the content – of the Council Conclusions and of the Commission's proposal itself – along the lines set out in my letter of 31st October 2011. We believe the 7th EAP should focus on more effective implementation and enforcement of existing legislation, whilst ensuring that any new measures taken are proportionate to the risk to people and/or the environment. We also want to see improved policy coherence, ensure better use of evidence to underpin policy and that information is made more readily available to citizens.

On 20 April the European Parliament adopted a review of the 6th Environment Action Programme and setting priorities for the 7th – ‘A better environment for a better life’ [2011/2194(INI)]: <http://www.europarl.europa.eu/activities/plenary/ta.do?language=EN>

The Commission is currently conducting a public consultation on ‘EU environment policy priorities for 2020: towards the 7th EU Environment Action Programme’: http://ec.europa.eu/environment/consultations/7eap_en.htm with a deadline of 1 June. The consultation document and associated questionnaire are very wide-ranging and the format of the questionnaire means we intend to respond in the form of a constructive ‘non-paper’. Ireland has already submitted its response and has similarly decided not to complete the questionnaire. All responses will be available on the Commission website after the consultation closes.

We will of course keep you updated on any developments although, as previously stated, the Commission is not planning to adopt its proposal for a 7th EAP before the autumn. We expect most of the negotiations will be conducted under the Irish Presidency in the first half of 2013.

14 May 2012

Letter from the Chairman to Lord Taylor

Your letter of 12 May 2012 on the above Communication, and looking forward toward the 7th Environmental Action Programme, was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting of 22 May 2012.

We are grateful for the information that you provided on the build-up to publication of the Commission’s proposals for a 7th EAP. The Chairman of the Sub-Committee, Lord Carter of Coles, attended an Interparliamentary Meeting in Copenhagen recently at which the Danish Environment Minister spoke on this subject. He was particularly interested to note her desire that the urban dimension be more strongly reflected in EU environmental policy, a sentiment which chimes well with the findings of our recent report on EU freshwater policy.

We trust that you will be able to support this priority should it form part of the Council Conclusions in June.

We do not require a response to this letter.

23 May 2012

SOIL PROTECTION (13388/06, 13401/06)

Letter from Richard Benyon MP, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, to the Chairman

I am writing in response to Lord Roper’s letter of 18 January 2012, where you asked for an update on any significant developments on the proposed Soil Framework Directive.

The Directive was not tabled for negotiation during the Danish Presidency and the Cypriot Presidency has not included it on their agenda. The Cypriots have also indicated that they do not intend to table it unless one or more member of the blocking minority changes their position. Early indications are that the future Irish presidency will take a similar view.

When I wrote to you at the end of last year, I highlighted the risk that France may leave the blocking minority following their elections. To address this we have stepped up our lobbying of other Member States, including official level visits to Germany, France, Romania, Slovakia and Finland. We have raised our concerns in a number of Ministerial bilaterals and HMT intend to write to Treasury Ministers in pro-Directive Member States shortly to raise concerns with Finance Ministries about the potential costs.

The most recent discussion with French officials took place just before their elections. They confirmed that whatever the outcome of their elections, their technical objections had largely been addressed in the unofficial ‘Common Forum’ text version that was published late last year. The UK’s view remains that we would prefer not to have a Directive at all. If, however, it is put back on the table we would push for the Common Forum text to be the starting point of any future negotiation.

Now that the French elections have concluded, we are continuing to monitor the situation closely. As yet, we have not received any further indication of the likelihood or timing of a change in their position.

11 July 2012

Letter from the Chairman to Richard Benyon MP

Your letter on the above documents was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 18 July 2012.

We are grateful for the update that you have provided. We note that the blocking minority remains fragile following recent elections in France and that you are following the situation closely as regards the French position.

You refer to a "Common Forum" text. Should it be possible, we would welcome a copy of that text or a summary of it within ten working days.

We will continue to hold the documents under scrutiny.

19 July 2012

Letter from the Chairman to Richard Benyon MP

Further to my letter of 19 July on the above documents in which I requested a copy of the "Common Forum" text, your officials have helpfully referred us back to your letter of 20 December 2011 in which you referenced the text.

We look forward to a further update on the progress of this dossier in due course.

We will continue to hold the documents under scrutiny.

24 July 2012

THE PROTECTION OF ANIMALS DURING TRANSPORT (16798/11)

Letter from the Chairman to the Rt. Hon Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Thank you for your letter of 30 April 2012 to my predecessor, asking that you be provided with the flexibility to support Conclusions on the above Report at the 14-15 May Agriculture and Fisheries Council.

We shall retain the Report under scrutiny but I confirm that agreement to the Conclusions need not be withheld pending completion of scrutiny.

10 May 2012

Letter from the Chairman to the Rt. Hon Jim Paice MP

Your letter of 30 April 2012 on the above item was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 22 May 2012.

I wrote to you on this dossier on 10 May confirming that agreement to Council Conclusions need not be withheld pending completion of scrutiny, although we are aware the adoption of the Conclusions was postponed. We are now content to release the Report from scrutiny.

As you note, it is disappointing that there is no strong message from Council to review the rules on long journeys. However, the Conclusions do support moves by the Commission to improve enforcement of existing rules. This, we consider, is key.

In its Report, the Commission observed "enforcement of the Regulation remains a major challenge, partly because of differences in interpretation of the requirements and because of lack of controls by the Member States. Furthermore, the quality of monitoring data, submitted to the Commission by Member States, is often insufficient to provide a clear analysis of the situation and to allow planning of specific corrective measures at EU level."

The Commission rightly points to the fact that the monitoring information provided by Member States (and available on the Commission's website) does not allow for a clear analysis of the situation.

You offer to provide a copy of the final Council conclusions and commentary on the discussion. We would be grateful if you could include in that commentary views on how Member States intend that the Commission should address the highly significant issues surrounding enforcement, as also the likely timelines for any action by the Commission – whether legislative or not.

24 May 2012

**Letter from Lord Taylor of Holbeach, Parliamentary Under-Secretary of State,
Department for Environment, Food and Rural Affairs, to the Chairman**

Further to your letter of 24 May 2012, I am writing to update your Agriculture, Fisheries, Environment and Energy Sub-Committee regarding the commentary on the Council discussion on the above subject and as requested in your letter providing our views on how the various enforcement measures, highlighted for action by the EU Commission in their report, were being progressed and the likely timescales for achievement of any improvements.

The Council adopted conclusions on the protection and welfare of animals. The Netherlands submitted a declaration expressing concern at the Commission's lack of ambition in the EU welfare strategy and the importance of dealing with the shortcomings identified in their review of the animal transport legislation—and abstained. Sweden, supported by Belgium, Austria and Denmark, made a statement to the same effect as that made by the Netherlands. The UK also made a statement on improving welfare during transport, noting particularly the importance of scientific evidence. The Commission noted the widespread support for their strategy and promised to bring forward various non-legislative proposals to address some of the practical problems on animal transportation.

Turning to the issue on how the various enforcement measures highlighted for action by the EU Commission in their report, were being progressed and the likely timescales for achievement of any improvements, the Commission has started work on revising the reporting template for Member State's annual returns and on further implementing measures for satellite tracking of livestock vehicles (confusingly referred to as satellite navigation by the Commission). Following the first few meetings of the Commission Working Group tasked with this work, it is clear that gaining any qualified majority agreement on either dossier is going to be difficult. Arriving at a reporting template that successfully captures every variation in the enforcement and regulatory framework across the 27 Member States, with the resulting data being capable of satisfactory interrogation and comparison looks at this stage, to be a remote possibility. And we remain sceptical as to how the outputs from this exercise will actually translate into better enforcement.

Problems in agreeing further satellite tracking implementation measures appear to be even more intractable, with some Member States wishing to see a highly sophisticated, centrally co-ordinated and managed tracking system, capable of tracking livestock vehicles in real time, whilst others would prefer something that was less ambitious, less costly and easier to accommodate into existing satellite tracking systems currently in use by the EU haulage industry. The Commission appears to think that they can reach agreement on both issues by the end of 2012. Perhaps, more realistically, the Council calls on the Commission to complete the work on satellite tracking and simplification of the journey log (the two dossiers are linked) by the end of 2014. Other suggested work outlined by the Commission in its report (such as the creation of industry guidance and guidelines on interpretation of the legislation) have not so far been discussed and there is no deadline set by either the Commission or the Council for their completion.

23 July 2012

**Letter from the Chairman to Lord de Mauley, Parliamentary Under-Secretary of State,
Department for Environment, Food and Rural Affairs**

Your letter of 23 July 2012 on the above issue was considered by our Sub-Committee on Agriculture, Fisheries, Environment and Energy at its meeting on 17 October 2012.

We are grateful for your helpful letter and are pleased to note that the Council adopted conclusions on the protection and welfare of animals, including the widespread support for the Commission's strategy.

However, the Committee is disappointed with the outcome in regards to the fact that the revision on the reporting template for Member State's annual returns and on further implementing measures for tracking are unlikely to gain qualified majority agreement.

The Committee would appreciate further updates and information as they become available.

18 October 2012

TRANS-EUROPEAN INFRASTRUCTURE REGULATION (15813/11)

Letter from John Hayes MP, Minister of State, Department of Energy & Climate Change, to the Chairman

I am writing to update your Committee on the progress of the Trans-European Energy Infrastructure Regulation. The Cyprus Presidency are prioritising negotiations of the draft Regulation with a view to agreeing a First Reading Agreement before the end of the year. Trilogues with the European Parliament are expected to start on 15th October and are scheduled to continue through November.

The Explanatory Memorandum to the Committee on the Trans-European Energy Infrastructure draft Regulation explained that whilst the UK generally endorsed the aims of the draft Regulation, the key issues and challenges for the UK would be to secure sufficient changes to the text to ensure that our planning procedures, subsidiarity concerns, financial implications and Devolved Administrations' interests were accommodated appropriately.

I am satisfied that following detailed negotiations in Council, the text of the draft regulation, as the Presidency goes into trilogue negotiation with the European Parliament, accommodates all the Government's earlier concerns. In particular, the current negotiating text gives Member States flexibility in the way we manage our planning regime and respects national competencies. This was especially important for the UK because of our devolved administrative arrangements; all the devolved administrations are content with the current version of the text.

The criteria for considering financial assistance for selected energy projects are embedded in the Trans-European Energy Infrastructure Regulation and cross-referenced in the Connecting Europe Facility (CEF). This ensures that the criteria that will be applied for financial assistance are transparent and linked appropriately to the aims and criteria of the Energy Infrastructure Regulation.

In the light of the progress made in negotiations on the text of the Trans-European Energy Infrastructure Regulation and the intention of the Presidency to secure an early First Reading Agreement, I would be grateful if your Committee would agree to clear this dossier from scrutiny. The Government shall of course continue to be vigilant in ensuring that the text remains acceptable to us as the trilogue sessions with the European Parliament, Commission and the Presidency proceed.

18 October 2012

TRANSMISSIBLE SPONGIFORM ENCEPHALOPATHIES

Letter from the Chairman to the Rt. Hon Jim Paice MP, Minister of State for Agriculture and Food, Department for Environment, Food and Rural Affairs

Your Explanatory Memorandum (EM) on the above proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting of 18 July 2012.

The Committee is confused by paragraphs 7(i) and (ii) of your EM. We are unable to understand either the cited legal basis or legislative procedure; in particular, we cannot see why the ordinary legislative procedure applies in this situation. In our view this is implementing legislation governed by Regulation 182/2011 which lays down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers. In our view, the relevant articles of this Regulation are 5, 7 and 11. Are you able to clarify this matter for the Committee?

It is unclear from your EM why the Commission was not prepared to wait for the development of a validated diagnostic test method to detect the presence of porcine or poultry material in feed before moving forward with its proposal. We would be grateful if you could clarify the rationale of pursuing a

more limited proposal at this stage, rather than waiting for the diagnostic technology to become available.

We consider that your opposition to the proposal is justified on the grounds of risk avoidance. However, we would like to know whether you would be in support of the proposal once a diagnostic test for detecting the presence of porcine or poultry material in feed is available, and when this is likely to be.

We will retain this item under scrutiny and look forward to a response within ten working days.

19 July 2012

**Letter from Lord Taylor of Holbeach, Parliamentary Under-Secretary of State,
Department for Environment, Food and Rural Affairs, to the Chairman**

Thank you for your letter dated 19 July, requesting further information on the Explanatory Memorandum on the above proposal, which received a Qualified Majority at the SCOFCAH Biological Safety Section on 18 July. The proposal will now be subject to the Regulatory Procedure with Scrutiny, which is expected to take three months from September, and will come into force six months after it becomes law. At present, therefore, it is expected that this measure, if adopted, will come into force in June 2013.

My Department's lawyers and officials have investigated the Committee's query regarding paragraphs 7(i) and (ii) of the EM. The proposed amendments to Regulation (EC) No 999/2001 do not come within the transitional provisions that are set down in Article 13 of Regulation (EU) No 182/2011. The legal basis for the proposed Commission Regulation Article 23 of 999/2001 (as amended by Regulation (EC) No 220/2009) refers to the regulatory procedure with scrutiny (Article 5a of Council Decision No. 1999/468) and therefore that procedure applies rather than the examination procedure as set down in Article 7 of the comitology Regulation (EU) No 182/2011.

The Committee has queried why the Commission was not prepared to wait for the development of a validated diagnostic test to detect the presence of porcine or poultry material in feed before moving forward with its proposal. The Commission has never made a formal announcement to explain the reasons for its decision to limit the scope of the proposal, but it is likely to have taken the following factors into consideration:

- As Paragraph 2 of the Explanatory Memorandum explained, proposals for relaxing the controls on animal feed were set out in the Commission's TSE Roadmap 2, published in 2010. The Commission's decision reflects its desire to make progress on revising the feed ban as envisaged in the Roadmap as early as possible.
- When the Commission's original proposal was first put forward, it was envisaged that a validated diagnostic test able to detect the presence of porcine or poultry material in feed would by now be available. Unfortunately the validation process has been delayed. However, a new diagnostic test which is able to detect very low level of ruminant material that may be present in feed was validated in March 2012. This enables the Commission to progress their original proposal in a limited form, to permit the use of feed containing porcine and/or poultry material in aquaculture.
- In addition, some Member States are known to be concerned that the original proposal, which covered the feeding of all PAP derived from non-ruminants to non-ruminants of a different species, would require complex procedures which would be resource intensive and difficult to enforce. The reduced proposal is considered more likely to receive support across a qualified majority of Member States.

The timetable for any proposal by the Commission to permit the use of poultry material in porcine feed, and of porcine material in poultry feed, will depend upon when the diagnostic test to detect the presence of poultry and porcine material in feed is validated. Given the concerns expressed by Chief Medical Officers, as set out in paragraph 10 of the Explanatory Memorandum, the UK would abstain from any vote on any such proposal.

27 July 2012

**Letter from the Chairman to Lord de Mauley, Parliamentary Under-Secretary of State,
Department for Environment, Food and Rural Affairs**

Your predecessor's letter on the above proposal was considered by our Agriculture, Fisheries, Environment and Energy Sub-Committee at its meeting of 10 October 2012.

We note that the measure received a qualified majority at the Standing Committee on the Food Chain and Animal Health Biological Safety meeting on 18 July and the expectation that if adopted, it will come into force in June 2013.

We are grateful for the clarification that the proposal is a Commission (implementing) Regulation adopted according to the regulatory procedure with scrutiny. However, we consider that it would have been more straightforward if the Explanatory Memorandum had simply pointed to the specific legal basis applicable to this proposal in Regulation 999/2001 (as amended) and clearly and accurately identified the legislative and voting procedures and would ask that this approach be adopted in the case of any future measures of a similar nature.

Finally, we would appreciate further clarity about when the diagnostic test to detect the presence of poultry and porcine material in feed is expected to be validated.

We look forward to a response within ten working days.

11 October 2012

**Letter from David Heath MP, Minister of State, Department for Environment, Food and
Rural Affairs, to the Chairman**

Thank you for your letter to Lord de Mauley dated 11 October regarding the above proposal. I am writing as Minister responsible.

The Commission are continuing to work with the EU Reference Laboratory (EURL) on the development of a diagnostic protocol to detect the presence of poultry and porcine material in feed, but the EURL have confirmed that at present there is no date for the validation of the protocol.

In response to the Committee's request for clarity on legal basis, I can assure you that in future explanatory memoranda the Department will make the legal basis for the proposals as clear as possible.

24 October 2012