



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 1 December 2011 – 8 May 2012.

AGRICULTURE, FISHERIES AND ENVIRONMENT

(SUB-COMMITTEE D)

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AFRICAN HORSE SICKNESS (16456/08)

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

It has been over 18 months since Defra last updated your Committee on codification 16456/08(30225) African horse sickness.

The UK Permanent Representation to the EU recently confirmed that there have been no recent developments and that the proposal is still under suspension. I will write again if there are any further developments. In the meantime, I understand your Committee will continue to keep the proposal under scrutiny.

9 January 2012

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

Your letter of 9 January 2012 was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 25 January 2012.

We note your confirmation that this proposal is still under suspension, and your undertaking to write again if there are any further developments.

We shall continue to keep the proposal under scrutiny.

26 January 2012

AGRI-ENVIRONMENT SUPPORT (14562/11)

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

Your letter of 24 November on the above report, replying to my letter of 10 November 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

It was helpful to receive the information which you have provided about agri-environment policies and, more generally, about the provision of advice to farmers, both issues of particular concern in current consideration of reform of the CAP.

We shall keep these issues in our mind in considering the European Commission's October 2011 proposals for CAP reform. As far as this dossier is concerned, however, I confirm that we regard the correspondence as closed.

14 December 2011

AGRICULTURAL PRODUCTS: PROMOTION MEASURES AND INFORMATION PROVISION (12817/11)

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

In your letter of 15 September 2011 you asked me to keep you informed about the outcome of the consultation on the European Commission's Green Paper on the future of food promotion policy and any new proposals that may come forward to change the present scheme.

The public consultation ran from mid-July to 7 October 2011. There were 173 responses.. Of these, 130 were submitted by stakeholders, 23 by public authorities and 20 by individual citizens. Comments were submitted from all Member States except Bulgaria, Cyprus and Slovakia.

In the 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.

They further identified particular topics of relevance to promotion measures. Those for the Internal Market include regional/local markets, production standards, dietary messages, quality systems and interventions in the event of crisis. Those for Third Countries include supporting the opening and development of new markets, particularly in tandem with negotiation of international trade agreements; supporting consistent promotion measures following a clearly defined European strategy.

At the Council of Ministers meeting on 15 December, there was overall agreement to support the Commission's proposals on future EU promotion policy. The Commission intends to present a range of concrete options in a communication in mid-2012, followed by regulatory proposals at the end of the year. I will write to again you later in the year when we have heard exactly how the Commission intends to take forward the Council's recommendations.

The UK fully supports the need to maximise the opportunities for export of EU agricultural products, particularly to growing Third Country markets such as China, the Far East and Brazil. However, it is important that EU funding on promotion of agricultural products does not duplicate the activities of the commercial sector and that there is proper evidence that it demonstrates good value for money. The UK will seek to see that these points are taken forward as the work on the future EU promotions policy develops.

I trust that this letter has been useful in informing you of developments since our Explanatory Memorandum of 3 August 2011.

20 January 2012

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

Your letter of 20 January 2012, replying to my letter of 15 September 2011, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 1 February 2012.

We were grateful for the information which you provided about the consultation process initiated by the European Commission, and about discussion at the December 2011 Council of Ministers.

We look forward to the further update which you have offered to send in due course.

1 February 2012

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

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

I thought it might be helpful to provide you with another update on the negotiations relating to these two legislative proposals concerning various EU quality schemes following the end of the Polish Presidency. Our last exchange of correspondence on these proposals was your letter to me of 24 November 2011.

UPDATE ON THE QUALITY SCHEME PROPOSAL

Three trilogue meetings took place during the Polish Presidency on 18 October, 21 November and 5 December (2011). Although good progress has been made on getting agreement on many of the proposed provisions there are still a number of outstanding issues to be resolved all of which I have covered in my previous updates. Of those the following are of most concern to us:

- Powers for Producer groups to control the supply of their PDO or PGI product on to the market – this provision results 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 number of other Member States, continue to oppose this amendment on the grounds that it carries a high risk of distorting the market and creating barriers to new entrants. We view any agreement 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.
- Definition of “traditional” – The UK and most Member States continue to press for the definition of “traditional” to remain at 25 years and to oppose the ComAgri amendment to require applicants to meet additional conditions. That amendment is unduly restrictive and would be impractical to apply. As such it is not in line with the objective of making the Traditional Speciality Guaranteed (TSG) scheme more attractive and simpler to apply. The views of our interested parties are strongly in favour of maintaining the current definition.
- 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 in the Council and the Commission are concerned that changes to the balance between PDO/PGI and trademarks could give rise to a challenge in the World Trade Organisation (WTO).

UPDATE ON THE MARKETING STANDARDS PROPOSAL

There has been a little progress on this proposal since my last letter to you. The Polish Presidency was given a partial mandate for a first trilogue on 6 December but the mandate did not cover the key issues for the UK and most other Member States. As covered in previous updates, the 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. We have recently taken the opportunity to remind the new Danish Presidency of our views on those issues.

As I mentioned in my last letter to you, the provisions in the marketing standards proposal have been included in both the proposal to align Council Regulation 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products, the SCMO (Single Common Market Organisation Regulation) with the Lisbon Treaty (the alignment proposal) and the proposal for a new SCMO Regulation as part of the package of proposals on the reform of the Common Agricultural Policy ("the post-2013 proposal"). Defra officials dealing with these proposals are working closely together to ensure a consistent approach.

Looking ahead, it is clear that the European Parliament wants to keep both these proposals together as a Quality Package. However, given the number of outstanding issues it is now difficult to see a 1st Reading deal being reached. I will continue to keep you informed of developments on both dossiers.

31 January 2012

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

We were grateful for your letter of 31 January 2012, which was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 8 February 2012.

It was helpful to receive the update. We shall continue to keep the Marketing Standards proposal (17677/10) under scrutiny, and await a further update.

9 February 2012

AGRICULTURE AND FISHERIES COUNCIL

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 outcome of December's Agriculture and Fisheries Council in Brussels. I represented the UK on agricultural matters and my honourable friend the Parliamentary Under-Secretary for Natural Environment and Fisheries, Richard Benyon, represented the United Kingdom on fisheries items. Richard Lochhead MSP, Michelle O'Neill MLA and Alun Davies AM also attended.

Fisheries business was dominated by negotiation of TACs and fishing quotas for 2012 in both the Atlantic and North Sea and the Black Sea. These negotiations continued throughout the Council, finally concluding in the early hours of Saturday morning. Negotiations were particularly challenging this year because of a threat of massive cuts in the time UK fishermen are allowed to spend at sea under the Cod Recovery Plan. For the UK the biggest issue concerned interpretation of Article 13 of the Cod Plan, the section that allows administrations to award additional days at sea to vessels undertaking conservation measures. Working closely with France and Germany, and following lengthy negotiations, the Commission finally conceded a statement accepting the UK, France and Germany's legal interpretation of the Plan. We had also wanted a pause in the automatic annual cuts in days at sea but this did not prove possible with the Commission saying that to do so would be illegal under the Cod Plan – and Polish Presidency and other Baltic States unresponsive. However Commissioner Damanaki did undertake to bring forward proposals to amend the Plan early in 2012.

Other main UK interests secured during the course of negotiations were:

- A 200% increase in the catch limit for west of Scotland haddock (instead of the 25% proposed)
- A rollover of 2011 catch limits for Irish Sea nephrops (Norway Lobster) (instead of 19% proposed reduction);

- A 15% increase for sole and 9% for plaice in the eastern channel, with 9% for each in the western channel;
- A 170 % increase for Celtic Sea cod, with 25% for haddock and 17% for whiting;
- A 94% increase in North Sea herring;
- A 15% increase in North Sea haddock and similarly for North Sea whiting;

In addition, a major UK priority, shared with all other Member States, was to secure a rollover for stocks which were considered 'data poor' but for which there was scientific justification. The Commission again conceded this principle with rollovers or small reductions compared to the 25% or 15% reductions proposed.

On Black Sea fishing Opportunities for 2012, the Commission tabled a compromise allowing for a rollover rather than a 25% cut in the turbot TAC, as well as underlining the commitment to improve regional co-operation in the Black Sea. This met Member States' concerns and the compromise was agreed without further discussion.

The next fisheries item on the agenda was a Commission presentation of the proposal for the new European Maritime and Fisheries Fund, as part of the reform of CFP. There was no time for any discussion.

There were two fisheries items under any other business. The first was a Commission presentation of its proposal on sanctions against countries who engage in non-sustainable fishing. This was welcomed in principle by the UK, Ireland, France and Germany. The second item was on the Morocco Fisheries Agreement. Following the negative vote in the European Parliament, the Commission confirmed that they would be tabling, in the near future, a request for a mandate to allow them to negotiate a new protocol and committed that it would take into account the need to ensure sustainable fishing, the need for a high uptake of opportunities and international law.

On agricultural business, a number of A points were adopted including the revised regulation on food for deprived persons, co-financing rates for rural development in Member States in financial difficulty and Council conclusions on the green paper on promotion measures. Council then turned to the major agricultural item on the agenda, a debate on rural development proposals forming part of the CAP reform package. The UK welcomed the increased focus on competitiveness and innovation in the Commission's proposals, the willingness to invest in research and the proposals for the new European Innovation Partnership in food and farming, and some increased flexibility while sounding a note of caution on other increases to the process of agreeing programmes.

Other Member States had varying degrees of concern on the detail. Commissioner Ciolos did not respond to calls from a large number of Member States to set out what the projected national Pillar 2 budget allocations would be, choosing instead to claim broad support for the reform goals and note the increased flexibility for Member States and their regions.

The agenda item on Genetically Modified Organisms (GMOs) concerned proposals the Commission had put forward to authorise marketing (not cultivation) of one GM cotton and three GM maize varieties, in line with EFSA advice. There had not been a qualified majority in the regulatory committee of Member States, so the issue needed to be considered by Council. Hungary used the opportunity to raise a point on the agenda under any other business, arguing that there was no legal basis to approve GM products for non-food/feed use under the current comitology rules. Commissioner Dalli stated that Member States had raised this since the start of the scheme, and it believed the "one key, one door approach" was proportionate, but committed to an assessment of the legal position. The Presidency noted that as there was neither a qualified majority for or against the proposals these would pass to the Commission for approval.

There were three remaining agricultural items under any other business. The first was a Cypriot request for a one-year extension to its partially coupled aid scheme for citrus fruit, due to expire at the end of 2012. The Commission rejected this, noting that in its CAP proposals for 2014-2020 there was provision to use a small national envelope to provide partially coupled aid.

Commissioner Dalli presented a report assessing the impacts of the Council regulation on the protection of animals during transport. The report concluded that despite some increased benefits in animal welfare, problems from poor levels of implementation and enforcement have resulted in an unlevel playing field across the EU. However, the Commission did consider the current legal framework to be adequate and so proposed adopting implementing acts to enforce the existing rules. The Danish Minister announced that a full debate, with the objective of Council conclusions, would be

available under their Presidency; the UK will take full advantage of the opportunity to push our animal welfare priorities.

The final item was a Presidency report on progress made on Codex Alimentarius during the previous six months, on which there was no discussion.

7 January 2012

Letter from the Rt. Hon Caroline Spelman 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 March's Agriculture and Fisheries Council in Brussels. My honourable friends the Minister of State, Jim Paice represented the UK on the agricultural items, and Parliamentary Under-Secretary for Natural Environment and Fisheries, Richard Benyon represented the UK on the fishery items. Richard Lochhead MSP and Alun Davies AM also attended.

The Danish Presidency held three orientation debates on major aspects of the Common Fisheries Fund (CFP). The Council conclusions for the External Dimension of the CFP were also adopted. The UK and Ireland raised a point under any other business on mackerel stocks.

The Commission offered concessions on the practical implementation of measures to eliminate fish discards, indicating they would consider the obligation to land all caught fish on a fishery basis, rather than a species one. They also indicated that by-catch quotas needed to be added to existing limits taking account of landing obligations.

The majority of Member States welcomed the Commission's statement, though there were differing levels of ambition on eliminating discards.

The discussion on the Common Organisation of the Market (CMO) regulation covered producer organisations, labelling and helping the sector adapt to the end of discarding. The UK and others requested more flexibility for PO operations rather than mandatory objectives, and preferred to abolish storage aid immediately rather than phase it out. The UK and others stressed the need to ensure coherence of labelling requirements with other food labelling regulations.

Discussion of the European Maritime and Fisheries Fund (EMFF) involved Member States pressing their priorities for expenditure. There were calls for simplification of the procedures. The UK also noted that, as it was part of the EU's multi annual financial framework, the EMFF had to be considered in the wider context of cuts to the overall EU budget.

The Council conclusions on the external dimension of the CFP were adopted. The UK and the Netherlands tabled declarations supporting the conclusions but emphasising priorities such as improving value for money, increasing the financial contribution from vessels operating under third country agreements, improving the science base and strengthening the governance in local management.

The UK and Ireland tabled a joint paper under any other business setting out our concerns regarding the threat to the North-East Atlantic mackerel stock from increased Icelandic and Faeroese fishing activity. There was a call for urgent action including trade measures against countries involved in unsustainable fishing. Other Member States also put forward their concerns and some called for a direct link to be made with talks on Icelandic accession. The Commission agreed with Member State concerns and would take forward consideration of the regulation on trade sanctions urgently.

On Tuesday the Presidency introduced a short paper setting out the principles of a CAP which was simpler for farmers and administrators alike. The Commissioner (Ciolos) reminded Member States of his letter of November 2011 in which he had set out the simplification measures running through the CAP reform proposals. There was a full table round where Member States proposed further simplification and deletion of many of the Commission's proposals. The main areas of contention were greening, definition of "active farmers" and small and young farmer schemes. The UK welcomed the move towards simplification in particular in Rural Development, but pointed to the Commission's own Impact Assessment that predicted a 15% increase in the cost of administering direct payments.

Over a ministerial lunch Member States discussed the criteria for the distribution of Pillar 1 and 2 CAP payments after 2014; with Member States organising their own national priorities, but converging on the need for greater Commission transparency over allocation calculations.

Under any other business the European Innovation Partnership (EIP) on agricultural productivity and sustainability proposal was introduced. The UK and a few other Member States supported the Commission's stronger focus on research and development.

Portugal and Spain asked for the ability to pay direct payments early, exemption from certain rules on coupled payments for livestock farmers and to be able to pay state aids to affected farmers as a result of drought in their countries. This was supported by a number of other Member States facing similar climate difficulties. The Commission agreed to look into the proposals.

Latvia and Estonia raised the issue of the Russian ban on live pig exports in response to the Schmallenberg virus. The Commission responded that they were in touch with the Russian authorities on the issue.

1 April 2012

ANIMAL CLONING FOR FOOD PRODUCTION (15277/10)

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

In your latest letter on this subject dated 6 April, replying to mine of 5 April, you sought our reaction to the Farm Animal Welfare Committee (FAWC) opinion on breeding technologies, which was expected to be made available last month. Unfortunately, in the interim it has been delayed and we do not now expect to see it until sometime next year. We will of course let you know the exact timing as soon as possible and also provide you with an update once we have a clearer picture of the Commission's intentions.

27 December 2011

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 27 December, replying to my letter of 6 April 2011 about this Report, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 January 2012.

You say that the opinion from the Farm Animal Welfare Council (FAWC) has been delayed. As I said in my earlier letter, we look forward to your comments on that opinion once issued, including on whether the opinion is compatible with your conclusion that current law is adequate.

You will know that, since our last exchange of correspondence, the European Commission has issued its future work programme, and this indicates that it is considering legislative follow-up to the 2010 report in 2013. Here too, we look to you to keep us informed.

We will continue to keep the Report under scrutiny.

26 January 2012

ANIMAL HEALTH: MOVEMENT OF PET ANIMALS (7326/12, 7327/12)

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

Your Explanatory Memoranda of 19 March 2012 on the above proposals were considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 April 2012.

We agree that the proposal amending Directive 92/65/EEC (animal health requirements governing intra-Union trade in and imports into the Union of dogs, cats and ferrets) raises no difficulties, and we are content to release it from scrutiny.

The position is not so straightforward in relation to the proposal for a Regulation on the non-commercial movement of pet animals, as you explain. We support the line that you are taking, of overall support subject to the need to clarify and challenge the changes which you identify. While we are content to release this proposal from scrutiny as well, we would ask you in due course to update us on developments.

25 April 2012

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) of 2 February 2012 on the above Communication was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 15 February 2012.

We take a close interest in this important area of policy. It seems fairly clear that action is required to remedy the shortcomings of arrangements under the Community Action Plan on the Protection and Welfare of Animals 2006-2010. In principle, the improvements envisaged by the European Commission appear justified (subject to seeing greater detail about the various measures). We shall of course be interested to hear about the outcome of your own consultation process. This may shed light on areas of the Communication on which you do not comment in your EM: international cooperation; information to the consumers and public; synergies with the Common Agricultural Policy (including, of course, innovation); and the welfare of farmed fish.

More immediately, we would welcome clarification by you of what, on the face of it, seems to be an inconsistency of the approach followed by the Government to this Communication, and to the Commission Report on the impact of Council Regulation (EC) No 1/2005 on the protection of animals during transport, which we examined in December 2011.

In the case of the latter, your EM indicated that, to remedy shortcomings under the 2005 Regulation, you favoured legislative action and doubted the efficacy of codes of practice. As regards the animal welfare strategy Communication, however, you have concerns about the Commission's apparent preference for further legislative controls, and you now favour exploring what you call more novel ways of delivering animal welfare, for example through voluntary codes of practice. Is this a mismatch of policy responses, or are there good reasons for your divergent stances? Can you point to existing codes of practice that would serve as good examples to guide future efforts to deliver animal welfare?

We would be grateful if you could reply within the usual ten working days. We shall keep the report under scrutiny.

15 February 2012

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

Thank you for your letter of 15 February drawing attention to what you saw as an inconsistency between our approach to voluntary codes of practice under the Strategy and the legislative solution we are seeking to deal with shortcomings in the EU rules on animal welfare during transport.

The reason we are treating the two cases differently is simply because of their respective statutory contexts. In the case of animal transport, there are already legally binding and heavily prescribed EU-wide requirements in place (Council Regulation (EC) 1/2005). We do not believe these can be adequately supplemented (let alone potentially replaced) by voluntary guidance and still provide a sufficiently robust and effective enforcement regime. We are also concerned to ensure a more consistent approach to the enforcement of these controls across the Community, which is particularly important in this welfare area due to the transport of livestock being undertaken in many cases, across a number of different national boundaries. Otherwise, the small minority of unscrupulous transporters will be encouraged to choose routes that take the animals through Member States (or regions within Member States) that are known to be less rigorous in their implementation of the legislation than others. We therefore have difficulty accepting that the current lack of consistency (acknowledged in the Commission's report on the transport legislation as a major problem) can be improved simply by adopting the suggested non-statutory measures. On the contrary we believe that the problem would worsen, as Member States would cherry-pick those elements of guidance and best practice best suited to their own national/regional situation and the views of their own stakeholders.

By contrast, there is already an established tradition of the livestock sector working with Competent Authorities in the UK to develop good welfare practice on farm, which avoids the need for overly prescriptive EU rules, not least because, in contrast to transport, there are far fewer problems with applying the necessary levels of enforcement. We see considerable scope for building on this position of trust and in line with our commitments in response to the MacDonald Task Force Report, to further develop voluntary codes (as well as exploring other more novel solutions).

27 February 2012

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

Your letter of 27 February replying to my letter of 15 February 2012 on the above Communication was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We were interested to read your comments about what, on the face of it, seemed an inconsistency between your support for voluntary codes of practice under this Strategy and the legislative solution which you favour to deal with shortcomings in the EU rules on animal welfare during transport.

You point to the differing statutory contexts for the two areas of policy, and you contrast the existing, legally binding EU-wide requirements on animal transport with the established tradition of the livestock sector working with UK authorities to develop good welfare practice on farm.

While we welcome the positive example which you give of voluntary co-operation between UK livestock producers and Government and its agents, you say nothing about the position elsewhere in the EU. How do you view the adequacy of animal welfare in other EU Member States, and are you content that voluntary codes of practice will be adequate to secure proper welfare across the EU?

We would be grateful if you could reply within the usual ten working days. We shall keep the communication under scrutiny.

7 March 2012

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

Thank you for your letter of 7 March responding to mine of 27 February.

Recent events in Europe in the context of both the conventional cage and sow stall bans (under the Laying Hens and Pigs Directives respectively) have clearly shown that more needs to be done to ensure consistent and effective compliance with EU rules across the Community. However, I think they also illustrate the difficulties of applying and enforcing complex legislation without the active involvement of the industry.

Our preference is therefore for a much more simplified strategic framework at EU level, with the flexibility necessary to allow Member States to reflect national or more local circumstances in their detailed rules (based on best practice promoted through the proposed network of reference centres to ensure a fully consistent approach). However, if it becomes clear that this will not be sufficient to deliver the necessary improvements and consistency in standards Community-wide, we will have no hesitation in pressing for more formal legislative controls where these can be justified to our own industry and to Parliament. Indeed, we would make this position clear at the outset of any negotiations, so that other Member States and the Commission were left in no doubt about the importance we place on the application of robust and effective enforcement measures at the national level, irrespective of the legal framework being applied.

19 March 2012

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

Your letter of 19 March replying to my letter of 7 March 2012 was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 April 2012.

We welcome your assurance that, if it becomes clear that the EU strategic framework level will not be sufficient to deliver the necessary improvements and consistency in the protection and welfare of animals, you will press for more formal legislative controls. We look to you to keep us informed of progress towards such improvements, and of the efficacy of your preferred non-legislative approach.

We are content to release this Communication from scrutiny, and to await further information when you judge that there have been significant developments.

25 April 2012

**ANIMAL TESTING: COMMISSION REPORT ON THE DEVELOPMENT, VALIDATION
AND LEGAL ACCEPTANCE OF ALTERNATIVE METHODS TO ANIMAL TESTS IN THE
FIELD OF COSMETICS (2009) (14354/11)**

**Letter from the Chairman to Edward Davey MP, Minister for Employment Relations,
Consumer and Postal Affairs, Department for Business, Innovation and Skills**

Your letter of 25 November, replying to my letter of 3 November 2011 on the above report, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 December 2011.

You say that there has been further delay in the publication by the European Commission of the long-awaited impact assessment (IA), because a “new option” has come forward. It is difficult to see why all options have not been identified and evaluated during the months that have elapsed since the IA was originally due to appear - and impossible to avoid the conclusion that the handling of this dossier, by the Commission and others, has been deeply unsatisfactory.

You say that the option now under consideration is to allow a derogation clause in relation to the marketing ban which could be used only by exception, and you give as examples of such exceptional use “health benefits for the consumer or benefits for the environment”. We would find it helpful if you would spell out more clearly what the health considerations are that might apply in the context of cosmetic products, and how tightly any “health benefits for the consumer” would be defined. Once a derogation process is conceded, there must be a risk that it is used more widely than first intended, and this would only discredit the controls and deadlines which have otherwise been agreed.

We shall keep the 2009 report under scrutiny, and look forward to your reply within the usual ten working days.

8 December 2011

Letter from Edward Davey MP to the Chairman

I am writing in reply to your letter of 8 December which was in response to my earlier letter of 25 November on the above mentioned report and in particular on the 2013 marketing deadline in the European cosmetic products safety legislation.

You asked in respect of the derogation option if I could spell out more clearly what the health considerations are that might apply and how tightly any health benefits would be defined. Notwithstanding the fact that we do not have a formal proposal, I will try and answer your question with the information that I have available. The questions are I believe very pertinent for the reasons you provide.

The derogation option was outlined by the European Commission both in a Working Document to the Standing Committee on Cosmetic Products and during the course of the meeting itself in November. A business or trade association in the scenario set would need to be able to demonstrate considerable technical progress and significant added value to the health or well being of the consumer/society or to the environment. An example used by the Commission was a new UV filter that was environmentally friendly. But equally I would imagine it could be for a new hair dye ingredient which did not have allergenic effects (the Commission is looking at fleshing out the conditions with examples). As I mentioned previously, it is my intention that any derogation should be linked solely to matters as important as health.

In terms of safeguards, the preliminary Commission thinking at the current time is that apart from the condition above that needs to be met, the request would need to demonstrate that the toxicological data (for the 2013 endpoints only) needed for the safety assessment is not available and cannot be obtained using alternative methods to animal testing in a reasonable time. It would also need to provide details of the tests themselves and the requesting body would need to be able to show a commitment in relation to investment into research for alternative test methods. The resulting animal data would also need to be made available to all manufacturers that want to use the ingredient (possibly in a similar way to REACH).

In addition, the Commission’s Scientific Committee on Consumer Safety would be required to opine that the toxicological data is necessary and the tests are appropriate. It is also likely that any derogation would be via a Commission Decision and therefore subject to regulatory procedure with scrutiny but this element needs further clarification on how it would work.

The Commission is clear that these conditions will add a burden on industry in terms of affecting time to market but it should enable them to bring innovative products to market with the associated benefits detailed above for consumers/society. More importantly the marketing ban will remain extant and any derogation will have no impact on the existing testing ban in the EU.

I do hope this answers those points raised that are answerable at present. There will no doubt be further views to take if a Commission proposal is published.

19 December 2011

Letter from the Chairman to Edward Davey MP

Your letter of 19 December, replying to my letter of 8 December 2011 on the above report, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

It was helpful to receive the information which you provided about the health considerations that might apply in the case of a possible derogation in relation to the marketing ban.

We shall continue to keep the 2009 report under scrutiny. You will of course provide updated information, through a fresh Explanatory Memorandum, if a new proposal comes forward from the European Commission.

18 January 2012

A RESOURCE-EFFICIENT EUROPE (5869/11, 14632/11)

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

Thank you for your letter of 5 May to my predecessor Lord Henley and requesting to be kept informed on the UK's position in regards to the European Commission's Communication "A resource-efficient Europe".

The Commission published on 20 September its Roadmap to a Resource Efficient Europe, which sets objectives and actions, identifies areas where further research should be carried out, and suggests a range of indicators and policy tools which can help guide action in Europe and internationally. The Roadmap is a key element of the Resource Efficient Europe flagship initiative which sets out a strategic policy framework to deliver more sustainable use of natural resources and the shift towards resource-efficient growth. The Roadmap builds upon and complements the other six flagship initiatives under the "Europe 2020" Strategy and takes into account progress made on the 2005 Thematic Strategy on the Sustainable Use of Natural Resources and the EU's Strategy on Sustainable Development.

On the whole, the UK welcomes the Roadmap. It coincides with the broad direction of national green economy policies. The UK also notes the adoption by the European Commission of some key recommendations highlighted in our April non-paper, and the now 'potential' development of targets will be subject to full impact assessment. The UK particularly supports the development of a series of indicators on key natural resources such as water, land and carbon which could, in a longer-term and through engagement with stakeholders, inform the development of resource efficiency targets.

The UK supports the Commission's proposals to encourage Member States to take action rather than new EU action, particularly on putting the right incentives and pricing structures in place.

The UK remains however cautious in regards to a number of proposals and further work will be needed to assess the impact of such proposals and the burden on business. We are also concerned that the renewed emphasis on the food and drink sector might lead to the adoption of regulatory solutions as a means to tackle the problem effectively.

I now propose that we work constructively with the Commission and other Member States to develop useful indicators in the areas and take a view subsequently on the development of potential targets. We should ensure that actions and indicators developed at EU level are helpful in complementing our own work to help UK businesses realise the £23 billion potential annual savings from resource efficiency measures that my Department has identified.

7 December 2011

Letter from the Chairman to Lord Taylor of Holbeach

Your Explanatory Memorandum (EM) on the above Communication was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 December 2011.

We have kept under scrutiny the earlier Communication (5869/11) which paved the way for this Roadmap. I confirm that we are now formally releasing that earlier document from scrutiny.

As regards this latest Communication, we understand that, if it is agreed at Council, it will be followed by more specific proposals, which we shall wish to consider in detail.

In your EM on this Communication, in referring to the Roadmap's treatment of the food and drink sector as a key priority area to address, we note your concern that the renewed emphasis on this sector "might lead to the adoption of regulatory solutions as a means to tackle the problem effectively", and your call for the Commission "to opt for a voluntary approach...to be based on full engagement with Member States and stakeholders".

As I did in my letter to Lord Henley of 8 September 2011 in relation to a Commission report on the prevention and recycling of waste (5646/11), I would draw your attention to the Science and Technology Committee's July 2011 report on "Behaviour Change" (HL Paper 179). That report voiced doubts about the effectiveness of voluntary agreements with commercial organisations, notably where there are potential conflicts of interest; and the Committee called on the Government to specify clearly what they want businesses to do, based on the evidence about how to change behaviour, and to ensure that voluntary agreements are rigorously and independently evaluated against measurable outcomes.

We would be interested to know how you view these comments on voluntary agreements. We would in any case question the wisdom of ruling out any possible approaches to tackling obstacles to resource efficiency a priori; surely the scale of the problems makes it appropriate to move forward with a mix of potential solutions?

We are content to release the Communication from scrutiny, but we would ask you to respond to this letter within the usual ten working days.

8 December 2011

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 7 December, replying to my letter of 5 May 2011 to your predecessor, Oliver Henley, about this Communication, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

You will by now have seen my letter to you of 8 December 2011, dealing with the European Commission's more recent Communication on the "Roadmap to a Resource Efficient Europe" (14632/11), in which I confirmed that we had released both Communications from scrutiny. While we regard this strand of correspondence (on 5869/11) as closed, we are keen to receive a reply to my letter of 8 December.

14 December 2011

Letter from Lord Taylor of Holbeach to the Chairman

Thank you for your letter of 8 December in regards to the Explanatory Memorandum on the European Commission's Communication on the "Roadmap to a Resource-Efficient Europe".

I understand your concerns about the effectiveness of voluntary agreements. The United Kingdom is committed to reducing the regulatory burden and seeking alternatives to regulation to provide the conditions for innovation to flourish. It is the Government's position that better environmental outcomes can in many cases be delivered in the least burdensome way through a voluntary approach.

Potential advantages include the ability to target areas of benefit for both the environment and economy; encouraging competition between participants in delivering targets, stimulating innovation to deliver change; and, the ability for business to deliver change that works well for their customers and with the grain of their business operations.

In the UK there are a number of examples where voluntary approaches can be effective. However, the voluntary approach may not always be the most effective answer, and should be considered on an individual basis. The Waste and Resources Action Programme (WRAP) is currently evaluating a series

of existing voluntary agreements. Initial findings show that in a voluntary process there will often be a balance to be struck between conflicting objectives. For example, the desirability of being inclusive and having broad participation may be at odds with the desirability of having an ambitious agreement with very exacting targets, which very few companies would wish to agree to. Compromise may therefore be important to negotiating a successful agreement, provided any compromises do not undermine effectiveness.

We know that responsibility deals can also have strong beneficial impacts. The Courtauld Commitment, a responsibility deal between the UK Government and the grocery retail and manufacturing sectors, was a success in tackling food and packaging waste. Over the course of the Commitment's first phase (2006-2010), grocery packaging growth halted (principally through encouraging adoption of light-weighted packaging design using less material per unit) and annual household food waste declined by at least 270,000t.

A study by WRAP shows that phase 1 is estimated to have prevented around £1.8billion of food and packaging waste.

The second phase (2010-12) continues to focus on optimising packaging and helping householders waste less food, and includes ambitious new targets to tackle food and packaging waste in the supply chain. We are also developing a new agreement with the hospitality and food service sector that will tackle both food and packaging waste. Further savings – to householders, food businesses and local authorities – are expected through Courtauld phase 2.

In April we sent the Commission a non-paper on the UK's interests under the resource efficiency agenda. In it we highlighted that the provision of information is important in influencing business behaviour, for example to support the case for business and institutional action to improve resource efficiency. Consequently, we would encourage the Commission to consider voluntary approaches before turning to regulation.

20 December 2011

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 20 December, replying to my letter of 8 December 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

We were interested to see your comments on voluntary agreements, and on options to be considered in policy-making. I confirm that we now regard this correspondence as closed.

18 January 2012

BIO-WASTE: FUTURE STEPS (9955/10)

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

I am writing to update you on the above Communication.

In your letter of 8th July 2010, you asked that the Committee be kept informed of any further developments and in particular if proposals come forward with subsidiarity implications. You also asked us to update you at the same time on actions being taken to ensure proper application of the waste hierarchy in national biowaste management planning.

I have not written before now because we have received no legislative proposals from the Commission in the areas covered by the Communication. This is consistent with the Communication's own conclusions on working within the existing regulatory framework - which we and the Committee welcomed.

However, we are now expecting to receive a legislative proposal in the near future in relation to end of waste criteria for biowaste. The European Commission's Joint Research Centre (JRC) has held two technical workshops on the subject this year. At the second workshop, the JRC presented proposals for end of waste criteria and we expect the Commission to make a formal proposal next year.

Our position remains as reported in the Explanatory Memorandum. We believe that "end of waste" criteria can reduce the regulatory burden on wastes that meet rigorous standards. They can also help build market confidence in products such as compost. In the UK, we already have "end of waste"

criteria in Quality Protocols for compost and digestate. We believe that national standards can be developed with local industries taking into account national circumstances.

We have contributed our expertise from the development of the UK criteria to the EU technical workshops. The proposals that the JRC has presented are similar in their general approach to that of the UK Quality Protocols. However, there are differences either in the tests of compost and digestate that would be required or in the thresholds that would apply in the tests. We are currently investigating the significance of these differences. Some of the tests are new to us so we do not have the background information to judge how significant the differences are. We will write to the Committee again when we receive a formal proposal from the Commission and have analysed its implications.

In terms of UK action on biowaste, the landfill tax remains central to our approach providing incentives to drive waste out of landfill and up the waste hierarchy.

You will know that the Government published its comprehensive review of waste policy in England in June. The review was guided by the waste hierarchy and included a commitment to develop a Waste Prevention Programme. This is also required by the revised Waste Framework Directive. It will set out actions to:

- help businesses recognise and act upon the savings possible through better resource efficiency and preventing waste, to contribute to a greener economy;
- make it easier for people to find out how to reduce their waste, and how to make it easier to reuse items they no longer want. For example through better access to good reuse services; and
- help ensure that products are designed to last for longer, contain less hazardous parts, to be more resource efficient and to reduce the environmental impact of any waste generated.

We are taking a range of actions to move food waste as high as possible in the waste hierarchy.

We are helping consumers waste less through WRAP's "Love Food Hate Waste" initiative. This provides advice and information on food prevention efforts such as food storage and using leftovers. This action is continuing, with many food businesses, local authorities and civil society organisations as partners helping WRAP disseminate messages.

We are working with retailers, manufacturers and brands to improve products and practices, via the Courtauld Commitment. This is a responsibility deal between UK administrations and the grocery retail and manufacturing sectors aimed at food and packaging waste prevention. Phase Two of the Courtauld Commitment runs until 2012 and we expect to report interim results shortly.

We are developing a new responsibility deal with the hospitality and food service sector to prevent food and packaging waste and to manage the waste that does arise more sustainably. The Government is working with the industry, WRAP and devolved administrations to develop the terms of the deal, which we hope to launch in spring 2012.

In September, we published advice on food date marking. This will help give consumers clarity by improving the consistency of the use of the 'best before' and 'use by' date marks, preventing further food that could be eaten ending up in the bin.

Recent information from WRAP has shown a reduction in the amount of food waste arising from households of 13% since 2006.

Where biowaste does unavoidably arise, we want to ensure that it is recognised as a resource and used in the most effective way. We published our Anaerobic Digestion Strategy and Action Plan alongside the waste review to tackle the barriers to the uptake of that technology.

We will be publishing a report on progress under the waste review next year and we will bring that to the Committee's attention.

7 December 2011

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 7 December 2011, providing further information about this policy area as I requested in my letter of 8 July 2010, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

You say that you expect that, in the near future, the European Commission will publish a legislative proposal in relation to end-of-waste criteria for bio-waste. We shall wait to see this.

You also offered information about UK action on bio-waste. You said in particular that Phase Two of the Courtauld Commitment runs until 2012, and that you expect to report interim results shortly. We would welcome it if, once these results are known, you could write to us again to set out your reaction to them.

15 December 2011

Letter from Lord Taylor of Holbeach to the Chairman

Thank you for your letter of 15 December 2011, which requested my reaction to the interim results of Phase Two of the Courtauld Commitment. These results cover the first year of the Commitment and compare waste produced by signatories in 2010 with 2009.

The Commitment's first target is to reduce the carbon impact of packaging by 10% by 2012. The interim results show that this target is on track, with a reduction of 5.1% in greenhouse gas emissions associated with packaging in 2010.

The second target is to reduce household food and drink waste by 4% by 2012. We are making strong progress towards this target, with a 3% reduction in 2010.

The third target is to reduce waste in the supply chain by 5%. The reduction in 2010 was 0.4%. This is the first time we have attempted to tackle supply chain waste and the interim results show that we have much more to do to meet this target.

Overall I am pleased that we have made good progress towards targets on packaging and household food waste, but I recognise that we need to do more to meet our new target on supply chain waste and I will be pushing for industry to continue to build on their efforts to make sure we meet these goals. Full results are at www.tinyurl.com/Courtauld2.

20 December 2011

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 20 December, replying to my letter of 15 December 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

We appreciated your prompt reply, providing information about the results of Phase Two of the Courtauld Commitment.

We noted your explanation that, as regards waste in the supply chain, the reduction in 2010 was 0.4%, against a target of 5%. You say that you will push for industry to build on their efforts. We would be interested to know more about your plans in this regard: clearly, much more needs to be done in the supply chain.

We would welcome a reply within the usual ten working days.

18 January 2012

Letter from Lord Taylor of Holbeach to the Chairman

Thank you for your letter of 18 January 2011 regarding the supply chain waste target in Phase 2 of the Courtauld Commitment.

The target is a 5% reduction in supply chain waste by the end of 2012, compared with 2009. The 0.4% reduction achieved was for 2010, so there remains the opportunity for progress in 2011 and 2012 to meet the target. Data showing progress in 2011 will be collected from March this year.

The targets in the Courtauld Commitment are delivered by WRAP (the Waste and Resources Action Programme). WRAP has analysed the 2010 results and, in order to make greater progress towards the supply chain target, will be focussing its technical support and advice on the companies and areas

of the supply chain where intervention will have the largest impact in the remaining time available. This will ensure that the expertise and assistance we can provide to the industry can tackle waste as effectively as possible.

Specifically, WRAP will be working with signatories in the following ways:

- With priority manufacturers, WRAP will focus on the implementation phase of its effective Waste Prevention Review and Implementation work. This work identifies the greatest opportunities for a company to prevent waste at their manufacturing site. It then supports the company to realise these waste prevention opportunities and replicate them across other sites.
- With priority retailers, WRAP will build on success in increasing recycling levels (diversion from landfill) and shift that focus towards waste prevention by demonstrating its potential business and environmental benefits and by supporting prevention action.
- With key product categories, such as perishables, WRAP will develop and implement options for retailers and suppliers to work more effectively together to prevent waste. These could include improved order specification, better forecasts, and greater communication.
- WRAP will also increase the accessibility and use of its best practice information and guidance resources.

27 January 2012

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 27 January, replying to my letter of 18 January 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 8 February 2012.

As before, we appreciate the promptness of your reply. However, we continue to see a question-mark over the prospects for achieving the target of a 5% reduction in supply chain waste by the end of 2012, compared with 2009. You acknowledge that “there remains the opportunity for progress in 2011 and 2012 to meet the target”. In this context, we take “opportunity” to be synonymous with “major challenge”.

While we were happy to note your own endorsement of the efforts being undertaken by WRAP, we would like to know more about how closely progress towards the 5% target is being assessed during 2012, and by whom. In-year monitoring, carried out regularly and robustly, is surely more effective than post-year reporting.

We would welcome a reply within the usual ten working days.

9 February 2012

Letter from Lord Taylor of Holbeach to the Chairman

Thank you for your letter of 9 February 2012 regarding monitoring of the supply chain waste target in Phase 2 of the Courtauld Commitment.

Reporting of progress towards the targets in the Commitment takes place annually, though this does not represent the sum of monitoring of progress by WRAP. As I outlined in my previous reply, WRAP is supporting companies to realise waste prevention opportunities, focussing on those with the greatest potential to make progress, as identified by the 2010 results. As this work proceeds, WRAP monitors tonnage indicators of the impact of its implementation activities for individual signatories and sites to ensure that its intervention is as effective as possible.

In development of the Commitment, we considered having a reporting frequency that was greater than once per year. While this would have had benefits, it would have created a substantial reporting burden, with a consequent disincentive to participate, reducing the influence of the agreement and weakening our ability to tackle waste in this industry.

This is especially the case for the target in question. Many signatories have needed to set up new systems to measure their supply chain waste robustly, in the absence of other drivers requiring these measurements (whereas, for example, there is regulation driving the measurement of packaging waste). The Commitment has therefore prompted companies to take the first step towards being able

to reduce supply chain waste. Data collection and reporting is improving over the life of the Commitment and WRAP is working to support signatories to improve it further still.

To ensure that progress towards the targets is properly assessed, WRAP carefully checks the data reported by signatories for accuracy and consistency. The robustness of WRAP's first year results was additionally scrutinised by external auditors.

We accept that more work needs to be done to meet the target on supply chain waste. This target was always going to be a challenging one, with the mindset of businesses more strongly focussed on diversion from landfill, rather than the greater prize of waste prevention. Indeed, during 2010 Courtauld signatories did succeed in reducing waste to landfill by a further 40%. We believe that we have taken a strong step in widening the focus of the retail and manufacturing sectors to include acting on waste at all points in the supply chain, and at all stages in the Waste Hierarchy including the top levels of prevention and re-use.

28 February 2012

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 28 February, replying to my letter of 9 February 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We understand the arguments that led you to opt for annual reporting of progress towards the targets in the Courtauld Commitment. Given, as you say, that the target on supply chain waste is particularly challenging, WRAP's role in monitoring progress must be essential.

We will maintain an interest in developments, but we are content to regard this strand of correspondence as closed.

7 March 2012

COMMON AGRICULTURAL POLICY: TOWARDS 2020 (16348/10)

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

Your letter of 29 November 2011, offering an update on the progress of EU negotiations on the CAP in response to my letter of 6 April of this year, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 December.

We were grateful for the information that you provided.

As you know, we are now scrutinising the European Commission's proposals for CAP reform which were published in October of this year. We were pleased that, at the seminar on innovation in EU agriculture which we held on 30 November and which had as a focus the CAP reform proposals, Lord Taylor of Holbeach was able to join us and speak about the UK Government's views.

I confirm that we have released the 2010 Communication (16348/10) from scrutiny.

8 December 2011

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

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 Memoranda on the above documents have been considered by our Agriculture, Fisheries and Environment Sub-Committee at various meetings, most recently on 25 January 2012. A related seminar, into Innovation in EU Agriculture, was convened on 30 November 2011; we were pleased that Lord Taylor of Holbeach was able to attend.

Aside from some positive changes to Pillar 2 in the direction of innovation, we found the reform package to be woefully unambitious. In the light of current economic challenges, new approaches are required, and we strongly regret that the opportunity appears to have been missed to introduce

them. The risk of even greater disruption to European economies cannot be ignored; were this to materialise, long-standing budgetary models such as the CAP could become obsolete overnight.

On the overall level of spending, the Commission indicates that the proposed new financial framework represents the status quo in terms of agricultural spending, including the various additional funding schemes under other Headings of the Financial Framework and outside the MFF. Is this an analysis with which you would agree?

While we welcome the proposal that funding for investment in agricultural research be more than doubled (under the Horizon 2020 budget), the failure to make any substantial reduction in the overall agricultural budget is very disappointing. We therefore urge you to advocate greater cuts to Pillar 1, alongside more ambitious modulation of funds to Pillar 2.

We welcome the Government's overall approach of negotiating a proportionate, simplified package with innovation and sustainability at its heart. This is a position that we share, although we would prefer to see a much more radical approach to reform. We have a number of specific points, which we set out below.

One of the original justifications for direct payments was as a risk management measure, in recognition of the fact that the industry can face unforeseeable and significant risk derived from adverse climatic events and animal or plant diseases or pest infestation. As a short term counterweight to reduced direct payments, we consider some form of temporary risk management measure to be important. Over the longer term, however, such state-funded support should not be necessary. The Commission has proposed a variety of risk management measures: under Pillar 2, the CMO Regulation and the Global Agricultural Risk Management Fund. We do not see the need for all of those measures but we strongly agree that financial support should be available on a time-limited basis to cover premiums for crop, animal and plant insurance against economic losses caused by the risks described above. This already forms part of the new Risk Management Toolkit in Pillar 2. You are concerned that the Toolkit will consume a significant proportion of Pillar 2 funding. While we understand your concern, we believe that this can be avoided by focusing the Toolkit on the above measure and by respecting Article 9 of the proposed Rural Development Regulation. That Article demands that Member States demonstrate the necessity of their planned actions and that a pertinent approach has been taken to innovation and environmental protection.

What modelling have you undertaken on the economic impact of reduced direct payments in the UK? Do you agree that some form of risk management is necessary, in part as a response to reduced direct payments? What value, if any, do you see in the measures proposed by the Commission? Your preferred option, of encouraging access to futures markets, causes us some concern and we would be interested in further detail and underlying analysis to support that policy approach. How are discussions on risk management progressing among other Member States and in the European Parliament?

Turning now to the proposal to green direct payments, we have previously recommended that payments under Pillar 1 of the CAP should be made in return for delivery of public goods, responding to climate change, protecting biodiversity and encouraging agricultural innovation. In our view, the principle is therefore reasonable but the fundamental problem with the Commission's greening proposal is its "one size fits all" lack of flexibility. We would prefer to see greening measures identified at the national or regional level, building on the cross compliance requirements and recognising substantial efforts already made by farmers – for example, through the Higher Level Stewardship Scheme.

Political attention has been drawn to the proposal to cap direct payments. While the practicalities of such a cap may be challenging, there is nonetheless an important issue of public perceptions, particularly if the funding is hypothecated towards innovation funding under Pillar 2. We are therefore inclined to support the proposal and would welcome an update from you as to progress in negotiations on that particular subject.

The proposed Pillar 2 Regulation contains much that we welcome, particularly:

- the prominence given to the issues of knowledge transfer from lab to farm and to the exchange of information between scientists, farmers and others;
- the proposal that the Farm Advisory Service should extend beyond cross-compliance;
- the inclusion of a new article on cooperation among different actors in the agriculture and food chain, forestry sector and among other actors that

- contribute to rural development policy, allowing too for the establishment and operation of operational groups of the European Innovation Partnership on Agricultural Productivity and Sustainability (see further comments below);
- the suggestion that initiatives under the cooperation article, and various other innovation-related measures, will benefit from 80% Union financing (as opposed to 50% for most measures); and
- support to non-farm economic activities.

We consider that there is insufficient recognition of the role of private sector advice in the farm advice structure, and of the tension that can arise between, on the one hand, advice orientated in favour of certain products and, on the other hand, sustainability. Your thoughts on how this might be integrated into the proposals would be welcome.

In our Report on Innovation in EU Agriculture, we expressed support in principle for a European Innovation Partnership (EIP) on Agricultural Productivity and Sustainability, but we concluded that it must be founded on effective, action-based co-operation. We would urge you to engage constructively with the Commission, MEPs and other Member States on taking this initiative forward; and we would welcome detailed information from you about progress in planning for and initiating this EIP.

The proposed new Regulation setting out Common Provisions for cohesion funds will require greater alignment between Pillar 2 and other Funds. This means that there is potential for funds to support rural economic development under the European Regional Development Fund and the European Social Fund. How do you assess the potential of this and what actions are you already taking to consider implementation?

We will retain all four of the Proposals under scrutiny and would appreciate updates as negotiations progress. We look forward to your response within the usual ten days.

26 January 2012

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

Thank you for your letter of 26 January concerning the European Commission's CAP Regulatory Proposals and the House of Lord's European Union Committee's reaction to my Explanatory Memoranda on the same. You requested a number of clarifications and updates and I am pleased to provide the following response.

Your letter queried the Commission's assertion that the proposed new financial framework represents the status quo in terms of agricultural spending. Our analysis shows that when inflation is taken into account there would actually be a real terms decline in CAP spending of 7.5% over the 2014-'20 period relative to 2013. Once spending in other Headings and 'off-budget' items such as the agricultural crises reserve are accounted for, the real terms decline in total agricultural spending would be 4.2%. The Government's position is that we want a very substantial reduction in the size of the CAP budget and that under a smaller CAP, Pillar 2 should receive an increased share, allocated more objectively.

You asked what modelling we have undertaken on the economic impact of reduced direct payments in the UK. Previous economic modelling of the complete removal or reduction of direct payments across the EU has indicated a range of potential impacts on EU farming competitiveness and productivity. For example, the European Commission's Scenar 2020 study modelled a scenario where all Direct Payments and tariffs were eliminated, which resulted in only 6% of EU farmland dropping out of production compared with the baseline. This is an area of ongoing analysis.

Whilst current Direct Payments under the CAP provide some limited support from income volatility associated with unforeseen circumstances, it is arguable as to whether a reduction in these should automatically lead to the necessity of supporting agri-insurance subsidies as a form of risk management. I would far rather consider the Risk Management proposals on their own merits and in line with other Pillar 2 funding priorities, but fully agree that any such measures were they to be introduced should be time limited.

The Farm Practices Survey of 2009 gathered information from farmers in England on their financial risk management activities – nearly a third of farmers had not considered using financial risk management tools and a further third of farmers did not think such tools were necessary. In line with our desire to increase competitiveness and reduce reliance on subsidies, we would like to see farmers

having greater awareness of and access to such tools and the ability to take more responsibility for these matters – a view echoed by the Commission’s statement that farmers need to become better at identifying and managing the risks they face. Inclusion of measures such as the Income Stabilisation Fund in the Rural Development Regulation sits uneasily with this argument.

To the extent that direct support limits income variability it serves as a disincentive to farmers own natural risk management strategies, such as, for example, crop diversification. Access to futures markets or forward pricing contracts (where a third party offsets the risk through the futures market) are one manner in which farmers can pro-actively plan to combat intermediate level risks associated with the likes of low yields, crop failures and weather or pest damage - a view supported by the OECD in their recent ‘Managing Risk in Agriculture’ publication.

Early discussions with other Member States reveal a split between those who consider the risk management toolkit should sit in Pillar I (without the income stabilisation tool), and those who agree it should remain in Pillar 2, and be strengthened. Our view is that the focus of any risk management toolkit should be improving farmers’ knowledge and facilitating the development of private risk management instruments. We are concerned that permanent subsidy of risk management instruments would not be efficient, with much of the benefit likely to be captured by the insurance company rather than the producer. We will continue to work constructively with other Member States, the Commission and European Parliament to achieve a better balance of risk between farm businesses and the taxpayer.

On the subject of farm advice, the proposed expansion of the remit of the Farm Advisory Service away from simple cross compliance advice offers opportunities to explore new possibilities of integrating different sources of expertise and advice. We would welcome a broader measure which allowed for the integration of training, advice and information provision though the Commission currently maintains separate measures for training and advice.

I broadly welcome the proposed significant increase in funding for agricultural R&D and the development of a European Innovation Partnership (EIP) on Agricultural Productivity and Sustainability. We believe that the EIP offers a real opportunity to improve co-operation between those in the agricultural industry and to improve technology and knowledge transfer. The Commission is still at a relatively early stage in developing the operational detail for the EIP and we will work with them to help identify the structures necessary to ensure that EIP delivers real results for farmers.

We are also working constructively with colleagues across Government to assess the potential that increased coordination between European funding streams may offer to tackle rural economic issues. The European Commission will produce a paper on the Common Strategic Framework – the framework by which they intend to facilitate the streamlining of funds – over the coming weeks and evaluation of this will feed into that process. Future development of the Partnership Contract will also demonstrate how we intend to do this.

I will of course be happy to provide additional updates to Parliament as negotiations progress.

23 February 2012

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

Your letter of 23 February on the above documents, replying to my letter of 26 January 2012, has been considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We found your reply helpful, and were pleased to see that there is common ground between us on most points, including the European Innovation Partnership (EIP) on Agricultural Productivity and Sustainability. We urge you again to work closely with the European Commission and other Member States on the development of the EIP.

We note, however, that we differ on the issue of risk management. Our view is not that a permanent subsidy of risk management instruments should be introduced but that their adoption throughout the instrument should be pump-primed through a temporary measure. You agree that any EU-funded measures to support insurance premia, were they to be introduced, should be time-limited, but you make clear your preference to raise awareness among farmers of financial risk management tools, particularly futures markets and forward pricing contracts. We would find it helpful to hear more from you about your policy on futures markets and forward pricing contracts, and about how greater take-up of those tools and of insurance might be encouraged.

We will continue to keep all four of the proposals under scrutiny and would appreciate updates as negotiations progress. We look forward to your response in relation to risk management within the usual ten days, and to additional updates in due course as negotiations progress.

7 March 2012

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

Thank you for your letter of 7 March in response to my letter of 23 February. You requested further information regarding our policy on futures markets, forward pricing contracts and how greater uptake of these may be encouraged.

The OECD's "Managing Risk in Agriculture" publication states that "an effective risk management system should be guided by the risk exposure of farmers and their preferences, and their strategies should not be displaced or constrained by policies in place. Farmers possess the most complete information on their individual risk environments and risk preferences. A core policy role is to ensure that relevant information and tools are available to allow farmers to manage their own risks, i.e. to empower farmers. A particular emphasis should be placed on information, training and education." This is a view that we share.

We believe that the CAP could be used to encourage EU and UK farmers to more actively manage the risks faced by their businesses through greater take up of risk management strategies. While such strategies should consider using the tools that fit their own particular circumstances we believe that consideration should be given to the use of financial products to help mitigate these risks. Futures and options trading should be considered alongside these other financial products.

While to date European farmers' use of agricultural futures markets has been limited, their use is one of the most economically efficient ways for companies in all sectors to manage market risk and price risk. We believe that the CAP could be used to promote improved risk management by voluntary provision of funds to those groups of farmers who wish to make use of agricultural futures markets, either directly or by purchasing the advice of specialist market traders. This could be a vehicle for encouraging the majority of farmers to participate actively in futures and options trading at lower risk and lower cost.

We are still considering how best we can use the CAP to encourage EU and UK farmers to increase the take up of the use of futures as a way of managing risks associated with increasingly volatile commodity prices. Possible routes for providing support may include using the Cooperation measures in the Rural Development Regulation or the financial instruments provisions of the Common Strategic Framework Regulation.

Support could take a number of forms including the provision of a grant to meet at least part of the cost of procuring advice or training, including advice from specialists on the process of pooling funds among various farmers, or training to negotiate futures contracts and make use of appropriate sources of market intelligence to maximise the effectiveness of this technique as a way to manage risk. The objectives for this intervention would be to stimulate farmers to start using futures exchanges to manage risk.

I will of course be happy to provide additional updates to Parliament as negotiations progress.

19 March 2012

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

Your letter of 19 March, replying to my letter of 7 March 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 April 2012.

Our correspondence has dealt with the use by farmers of financial risk management tools. You state your belief that the CAP could be deployed to encourage EU and UK farmers to take up risk management strategies, and you endorse the emphasis placed in an OECD publication on information, training and education.

We are still far from clear on whether you have specific and practical steps in mind to back up these headline statements. As regards larger farm businesses, we also question what barriers currently exist to prevent them from using financial risk management tools, and what need there is for the CAP to support their efforts.

We look to you for further comment on these issues, by mid-May. We will continue to keep all four of the proposals under scrutiny and would appreciate updates as negotiations progress.

25 April 2012

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

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

Your letters of 22 November, replying to my letters of 3 November 2011 on the above documents, were considered by our Agriculture, Fisheries and Environment Sub-Committee on 14 December 2011.

We were grateful for your responses and particularly heartened by your explanation of how you would like to see Article 41 strengthened in relation to Sustainable Fishing Agreements.

At this stage we consider that it would be helpful to discuss these issues informally. Our staff will be in contact with yours in order to arrange a meeting between you and Lord Carter of Coles, Chairman of the Agriculture, Fisheries and Environment Sub-Committee.

In the meantime, we will hold all three documents under scrutiny.

14 December 2011

COMMUNICATION ON RIO+20: TOWARDS THE GREEN ECONOMY AND BETTER GOVERNANCE (11845/11)

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

Thank you for your letter of 27 October, in response to my letter of 5 October, where you asked for more information about the 'Planet Under Pressure' conference, and stressed that we must keep the aim of poverty eradication in mind as we take the Rio+20 process forwards.

The Planet Under Pressure conference (London, 26-29 March 2012) is being organised under the auspices of a respected group of global scientific organisations, led by the International Council for Science (ICSU) to provide scientific leadership towards the Rio+20 conference.

This conference is seeking to provide a comprehensive update of our knowledge of the Earth system and the pressure the planet is now under. It will provide a focus for the scientific community's work on climate, ecological degradation, human well-being, planetary thresholds, food security, energy, governance across scales and poverty alleviation.

I am pleased that many parts of the UK Government and scientific community, including Defra, are supporting and contributing to this important event. For instance, the Living With Environmental Change Partnership (LWEC – a group of 22 public sector funders and users of environmental research) is sponsoring a session chaired by its Director, Professor Andrew Watkinson, and Defra's Chief Scientific Adviser, Professor Robert Watson FRS, on identifying and implementing solutions for environmental change.

This and many other conference sessions will seek to move beyond identifying the challenges we face and also look at solutions, at all scales, to move societies on to a more sustainable pathway. This will help set the scene for Rio+20. Much more information is available from the Planet Under Pressure website, including a comprehensive overview of the conference aims and themes, together with a detailed programme. It can be found at <http://www.planetunderpressure2012.net/index.asp>.

Regarding considerations as we take the Rio+20 process forwards, I fully agree with you that, as you state in your letter, we must keep the aim of poverty eradication in mind, as well as that of sustainable development. Indeed, I would further stress the Government's view that poverty eradication forms a fundamental component of the social pillar of the 'three pillars' of sustainable development (environmental, economic, and social), and by definition will be integral to consideration of the work to drive progress on sustainable development through Rio+20. We welcome the fact that the first theme of Rio+20 is 'green economy in the context of sustainable development and poverty

eradication' – strictly speaking the 'and poverty eradication' is not necessary since, as I've argued above, poverty eradication is part of sustainable development, but the extra emphasis that this places on poverty eradication is to be welcomed. Sustainable economic growth, lifting people out of poverty, is a tremendously powerful tool to deliver sustainable development when it features win-wins of environmental enhancement and economic development, vs. short-term trading off between the two (which ultimately leads to lower economic growth as natural resources are depleted or degraded).

12 December 2011

Letter from the Chairman to Richard Benyon MP

Your letter of 12 December, replying to my letter of 27 October 2011, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 18 January 2012.

It was helpful to receive the information that you provided about the "Planet Under Pressure" conference, and also your comments on the importance of the objective of poverty eradication, as well as sustainable development, in this context.

I confirm that we regard this strand of correspondence as closed.

18 January 2012

DANGEROUS CHEMICALS: IMPORT AND EXPORT (9896/11)

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

On 23 June 2011, you replied to my Explanatory Memorandum on the European Commission's proposal to recast the current Regulation (EC) No 689/2008 on the export and import of dangerous chemicals. In particular, you preferred to keep the proposal under scrutiny pending resolution of the roles of Member States and the Commission in the Rotterdam Convention, and submission of the Impact Assessment.

Negotiations on the proposal in the Council's Environment Working Group have progressed rapidly towards a text that can be supported by the majority of the Member States. In addition, the Environment Committee of the European Parliament recently agreed a package of amendments. The Danish Presidency has indicated that they hope to achieve a first reading deal and we think there is a good prospect of this happening in the first half of this year.

We opposed any change on the balance of roles between Member States and the Commission in the Rotterdam Convention, reflecting HMG's view that the Lisbon Treaty has not changed the position on external representation. Both the Council and European Parliament have taken the same position as the UK, leaving the Commission somewhat isolated on this matter.

In line with the agreed negotiating strategy, we have ensured that arrangements for delegated acts are appropriate and fully in line with the Common Understanding between the Council and Commission.

I am also pleased to attach the Impact Assessment [not printed] that we have prepared on the proposed recast. This confirms that the impact on UK industry and government will be minimal.

I hope you will find the Impact Assessment and the update on recent developments helpful.

1 February 2012

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

Your letter of 1 February 2012, replying to my letter of 23 June 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee on 8 February 2012.

We are content to release the proposal from scrutiny, in the light of the information that you have now provided which indicates that concerns previously expressed by the Government are being satisfactorily resolved in negotiations.

9 February 2012

DANGEROUS SUBSTANCES: CONTROL OF MAJOR 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 latest position on the proposed Seveso III European Directive on the control of major accident hazards. Your Committee is retaining the dossier under scrutiny.

EUROPEAN PARLIAMENT COMMITTEE VOTE

On 4 October the European Parliament (EP) Environment, Food and Public Health (ENVI) Committee held a vote on a draft report tabled by the rapporteur including 145 amendments to the above Directive proposal. The ENVI Committee voted strongly in favour of the report.

The outcome of the vote was mixed for the UK. Some amendments were helpful such as:

- Allowing inspection frequencies for Seveso sites to be based on a systematic appraisal of major accident hazards, rather than relying solely on prescriptive inspection intervals. The UK already sets inspection frequencies based on hazard and risk and would not wish to regress to prescriptive intervals.
- Implementing major accident prevention policies by appropriate safety management systems, which is more in line with the UK position on this topic than the Commission proposal.
- A proposal on confidentiality which covers both public requests for information as well as information that regulators have to disclose. The UK is pressing for a strong provision on confidentiality to balance the broad public information rights.

However, the ENVI Committee was less helpful in other areas:

- It agreed with the Commission's proposal for an expansion of scope regarding which dangerous substances are included in the Directive. The EP has indicated that this issue is key to achieving a first reading deal. The UK prefers a more limited scope to make it more in line with the current position.
- While the UK supports providing an easily understandable summary of public information, the ENVI Committee is pushing for more detailed information to be provided such as a definitive list of dangerous substances. This may have security implications, be costly and would be unlikely to help a layperson.
- An amendment seeks to extend the proposal to include protection of property (in addition to people and the environment) and requests the Commission to examine whether there should be extension at a later date to include offshore oil exploration, pipelines and certain nanomaterials. The UK line on both these points is that other legislation already adequately covers these issues.

One of the UK priorities during the remaining negotiations will therefore be to resist as far as possible movement to the ENVI Committee position on the more problematic subjects.

UK IMPACT ASSESSMENT

The UK Impact Assessment (IA) sent to you in May estimated the cost of implementation of the proposed Directive to the UK at £75-95m over 10 years. The IA has recently been updated to reflect better scientific analysis about which substances will come into scope of the proposal. It is now estimated that the total cost of implementation to the UK over 10 years is £55-70m, the decrease being due to a 60% reduction in the net number of new sites that are expected to move into scope of the Directive, from 65 to 27. The cost associated with change to scope has decreased by 70%, from £20m to £6m. It should be emphasised that the cost estimates for the change in scope include considerable uncertainty around the effect of the proposal on sites which are currently out of scope. This uncertainty will remain until sites actually notify once the Directive has been implemented in the UK. The costs of other aspects of the proposal have also decreased, but to a lesser extent. This is

because these other costs are determined by the total number of Seveso sites at any time rather than the net increase in sites.

The IA will be further refined to reflect the emerging results of the negotiations.

In the remaining negotiations, the UK will continue to push for amendments that maintain or improve protection for workers, the public and environment and minimise costs to UK industry and regulators.

NEXT STEPS

The Polish presidency will hand over the dossier to the Danish presidency at the end of the year. All the institutions have expressed willingness to attempt to find agreement at first reading. A first reading vote is expected to take place at the EP plenary on 1 February 2012. Member States will then have until 1 June 2015 to transpose the Directive.

I will write to the Committee again in advance of the EP plenary vote.

1 December 2011

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

Your letter of 1 December 2011 about this proposal, about which I last wrote to you on 15 September of this year, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 14 December 2011.

It was helpful to receive the information that you have provided about progress on the proposal and about the impact assessment. We will keep it under scrutiny, and look forward to receiving the further update that you will send.

15 December 2011

DANISH PRESIDENCY: INFORMAL MEETING OF ENVIRONMENT MINISTERS

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 inform the Committee about the discussions held during the Informal Meeting of Environment Ministers held in Horsens where Ed Davey and I represented the UK.

On the first day, the meeting focused on the 7th Environment Action Programme with two working sessions on: the vision to 2050, better implementation and strengthening of the environmental acquis; and the transition to a green economy. On the environmental acquis, I welcomed the Presidency's proposed way forward with which we are broadly content. I emphasised that although the UK welcomes the focus on implementation of existing EU legislation, we must also recognise the principles of proportionality and the need for flexibility when EU legislation fails to deliver the expected outcomes. We support the effective implementation of current legislation across the EU but need to be sensible about measures taken and ensure that they are proportionate to the risk to people and/or the environment.

In the session on transition to a green economy, there was broad agreement that there was no alternative to - and enormous potential and great opportunities to be gained in - transforming the European economy to achieve sustainable, resource efficient and low carbon growth through initiatives such as resource efficiency, sustainable consumption and production, phasing out environmentally harmful subsidies, product policy, green public procurement and greening investments. I agreed that resource efficiency would be a key factor in transforming the economy but cautioned against setting concrete targets and a 'one size fits all' approach - the UK supports the development of a series of indicators on key natural resources as a logical and proportionate first step before considering the setting of resource efficiency targets on the basis of proper impact assessments. I also agreed on the need to promote sustainable products and boost sustainable consumption and production patterns. I emphasised that the UK government is committed to moving towards a green economy and at the heart of this agenda is the understanding that environmental and economic goals are complementary and not substitutes for each other. I pointed out that we have our own green economy roadmap setting out how government and business can work together to

transform the economy, and that we've set up a Natural Capital Committee reporting directly to the Chancellor to put natural capital at the heart of our economic thinking.

The third working session, held on the second day, was devoted to Rio+20 – securing concrete targets and actions. This was followed by a working lunch on the future of the ETS system. Discussions on Rio+20 were based on a Commission discussion paper on 'a green economy roadmap – goals, targets and actions'. In discussion both prior to and during this session I noted UK concerns that the paper did not send the right signals to attract support in the Rio negotiations particularly from developing countries. The food, water and energy nexus, a key priority for developing countries, was absent from the paper which also did not address social and financial aspects. There was general agreement that the importance of the social dimension should be further emphasised, including social equity and poverty eradication; that the five priority areas identified by the Commission were not a 'closed list' and that the suggested goals and targets were not and should not be communicated as a 'counter-proposal' to the Sustainable Development Goals (SDGs). On the contrary, the EU should make clear to our global partners that an inclusive green economy and SDGs can and must go hand in hand. The green economy roadmap is a vehicle towards achieving sustainable development and as such also towards achieving SDGs.

I understand that Ed Davey has written to you separately regarding the lunchtime discussion on the future of the ETS, held during the second day of the meeting.

5 May 2012

DANISH PRESIDENCY PRIORITIES

Letter from the Rt. Hon Chris Huhne 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 Danish 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 Energy Councils for 14 February and 15 June and a back-to-back informal Energy and Environment Council on 18/20 April. Climate change issues (where DECC takes the lead) are dealt with at Environment Councils, which are timetabled for 9 March and 11 June.

The Danish Presidency's main energy priorities are:

- Seeking political agreement of the energy efficiency Directive;
- Making substantial progress on the Regulation on guidelines for trans-European energy infrastructure;
- Adopting conclusions on the 2050 Energy Roadmap;
- Reaching agreement on the Decision on an information exchange mechanism for intergovernmental agreements.

Negotiations of the energy efficiency Directive recommence this month. It is a key priority for the Danish Presidency and they are hoping to reach a First Reading deal with the European Parliament on a revised version of the Directive. We shall be looking for that to retain the ambition of the Commission proposal while addressing Member State concerns about over-prescription. A second priority for the Presidency is to make substantial progress on the energy infrastructure Regulation; it is not impossible that they could also reach a First Reading agreement on this dossier (albeit unlikely given the tight timing). The Presidency is also aiming to reach agreement on the Decision on an information exchange mechanism for intergovernmental agreements.

Negotiations will continue on the Regulation on the safety of offshore oil and gas activities and on the Directive on basic safety standards protecting the health of workers and the general public against the dangers of ionising radiation but we expect limited progress. We expect the Commission to report on the risk and safety assessment ("stress tests") of nuclear plants at the June Energy Council.

Negotiations will also continue on a number of other nuclear issues:

- 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 Presidency is planning to focus on the 2050 Energy Roadmap at the Informal Energy and Environment Councils in April and to adopt Council conclusions at the June Energy Councils.

We expect the Commission to forward Communications on a strategy for renewable energy and on electricity market design towards the end of the Danish Presidency.

On climate change, the Presidency's main priority will be to agree follow-up to the Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), held in Durban at the end of 2011. The Presidency aim to agree Council conclusions on follow-up to COP17 at the March Environment Council. They also hope to agree conclusions at the March Environment Council on the 2050 Low-Carbon Economy Roadmap and the milestones it sets out for domestic emissions reductions and to discuss Member State concerns about the Roadmap at the April Environment and Energy Informal Council.

The Presidency's other priority on climate change will be to take forward work on Land Use Land Use Change and Forestry (LULUCF), with an orientation debate on Commission proposals planned for the June Environment Council.

16 January 2012

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 Danish EU Presidency's priorities over the coming months in terms of Defra's Council business. Denmark holds the six-month rotating Presidency of the EU Council of Ministers from 1 January until 30 June 2012.

25 January 2012

ANNEX

COUNCIL ARRANGEMENTS

There are two Environment Councils and six Agriculture and Fisheries Councils scheduled to take place under the Polish Presidency of the EU, plus one Informal Meeting of Ministers for each. The Environment Councils will be chaired by Ida Auken, Environment Minister, except for climate issues, which will be chaired by Martin Lidegaard, Minister for Climate, Energy and Buildings. The Agriculture and Fisheries Councils will be chaired by Mette Gjerskov, Minister for Agriculture, Fisheries and Food.

The formal Environment Councils will take place on 9 March (Brussels) and 11 June (Luxembourg), and the informal meeting will be held from 18-20 April in Horsens, Jutland in Denmark. Agriculture and Fisheries Councils will be held monthly, except in February. In June the Presidency has dates for two Councils, but whether both will go ahead is dependent on progress made on key dossiers. All the Agriculture and Fisheries Councils will cover both topics except for the January Council and the first June Council, which will both cover agriculture only. The January and the first of the June Councils are scheduled to last one day, while the other four are scheduled for two days each. The January, March and May Councils will take place in Brussels, with the remaining three being held in Luxembourg. The informal agriculture meeting will take place 3-5 June.

ENVIRONMENT COUNCIL WORK

7th Environment Action Programme (EAP) – Since the early 1970s, a series of periodic EU Environmental Action Programmes have provided the broad framework for EU environment policy and legislative activity. The current (6th) EAP runs until July 2012. In the Danes' view, the 7th EAP should focus on the big themes of resource efficiency, biodiversity, climate adaptation, environment and health, and better implementation of EU environment legislation. The contents of the 7th EAP will be one of the priority topics discussed at the Informal Environment Council in April, and non-legislative Council Conclusions are scheduled for the Environment Council on 11 June.

Biodiversity – The Presidency will continue work connected to the implementation of the EU Biodiversity Strategy, which will also form a part of discussions on Rio+20 and the 7th EAP. There will be non-legislative Council Conclusions prepared at the June Environment Council towards CBD COP 11 in Hyderabad in October 2012.

Biodiversity: Access and Benefits Sharing (ABS) – Early Access and Benefit Sharing of genetic resources (ABS) is the third aim of the Convention on Biological Diversity (CBD), and was adopted via the Nagoya Protocol at CBD COP 10. Parties to the Protocol will have to implement measures to provide greater clarity to both providers and users of genetic resources. There will be non-legislative Council Conclusions prepared at the June Environment Council towards CBD COP 11, and possibly COPMOP 1 of the Nagoya Protocol in Hyderabad in October 2012.

Genetically Modified Organisms (GMOs) – The current main EU proposal on GM is the National Decision Making proposal that would allow Member States to ban cultivation of GM crops in their own territory on grounds other than health or environmental safety. However, a large Blocking Minority including the UK, France, Germany and Spain is currently preventing a deal. There will be an attempt to find legislative Political Agreement on GMOs at the Environment Council in March.

Indirect Land Use Change (ILUC) - There are concerns that biofuel use has produced significant unreported CO₂ emissions due to land use change to produce biofuel crops. The Commission is expected to come forward with a proposal, in early 2012, to amend the Fuels Quality Directive (FQD) and Renewable Energy Directive (RED) to address these concerns. There will be a legislative Orientation Debate on ILUC at March Environment Council.

LIFE - LIFE Regulation for 2014-2020 is a continuation of the EU financial instrument on the environment. It has an increased emphasis on climate action, with two discrete sub programmes proposed for the Environment and Climate Action, each with a dedicated budget. There will be a legislative Orientation Debate at the March Environment Council, before an attempt to reach a legislative Partial General Approach at the June Council.

Mercury Convention – Mercury is widely recognized as a chemical of global environmental and health concern. There will be non-legislative Council Conclusions prepared at the June Environment Council towards the fourth Intergovernmental Negotiating Committee, from 26 June to 2 July 2012 in Uruguay.

Preparations for Rio+20 - Brazil will host the UN Conference on Sustainable Development (Rio+20) from 4 to 6 June 2012. The conference will mark the 20th anniversary of the original Rio Earth Summit in 1992. Rio+20 will focus on two themes: green economy for sustainable development and poverty eradication; and, institutional reform for sustainable development. Rio will feature at both formal Environment Councils – non-legislative Council Conclusions at the March Council, and Information from the Presidency at the June Council – as well as being one of the priority topics discussed at the Informal Environment Council in April.

Priority Substance in Water – The Directive on Priority Substances will replace Annex X of the Water Framework Directive. It deals with both Priority Substances (which are of recognised concern - Member States must reduce the concentration of these substances in their water), and Priority Hazard Substances, which Member States must cease emitting, and which must be phased out entirely from the water supply within twenty years. Legislative Political Agreement on this dossier has been scheduled for the June Environment Council.

Sulphur content of marine fuels – The aim is to reduce sulphur content of marine fuels, via a proposal to align EU legislation with new international standards which are redrafted in Annex IV of the MARPOL Convention – ‘The International Convention for the Prevention of Pollution from Ships’. There will be an attempt to reach legislative Political Agreement at the June Environment Council.

Strategic Approach to International Chemical Management (SAICM) – It is a voluntary policy framework to promote chemical safety around the world and has as its overall objective the achievement of sound management of chemicals throughout their life cycle. There will be non-legislative Council Conclusions prepared at the June Environment Council towards the third session of the International Conference on Chemicals Management (ICCM3), in Nairobi, Kenya, 17-21 September 2012.

Reform of the Common Agricultural Policy (CAP) - Following the publication of the Commission's proposals for the CAP post-2013 on 12 October 2011, the Danish Presidency will undertake a full programme of Agriculture Council discussion on the proposals, with the aim of producing a CAP report at the end of June identifying the key political questions and setting out the position of EU Member States. The Multi-Annual Financial Framework (MFF) is highly unlikely to be concluded during the Danish presidency, and thus final decisions on CAP post 2013 cannot be expected before the end of 2012. Legislative Orientation Debates are expected on different aspects of the CAP reform package of proposals (direct payments, financing, Common Organisation of the Market, Rural Development) at every Council up to the June Councils. At the June Councils the Presidency will look to produce a legislative Progress Reports defining the key political questions and the position of Member States.

Reform of the Common Fisheries Policy (CFP) - The Common Fisheries Policy is the EU's instrument for the management of fisheries and aquaculture. A draft legislative proposal for a new CFP was published on 13 July 2011, with the final element published on 2 December 2011. Formal negotiations began in September 2011, with the European Parliament and Fisheries Council expected to agree first common positions in the middle of next year. There will be legislative Orientation Debates on the CFP at the March, April and May Councils, leading up to the agreement of legislative General Approaches on the various sections of the CFP at the second June Council.

Animal Welfare Strategy and Animal Protection during transport – The Commission issued a report on implementation of Council Regulation (EC) 1/2005 on 10 November 2011, which concluded that although in general terms the welfare of animals during transport has improved since its introduction, 'severe animal welfare problems during transport still persist'. The report also acknowledges that there are wide variances in the degree to which the legislation is enforced in Member States. The Commission's wider strategy on Animal Welfare will be presented at the January Council and developed in working groups throughout the course of the Presidency, with the aim of reaching formal Council Conclusions at the second of the June Councils.

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**

Thank you for your letter of 24 November concerning the proposed transitional regulation in respect of direct payments for 2013. You asked for further information about the Government's position on voluntary modulation in 2013.

Amounts arising from voluntary modulation have been an important source of funding for the UK's rural development programmes under pillar 2 of the Common Agricultural Policy (CAP). For example, in England they have helped to fund the Environmental Stewardship schemes which pay farmers for managing their land in an environmentally beneficial way.

As part of their wider package of CAP Reform proposals the Commission has proposed the continuation of the facility to transfer funds from pillar 1 to pillar 2, which although not called voluntary modulation has the same effect (EM 15396/11). However, the transitional regulation does not provide this flexibility, the absence of which would have the effect of leaving a gap in the provision of modulated funds for rural development programmes. Without the ability to transfer funds from pillar 1 to pillar 2 in 2013/14 there could be insufficient funds to cover the UK's rural development programmes in that year. We will therefore continue to push strongly for the flexibility to transfer funding from pillar 1 to pillar 2 in the transitional regulation to ensure there is no impact on the delivery of the UK's rural development programmes in 2013/14 or beyond.

5 December 2011

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

Your letter of 5 December, replying to my letter of 24 November 2011 about this proposal, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

We welcome your statement that you will continue to push for the flexibility to transfer funding from Pillar 1 to Pillar 2 in the transitional regulation. We are content to release the proposal from scrutiny.

15 December 2011

DISTRIBUTION OF FOOD PRODUCTS TO DEPRIVED PERSONS (15054/44)

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 further to my letter to you of 15 November to update you on recent developments regarding this amended proposal from the Commission on the scheme for the distribution of food products to the most deprived persons in the Union.

As I explained in my letter, Germany indicated in the margins of the November Council that it could accept a time-limited extension of the scheme until 2013, subject to an assurance that funding of such measures would not continue into the 2014-2020 budget period. Subsequently, France and Germany agreed a joint statement for the minutes to this effect. The Commission also made a statement for the minutes regarding the future of the Scheme. This was sufficient for Germany to support the Commission's amended proposal. As a result there was no longer a blocking minority of Member States and a political agreement was reached at Agriculture Council on 15 December. It is anticipated that the proposal will be formally adopted by the European Parliament and the Council by the end of February 2012.

The UK and other members of the blocking minority maintained their opposition on the grounds that social measures of this kind are the responsibility of Member States and therefore the proposal is not in line with the principle of subsidiarity. The UK did not consider that the Commission statement was sufficiently clear regarding the future of the Scheme from 2014 onwards.

5 January 2012

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

Your letter of 5 January 2012, updating us on recent developments on this proposal, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

You explained that there was political agreement on the proposal at the Agriculture Council on 15 December, though the UK maintained its opposition.

As you know, the House of Lords adopted a Reasoned Opinion on the proposal in November of last year. Our view of the proposal is clearly very close to that of the Government. Given the information in your latest letter, we will not look for further correspondence in this matter unless there are significant and unexpected developments.

19 January 2012

ECO-LABELLING SCHEMES FOR FISHERIES PRODUCTS (10822/05)

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

Your letter of 30 November 2011, replying to my letter of 7 October 2010 about this Communication on the Community's work on eco-labelling of fisheries products, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 December 2011.

As you say, the issue of labelling of fish products is now being taken forward in the context of the European Commission's proposals for CFP reform which were published in July of this year. We shall maintain our interest in the issue in that context. In these circumstances, I confirm formally that we have now released the 2005 Communication from scrutiny.

8 December 2011

EU EMISSIONS TRADING SCHEME 2010-13 (18249/10)

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

Earlier this year, I wrote to you about the functioning of the carbon market and undertook to keep the Select Committee informed on developments regarding the European Commission's work on carbon market oversight. Following publication of proposals from the European Commission in October, I wanted to take this opportunity to update you further.

My earlier letter followed on from the Commission's December 2010 communication (EM 18249/10), which concluded that a gap exists in the regulation and supervision of the secondary spot market. Subsequently, the Commission undertook an informal consultation exercise to develop options further. The options included designating carbon allowances as financial instruments, applying certain elements of financial services legislation to them, or creating a bespoke regime for carbon.

On 20 October the Commission published proposals for amending and making regulations under the Markets in Financial Instruments Directive (MiFID) and the Market Abuse Directive (MAD). HM Treasury has submitted more detailed explanatory memorandums on these proposals (EM 15938/11, EM 15939/11, EM 16000/11 and EM 16010/11). If implemented, these proposals would classify carbon allowances as financial instruments and bring the secondary spot carbon market under financial regulation rules. It should be noted that the derivative carbon market, which accounts for around 90% of transactions in the market, is already covered by such rules.

In early engagement with the European Commission my officials have emphasised that we support consideration of appropriate action to improve the regulatory framework of the carbon market. However, we have also stressed that it is important that any regulation is proportionate to the risks and adequately tailored to the particular characteristics and environmental objectives of the carbon market. Otherwise there are clear risks of unintended consequences which could damage the liquidity and efficiency of the market. The UK, alongside France and Germany, have called for the Commission to explain more clearly the benefits of their proposals and to provide greater reassurance that the impacts of the proposals have been fully understood. We will continue to press for this in negotiations, while developing a firmer position in co-operation with colleagues from HMT.

15 December 2011

Letter from the Chairman to Gregory Barker MP

Your letter of 15 December 2011 was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 18 January 2012.

We were grateful for the information which you have provided about proposals made by the Commission for Regulations under the Markets in Financial Instruments Directive, and the Markets Abuse Directive, about which HM Treasury has submitted Explanatory Memoranda. These remain under scrutiny and will be examined in due course by our Economic and Financial Affairs and International Trade Sub-Committee.

18 January 2012

EU PROPOSAL FOR A NEW ANIMAL HEALTH LAW

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 let you know that the Commission has a project underway to develop a new legal framework for animal health (the EU Animal Health Law). This is in response to a commitment made to introduce such a law in the EU Animal Health Strategy published in 2007¹. The aim of the EU Animal Health Law is to set a legal basis for a common EU animal health policy and a single, simplified, transparent, flexible and clear regulatory framework for animal health. The EU Animal Health Law

¹ A new Animal Health Strategy for the European Union (2007-2013) where "Prevention is better than cure": http://ec.europa.eu/food/animal/diseases/strategy/docs/animal_health_strategy_en.pdf

also places an emphasis on disease prevention in line with the vision set out in the EU Animal Health Strategy.

This work represents an opportunity for us to influence the policy and regulatory landscape in this area for the next several years. It is a major piece of work, and one that is testing the Commission services' capability to deliver to the anticipated timescale (consultation with Member States and draft proposal worked up over 2011 and early 2012; formal proposal to be adopted in autumn 2012). The scale of the project means that we have needed to influence thinking from early on in the process. My officials will continue to work to ensure that the UK's input is fully considered and effectively targeted.

The key issues arising from the Commission's thinking on the proposed EU Animal Health Law to date are:

The EU Animal Health Law will be a regulation and binding on Member States. It is therefore critical that it sets out the outcomes to be achieved rather than a series of prescriptive rules, and allows Member States sufficient flexibility to use different but effective means to deliver the same objectives.

The Commission is also taking the opportunity to investigate whether intra-Community movements of live terrestrial animals can take place without pre-movement veterinary checks and certificates, without increasing risk of disease spread, for example, on a local/regional basis or only for immediate slaughter.

One of the main aims of the EU Animal Health Law is to focus on disease prevention and so it is proposed that general criteria for biosecurity will be included in the law. The Commission is exploring whether incentives for good biosecurity could be included in the law, for example-recognising holdings that operate to higher levels of biosecurity that could export animals without health certificates.

The UK has been generally supportive of the EU Animal Health Law and its aims, particularly to simplify the regulatory landscape on animal health and reduce burdens on Member States. We also support the emphasis on disease prevention. However, we have also pushed strongly for the EU Animal Health Law to avoid setting out a large, prescriptive set of rules and instead set out clearly the outcomes that must be achieved and who is responsible for achieving them.

We have also emphasised the need for the EU Animal Health Law to allow Member States flexibility to respond in line with their particular conditions in order to achieve the given outcome and avoid the requirement of a uniform approach across all Member States. For example, surveillance is a key aspect of this new approach, but the Law needs to recognise the different disease epidemiology and risk factors between Member States and provide Member States with the flexibility to design different surveillance systems that provide the same quality of output.

The next steps for the dossier at a European level are for the European Commission to complete drafting proposals on the basis of their informal consultation with Member States. It is expected that proposals will be put forward for adoption in the autumn of 2012. The plan is to then package the proposals with a similar revamp of the EU plant health regime², seeds and propagation legislation³, and a series of changes to the Official Feed and Food controls Regulation (Regulation (EC) No. 882/2004)⁴.

9 March 2012

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

Your letter of 9 March 2012, about the European Commission's project to develop a new legal framework for animal health, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 21 March 2012.

We note that, after informal consultation with Member States, the European Commission expects to complete drafting proposals which will be put forward for adoption in the autumn of 2012. We shall be closely interested in those proposals, and we welcome what you say about your efforts to

² Review of the Common Plant Health Regime (CPHR): http://ec.europa.eu/food/plant/strategy/index_en.htm

³ Review of EU Seeds and Plant Propagating Material legislation:
http://ec.europa.eu/food/plant/propagation/evaluation/index_en.htm

⁴ Official Feed and Food Controls Regulation (Regulation (EC) No.882/2004:
<http://europa.eu/legislationsummaries/foodsafety/veterinarychecksandfoodhygiene/f84005en.htm>

influence thinking from early in the process, and your commitment to continue the work of ensuring that the UK's input is fully considered. We look forward to hearing from you again in due course.

22 March 2012

EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (14344/10, 14306/10,
5084/11)

**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**

Thank you for your letter of 27 October 2011 concerning the proposal to align Rural Development Regulations 1698/2005 with the new delegated power provisions under the Lisbon Treaty.

As per my letter of 7 October, we are content with the EU Presidency's proposals. However, I also said I would write again when negotiations between the European Parliament (EP), the Presidency and the EU Commission had concluded - unfortunately we still await the conclusions of these negotiations. The new Danish Presidency will now take the existing mandate forward to the next trialogue between the Presidency, European Parliament and the Commission which we are expecting to take place in the next month, but as yet no date has been set for the negotiations.

The Danish Presidency has stated that their priorities include this work on the Lisbon alignment, so I will write to you again when these trialogue negotiations have concluded. We will continue to press for resolution on this issue.

8 February 2012

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

Your letter of 8 February 2012 about this proposal, replying to my letter of 27 October 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We were grateful for the information that you have provided about the state of negotiations on this proposal, and for your undertaking to write again when current trialogue discussions are concluded. For the moment, we shall retain the proposal under scrutiny.

7 March 2012

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

Thank you for your recent letters concerning the proposed alignment of the direct payment schemes regulation, the Single Common Markets Organisation (SCMO) regulation and the rural development regulation with the new provisions on the delegation of powers to the Commission introduced by the Lisbon Treaty. You asked to be kept informed of developments in relation to these proposals.

Despite a concerted effort by the Polish and Danish Presidencies to reach an agreement with the European Parliament on the horizontal issues which are common across the proposals to align CAP legislation to the new provisions of the Lisbon Treaty, it has not been possible to reach an agreement between the institutions. In particular, no agreement was reached on the use of implementing measures for provisions on controls and sanctions and on the provisions to be adopted under Article 43(3) TFEU.

The Presidency has therefore, decided not to pursue the alignment proposals further but rather to incorporate them into the CAP reform proposals. The Presidency will now prepare revised versions of the CAP reform proposals incorporating the last position agreed by the Council in the horizontal discussions before Christmas. This will then be discussed in the working groups on the CAP reform proposals.

The CAP reform proposals are covered by EM 15396/11, 15425/11, 15426/11, 15397/11 and 15400/11. I will provide further updates to you as part of the updates on those proposals.

11 April 2012

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

Your letter of 11 April 2012, relating to these three proposals which were referred to in my letters of 13 October 2011, 18 January 2012 and 7 March 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 April 2012.

You say that the Danish Presidency has decided not to pursue these “alignment” proposals further, but to incorporate them into the main CAP reform proposals which, as you know, we are scrutinising separately.

I confirm, therefore, that, on the assumption that the proposals listed at the head of this letter have lapsed, we regard our correspondence on them as closed.

25 April 2012

EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT: FINANCIAL MANAGEMENT (13397/11)

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 letter of 15 November, replying to my letter of 15 September 2011 about this proposal, was considered by our Sub-Committee on Agriculture, Fisheries and the Environment at its meeting on 14 December 2011.

We welcome the further information that you have provided, and confirm that we now regard this correspondence as closed.

15 December 2011

EUROPEAN FISHERIES FUND: FINANCIAL MANAGEMENT (13407/11)

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

Thank you for your letter of 15 September on the above proposal. I apologise for the delay in replying but the proposal has been going through a number of procedural meetings in Brussels.

As you know, the proposal seeks to modify Council Regulation 1198/2006 to increase the rate of co-financing for the European Fisheries Fund (EFF) programme by up to 10 percentage points for the priority axes of the programme, which is the maximum ceiling permitted under Article 53(3) of the Regulation. This applies to a Member State, in this case Ireland, Portugal, Greece, Romania, Latvia and Hungary, that has financial assistance made available to it to maintain a proportion of their programme spend.

The UK took a robust position throughout the negotiations at official level, supported by France, Germany, Sweden and the Netherlands on our three key objectives in this area:

- to avoid any upward pressure on the level of payments in the 2012 and 2013 EU Budgets, ensuring that spending remains in line with the Prime Minister’s letter of 18 December 2010 on the EU Budget to the President of the European Commission;
- to avoid undermining the principle of co-financing;
- to support the recovery efforts of Ireland, Portugal, Greece, Romania, Latvia and Hungary.

The initial proposal was issued by the Commission on 1 August, and the Presidency issued a compromise text on 16 November. The Commission presented the compromise text at a Working Party on 17 November with a view to establishing agreement. The UK sought a number of assurances from the Commission that:

- the decisions made on the proposal should mirror – as far as possible – those for the Social and Cohesion Fund (SCF) and European Agricultural Fund for Rural Development (EAFRD);

- the proposal should be a temporary derogation from the existing co-financing rules;
- it should only be made available for eligible Member States until the end of 31 December 2013, mirroring the SCF and EAFRD proposals; and
- we received similar Commission and Council declarations on budgetary and co-financing in 2014-20 as appended to the SCF proposal.

The UK assurances received support from a number of Member States (including those outlined above) and the subsequent compromise text was agreed. The text will now go to the European Parliament for their consideration and opinion.

5 December 2011

Letter from the Chairman to Richard Benyon MP

Your letter of 5 December, replying to my letter of 15 September 2011 about this proposal, was considered by our Sub-Committee on Agriculture, Fisheries and the Environment at its meeting on 14 December 2011.

We welcome the further information that you have provided, and confirm that we now regard this correspondence as closed.

15 December 2011

EUROPEAN FISHERIES FUND: THIRD ANNUAL REPORT ON IMPLEMENTATION (6224/11)

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

Further to our correspondence on the above report last year, I am writing in response to your letter of 15 September 2011 to provide the Committee with further information on the implementation of the European Fisheries Fund (EFF) in 2009 following a high-level Commission debate in December 2011 to discuss, amongst other issues, Member States Interim Evaluations of their EFF programmes.

The Commission have now published a Synthesis of the evaluation reports, and the executive summary and full report can be found on the Commission website at the following link:

http://ec.europa.eu/fisheries/documentation/studies/eff_evaluation/index_en.htm

Interim Evaluation reports were prepared by Member States based on a common framework developed by the Commission, which included a set of evaluation questions, criteria and indicators to be applied for the assessment. As such, the reports focussed on three main objectives:

1. Whether Member States strategies (National Strategic Plans and Operational Programmes) were still relevant taking into account changes in the Common Fisheries Policy and socio-economic factors;
2. Assessing the quality and efficiency of implementation and management of the programme;
3. Assessing the effectiveness of EFF operations awarded funding towards achieving the objectives of OPs.

With regard to the first objective, the UK evaluation concluded that our strategies remained relevant, however recommended revisions to the Operational Programme (OP) to mainly take account of the current uncertainty surrounding decommissioning and vessel modernisation projects following the European Court of Auditors concerns that funding for these projects across the EU did not achieve fleet capacity reductions. We are currently looking at revising our OP to reflect UK priorities for the remainder of the EFF programme, including any appropriate redistribution of funding across the programme axes.

The majority of evaluations for other Member States concluded that their strategies also remained relevant, although Spain had updated its National Strategic Plan, whilst some had amended operational programmes (mainly in relation to the fuel crisis or to make some budgetary adjustments).

Turning to the second objective, the UK evaluation concluded that our management and control system was moderately effective, with the transfer of responsibilities from the Marine and Fisheries Agency to the Marine Management Organisation mainly contributing to any issues that had arisen. Most Member States management and control systems were deemed satisfactory.

On the third objective, the slow start to UK EFF implementation made it difficult to evaluate the effectiveness in achieving the OP objectives. The evaluation identified the economic climate as having an impact on the level of investment in the fisheries sector. However it did highlight improvements in programme delivery and further potential for increasing the overall effectiveness of achieving OP objectives. As for other Member States, it was recognised that the economic climate did have some serious practical impacts.

I trust that you find this information of use, however I should point out that the information in the Commission's Synthesis reports are almost a year old and we have made considerable progress since then. For example our monitoring and control system is in place, and our performance for the sustainable development of fisheries areas – which was noted as poor – has improved considerably with the launch of a number of Fisheries Local Action Groups (FLAGs) in both England and Scotland.

8 February 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 8 February 2012, replying to my letter of 15 September 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 15 February 2012.

We were pleased to receive the further information on the implementation of the European Fisheries Fund (EFF) in 2009 which you provided, and which you say followed a high-level Commission debate in December 2011 to discuss Member States' Interim Evaluations of their EFF programmes.

However, you will not be surprised to hear that, as regards achievement of the main objectives either in the UK or elsewhere in the EU, we found this evaluation information less than inspiring reading. We can only hope that, as you say, in the period since, the UK has made better progress.

We are content to release the report from scrutiny, but we look forward to further improvements as implementation proceeds, and trust that lessons learned can be integrated into the future European Maritime and Fisheries Fund.

15 February 2012

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

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 of 15 March 2012 on the above Communication was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 April 2012.

As you will recall from our inquiry into innovation in EU agriculture, on which we published a report in July of last year, we firmly support the idea of a European Innovation Partnership on agricultural productivity and sustainability. We were pleased to see this Communication which shows the way in which the European Commission is seeking to take the idea forward. We welcome the commitment that it shows to strengthening innovation in agriculture, and to promoting networking of innovative knowledge across the EU and between the different actors in the agri-food system. We place particular weight on the need to communicate innovative approaches to farmers and land managers, and we were therefore glad to see that this is supported in the operational objectives of the EIP.

In our report, we said that there needed to be metrics and clear targets, so that the progress of the EIP could be measured against those targets and reviewed. We note that the Communication specifies two headline targets for the agricultural EIP: to reverse the recent trend of diminishing productivity gains by 2020; and to secure soil functionality in Europe at a satisfactory level by 2020. We would welcome further information from you about other, interim, or lower-level, targets which would allow the EIP's achievements to be assessed in the years up to 2020.

You say that you are seeking further clarification from the Commission on the governance of the EIP, and the proposed funding mechanism. We would ask you to update us on such clarification, as well as responding to our interest in targets. We shall keep the Communication under scrutiny, and would be grateful if you could reply by mid-May.

25 April 2012

EUROPEAN MARITIME AND FISHERIES FUND (17870/11)

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 on 25 January 2012.

This is clearly a very important funding instrument, supporting the proposed reform of the Common Fisheries Policy. The potential breadth of projects that might be supported, however, is large. We are concerned that this will hamper its ability to support the required radical reform of the Common Fisheries Policy (CFP). The danger is that too much money will be spent on infrastructure and on aquaculture and insufficient attention will be paid to control and enforcement, data collection, more selective fishing gear and marketing related measures. Your thoughts on this would be welcome, as also on how greater focus might be delivered.

We observe that the provisions to support aquaculture have been strengthened. While we understand that some of the newer inland Member States in particular are keen to secure support for their freshwater aquaculture industries, we see this as one example where the Fund is distracted from supporting CFP reform.

On the subject of the Integrated Maritime Policy, we consider that funding to support better transnational cooperation between sectors that rely on the maritime environment is reasonable. The entirety of its allocated budget (which we understand to be €975mn over seven years) may not, though, be needed to support the potential projects.

In terms of the budget allocated to fisheries and aquaculture - €5.5bn. – this could be justified if all Member States take seriously the need to reform the fisheries sector, recognising that diversification away from fisheries will in some instances be necessary. You are clear in your EM that the proposed budget for this Programme is large but you do not indicate where cuts might be made. We would be grateful for an indication of which areas you will seek to prioritise.

You refer to the issue of how the Common Strategic Framework process will work. We would agree that clarity on this is required, although we would add that we see great potential in the added value of greater alignment and coordination between the instruments.

You are concerned that the Commission has failed to seize the opportunity to simplify the administration of the instrument. Could you highlight particular aspects of the proposal that cause you concern in this regard?

We note that you are preparing your consultation of stakeholders and we look forward to learning of the outcome of that consultation. Negotiations will clearly continue for several months. We will retain the proposal under scrutiny and look forward to your response within the usual ten working days.

26 January 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 26 January outlining the points raised by the Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 January 2012.

You expressed concern that the breadth of projects the EMFF might support could lead to a loss of focus in delivering a number of measures in the fisheries sector. The Commission have identified the allocation of funding to specific areas such as fisheries, aquaculture, control and enforcement, data collection as well as marketing measures. However they have made it clear at Working Party meetings that it will be for Member States to decide what priorities they wish to follow. We are currently working with Devolved Administrations in analysing which priorities to follow, and the

recently launched stakeholder consultation on the proposals will also assist us in building a better picture of which areas we wish to focus on.

With regard to the budget allocated to the fisheries and aquaculture provisions in the proposals, you asked where cuts or reductions could be achieved. One example would be the support for storage aid intervention under the Common Market Organisation regulation. The UK believes withdrawals are an unnecessary safety net that are burdensome, stifles innovation and promotes less than optimal alignment of supply and demand. Intervention also goes against objectives to reducing (and eventually eliminating) discards. We also believe that paying for the withdrawal of perfectly marketable products is not a good use of public money.

Turning to simplifying administration of the EMFF programme, as an example of our concerns, the proposed Common Provisions approach under the CSF could place on Member States a significantly greater burden in respect of the financial controls requirement beyond what is proportionate. In addition the proposed monitoring and control requirements will require Member States to provide the Commission with an increased level of reports e.g. annual work plan, annual work programme, annual implementing report, operational programme and partnership contracts. This will create unnecessary administrative burdens and complexity disproportionate to the size of the fund. We and other Member States are seeking greater simplification from the Commission on these issues, including the removal of the provision which requires the Commission to approve a National Aquaculture Strategy as an additional and separate condition before funds can be accessed.

Finally, in your letter you express some uncertainty about the allocation of approx €1bn to Integrated Maritime Policy (IMP) while voicing support for the area in general. The UK believes work in this area should only be supportive of non-binding measures and capacity building and be mindful of Member State competency in maritime issues. The fund cannot set the precedent for further legislative action in this area and the UK has shared with the Commission our concerns over potential legislative proposals on Maritime Spatial Planning and Integrated Coastal Zone Management. Other Member States have also expressed concerns that the inclusion of IMP as part of the fund dilutes the support that the fishing sector will receive.

9 February 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 9 February, replying to my letter of 26 January 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 15 February 2012.

We welcome the information that you have offered on the detailed issues which I previously flagged up. However, we remain concerned about the sheer breadth of projects to be supported by the European Maritime and Fisheries Fund (EMFF).

We note your comment that it will be for each Member State to choose which priorities to follow, but this seems to us to miss the key point: the smaller the menu of choice, the more targeted the instrument. Would tighter targeting not be a more effective basis for this funding, or are you fully confident that there is no risk of distraction from the key tasks for the EMFF?

We will continue to keep the proposal under scrutiny and look forward to your response on this point within the usual ten working days.

15 February 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 15 February in response to mine of 9 February on the above.

I would like to reassure you that I have noted the Committee's continued concerns over the breadth of the projects that may be supported by the European Maritime and Fisheries Fund (EMFF). That such a breadth of projects are being proposed is to some extent a reflection of the diversity of the EU fisheries sector. As such, it is right that the particular needs of a specific sectoral interest can be met through the EMFF providing such a need is consistent with the overall aims of the Fund. As you say there is of course a danger that with such a wide menu from which to choose, the main objective of the EMFF might be lost and this is something we will have to monitor closely as discussions continue. But conversely there is a danger that we might lose some of the provisions which are of critical importance to the UK if we try and keep the scope too tight.

I thought it would be useful to set out the timing of future negotiations. On the current timetable we expect working party discussions to continue until at least the end of March. Therefore, the Council Secretariat will produce a consolidated text incorporating Member State comments, which will subsequently be discussed by Member States in further working parties. We can expect a Council discussion in June, and throughout this time discussions will continue in the European Parliament, with their First Reading due in January 2013. The proposal is therefore not likely to be adopted until later in 2013.

This process will no doubt result in changes to the text, however the possible breadth of the measures is unlikely to change as the Commission have made it clear that, due to the diverse nature of each fishery in every Member State, the regulation needs to be flexible in order to be able to help support the delivery of CFP reform. As I said earlier, it will be important that as the negotiations progress, we ensure that the key tasks and policy objectives of the Fund remain clear.

29 February 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 29 February, replying to my letter of 15 February 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We welcome your acknowledgement of our concern that the breadth of projects to be supported by the European Maritime and Fisheries Fund risks distracting it from its core objectives. In turn, we note your view that too restrictive an approach might lead to a loss of some of the provisions that are important to the UK, albeit that the main objective of the Fund could be lost. You intend to monitor this closely as discussions continue, and we would strongly encourage you to do so. Ultimately, this is an EU Fund and it is critical that it supports the objectives of a fundamentally reformed EU Common Fisheries Policy, even if this approach forces Member States, including the UK, to compromise on their interests.

We will continue to keep the proposal under scrutiny and would welcome an update in due course.

7 March 2012

FARM ADVISORY SYSTEM (16611/10)

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

Following your letter of 31 March 2011 regarding the above Explanatory Memorandum I am writing to update you on developments regarding the integration of cross compliance advice in England with advice on other subjects, such as climate change, competitiveness and nutrient management.

In anticipation of the full review of advice and incentives announced in the Natural Environment White Paper, but without pre-empting the outcome of the Integrated Advice Pilot Project which will report later this year, we have begun a more integrated, streamlined and efficient approach to providing advice that will yield better environmental results and help farmers to increase their competitiveness.

Effective from 1 January 2012, the new Farming Advice Service will provide advice across England on competitiveness, nutrient management, climate change adaptation and mitigation, in addition to advice on cross compliance as previously provided. Provision of the new service, secured via open competition, will be delivered by AEA Technology plc working in active partnership at national and regional level with ADAS and industry-related bodies such as the NFU, the CLA, LEAF, the TFA, AHDB and the West Country Rivers Trust, taking advantage wherever possible of existing activities and engagement with farmers.

Whilst a dedicated Defra online portal will support the service, our priority will be to provide face to face advice at events and one-to-one advice via a dedicated telephone help-line with the necessary level of expertise. We plan to announce the new service shortly as soon as contract negotiations are finalised.

13 December 2011

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

Your letter of 13 December, replying to my letter of 31 March 2011, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 18 January 2012.

We welcome the development that you report, that from 1 January 2012 the new Farming Advice Service is taking a more wide-ranging approach. You also refer to the integrated advice pilot project that is currently underway: the results of that project will be of special interest to us.

We are content to release this report from scrutiny, and to confirm that correspondence which relates to it is closed. The wider issue of advice to farmers continues to be of strong concern to us, as we made clear in our report on innovation in EU agriculture. We expect to take this forward with you in other contexts.

18 January 2012

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

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 further to my letter of 7 May 2011 to update you on progress on the European Commission's review of Less Favoured Areas (LFA) (now known as designation of Areas facing Natural Constraints - ANC).

Over the past six months, our mapping simulations and engagement with the Commission have continued to develop, with good progress being made:

- we are pleased that the Commission has now acknowledged that soil wetness is a constraining factor and has included Field Capacity Days (FCD) as an additional bio-physical criterion for the designation of ANC. However, the Commission's methodology is different to our established method of calculating FCD and we have yet to establish whether what is proposed is workable. We expect to have the results in the New Year;
- the Commission has confirmed that the UK may deal with difficulties in applying the low temperature criterion in Northern England and Scotland (where land is more productive, possibly due to longer summer day lengths compensating for lower spring temperatures) via a stricter, graduated temperature threshold or fine-tuning;
- further testing has indicated that Agricultural Land Classification provides a robust and effective methodology for physical fine-tuning, alongside or instead of economic fine-tuning;
- we have also undertaken further mapping at parish rather than ward level to see whether this captures the extent of naturally constrained land more effectively – although it is not yet certain that this will be of benefit to England.

As you are probably aware, in October European Commission published its proposals for designating ANC in the Rural Development Regulations. The key features include: mapping to LAU2 level (electoral wards) as the administrative units for classifying areas as constrained; a threshold of 66% of Utilisable Agricultural Area to classify an area as constrained; economic or physical fine-tuning to remove from ANC land where the natural constraint has been overcome; and payment to compensate for lower income in comparison with comparable farm business outside ANC. In addition, there is also scope to designate up to 10% of a Member State's area as subject to other specific constraints. A new voluntary top-up payment is also introduced in the draft Direct Payments Regulation, which is an area-based payment re-distributing up to 5% of the national direct payments ceiling.

Mapping simulations show that the Commission's proposed approach is broadly acceptable to the UK, and our overall position on the designation of ANC is that we want the new measure accurately to capture land that we believe is constrained, with flexibility on regional (i.e. devolved) implementation. Our main "asks" are as follows:

- to have flexibility to map using administrative boundaries other than LAU 2 (electoral ward) – such as civil parishes and townlands - and to map to the nearest physical boundary where appropriate (the size and shape of electoral wards, and their tendency to change over time, which means that they are not well suited as the basis for designating ANC);
- to delay the imposition of transitional (degressive) payments for farmers in areas where it is not possible to complete the designation by the January 2014 deadline – to address the risk to Northern Ireland given that the Republic of Ireland is expected to designate late (but the designation on each side of the border needs to be aligned), and
- to have the flexibility to decide if fine tuning is necessary and to do so via economic or bio-physical criteria as appropriate.

We are also exploring with the Commission their rationale for having ANC payments under both pillars – including the proposal that Pillar 2 payments take account of Pillar 1 payments - and how small “islands” of ANC land in a non-ANC area, and vice versa, may be dealt with.

In undertaking the ANC designation exercise, my officials are continuing to work closely with the Devolved Administrations and other Member States - particularly Ireland (who face similar maritime climate issues) and France, and they have also approached Germany. Farming representatives will continue to be updated on progress.

We will continue to engage closely with the Commission exercise to ensure disadvantaged land is adequately captured by the new ANC measure in all parts of the UK, including England. We expect to start mapping the Commission’s published proposals early in the New Year. I will continue to keep you updated on progress - both on our domestic mapping, and as negotiations on the ANC measure develop. The LFA measure is currently used differently in different parts of the UK - in England the measure is only used for paying an Uplands Transitional Payment. We will also be considering how the new ANC measure can be used for future support for uplands and other disadvantaged areas.

8 December 2011

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

Your letter of 8 December 2011, following up correspondence earlier in the year, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

We welcome the progress which you have reported on the European Commission’s review, and your statement that the proposed approach is broadly acceptable to the UK.

Some issues clearly remain to be clarified, and we welcome your undertaking to provide further updates in due course.

18 January 2012

FISHERIES: A LONG-TERM PLAN FOR COD STOCKS (6041/12)

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 7 March 2012.

We note that your officials are examining the individual elements proposed for delegation to the Commission in order check that they relate to “non-essential” aspects of the plan. We look forward to the results of that analysis.

On the broader political issue dividing Member States – whether any elements of the legislation that relate to fishing opportunities should be a matter for the Council only – you have indeed helpfully written to us about this subject in relation to other dossiers. We continue to support your position on the matter and look forward to updates should further progress be made under the Danish Presidency.

We will retain this proposal under scrutiny and look forward to hearing from you on the issues above in due course once progress has been made.

7 March 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 7 March following my Explanatory Memorandum on the above proposal.

You expressed an interest in the outcome of our analysis of the elements proposed for delegation to the Commission: in short, whether we consider they relate to non-essential aspects of the plan and would be eligible to be the subject of a delegated act under the Treaty provisions.

Following that analysis, I can confirm that we consider in this case one element of the intended changes (at Article 10) which relates to adjustments to biological reference levels, fishing mortality rates and spawning stock biomass indicators, would be eligible for a delegated act.

The other elements of the Commission's proposal, however, involve giving the Commission a delegated power to adopt rules related to adjustments in fishing effort in certain circumstances – this goes beyond simply making changes to biological reference points in a calculation in accordance with scientific advice. The UK Government considers such rules would be an essential element of a plan, and are not therefore eligible for a delegated act.

This Lisbon alignment proposal featured in discussion at Working Group level on 8 March, where it was soundly rebuffed by most Member State representatives. The UK expressed surprise that this alignment proposal had been brought forward rather than the substantive changes that Member States were expecting; pointed out that the Commission had not undertaken the obligatory review of the plan; and noted that the effort elements of the alignment proposal did not qualify as non essential. This position was supported by France, Spain, Netherlands, Germany, Ireland, Italy, Malta, Poland and Finland.

My officials also attended a technical meeting on 20 March to discuss the substantive changes needed to the cod recovery plan – which of course is our priority, as we do not want attention and resources diverted to be caught up in Lisbon alignment issues. Member State representatives, scientists, and stakeholders all contributed to the discussion with the Commission and we continue to press for an imminent amendment proposal. I will continue to report on developments on amending the cod plan.

You also referred to recent correspondence on multi-annual plans (MAPs) – where I have described recent developments on resolving the political impasse on their agreement. This related to the potential compromise on the western horse mackerel MAP (EM 9003/09) which represents a minimalist approach, removing the detailed harvest control rules, and simply requiring Council to make annual TAC decisions with respect to plan's objectives. This Presidency solution was discussed in Coreper on 8 March where it was accepted with a view to subsequently presenting it as a working basis for future EU inter-institutional trilogue discussions.

As I have already indicated, although the above way forward on the horse mackerel plan may be an acceptable compromise solution – and important insofar as it helps to move beyond the impasse – this approach may not be suitable for other stocks. So I believe focused discussions are still needed to agree the essence of future plans to determine how to operate to meet a plan's objectives without resurrecting the impasse. I will of course also continue to report on developments on this issue.

5 April 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 5 April, replying to my letter of 7 March 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 April 2012.

We note that your analysis has brought you to the view that a number of the elements in this "alignment" proposal would not be suitable for a delegated act. You also tell us that, with other Member States, the UK has urged the Commission to bring forward substantive changes to the proposal, and that discussions continue.

We were grateful for this update, and for the information that you have provided on the wider issue of Multi-Annual Plans (MAPs) for different fish stocks.

We shall continue to keep this proposal under scrutiny, and await further updates from you as discussions proceed.

25 April 2012

FISHERIES: PARTNERSHIP AGREEMENT WITH MAURITANIA (6079/11)

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

In your letter of 5 May 2011 you asked me to update you on when negotiations would be concluded with Mauritania and for us to provide details of the Agreement when it was adopted. I am writing to advise you that negotiations are still ongoing and we do not have any firm indication of when they are likely to finish.

8 February 2012

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

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 1 February 2012.

The fundamental issue at stake is clearly an important one. Should discussion with non-EU states that are setting unsustainable fish quotas on stocks of shared interest fail, it seems appropriate that some form of action be possible. Whether the proposed action is the most appropriate requires further examination.

A major concern is clearly the compatibility of the proposed measures with the General Agreement on Tariffs and Trade (GATT). The Commission summarises in its Impact Assessment the view of its own Legal Service on that matter. It is argued that Article XX(g) of GATT would allow restrictive measures to be taken, relating to the conservation of exhaustible natural resources "if such measures are made effective in conjunction with restrictions on domestic production or consumption". This might be argued to be followed in the case of restrictions on imports as long as the fishing opportunities for relevant stocks are set at sustainable levels. What is your view on the Commission's analysis in terms of its applicability to both restrictions on the import of certain species and to the other proposed measures?

One fear of adopting restrictive measures might be the possibility of "countermeasures" by the affected non-EU states. Interestingly, the Commission Impact Assessment notes that "the option of "countermeasures" would raise complex issues under international law, which still need further scrutiny." Again, we would welcome your interpretation and analysis of this statement and your views more generally on the potential implications of countermeasures.

As to the matter of whether the Commission or the Council should have the power to adopt implementing measures, we consider that this is likely to be a political decision. Nevertheless, your view on the nature of the circumstances in which it considers that the power to adopt implementing measures might be delegated to the Council would be welcome. We note, for example, that the power should always lie with the Council in matters falling under the Common Foreign and Security Policy. It might be argued that, as a policy pertaining to relations with third countries, this dossier has features of foreign policy that would justify delegation of powers to the Council.

On the other hand, the Commission is more restricted in its powers under Regulation (EU) No 182/2011 to adopt implementing measures in relation to countervailing measures. Whether any of the proposed measures would be considered to be such a measure is unclear and we would welcome your view.

Finally, negotiations on Icelandic accession to the EU continue. What implications, in the view of the Government, do discussions on this dossier have for the accession negotiations?

There is clearly still substantial discussion to take place on this dossier, not least with the European Parliament, which will no doubt have its own particular view on the delegation of powers. We will

retain the Proposal under scrutiny and look forward to your response to the above points within the usual ten working days.

1 February 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 1 February concerning the deliberations of the Committee on the above proposal. I completely agree with your analysis of the issues. If negotiations with non-EU Member States fail and they continue to fish unsustainably we need to consider other action, including sanctions.

As you say, it is key that any action is appropriate and proportionate. I can assure you that we are giving the matter careful attention in view of the issues of principle that the Commission's proposal raises.

You raise an important issue around compatibility of the proposed measures with the General Agreement on Tariffs and Trade under the WTO. We consider that trade sanctions may be imposed in certain limited circumstances under article XX(g) of the GATT concerning the conservation of exhaustible natural resources, but that exemption is conditional on such measures not representing a disguised restriction on trade or constituting arbitrary or unjustifiable discrimination between countries. On that basis, measures relating directly to fish stocks which are subject to unsustainable fishing may be held to be compatible with WTO rules e.g. banning imports of the fish stocks directly in question and prohibiting access to ports to vessels undertaking such fishing activity.

The Commission's proposal also includes a number of measures which do not have a direct bearing on the conservation of the threatened stocks. We are concerned that these measures could be considered discriminatory and it is questionable whether they could be applied in a way that was WTO compatible. The draft Regulation contains a caveat that such sanctions will not be applied if they are not WTO compatible and we will need to question the Commission about how such compatibility will be assessed and how the Regulation could accordingly be applied in practice.

There is also the possibility that any measures taken by the EU could be subject to countervailing action by the affected non EU Member State(s) if the EU itself was not fishing sustainably. This would need to be examined on a case by case basis before any decision to impose sanctions was taken.

On the question as to whether the Commission or the Council should have the power to adopt implementing acts, our view is that there is no legal impediment to the use of such measures (adopted under the ordinary legislative procedure following the Lisbon Treaty) where uniform conditions are required for implementing the proposed Regulation. The implementing measures will also be subject to the examination rather than the advisory procedure. This would provide a higher level of scrutiny from Member States. The Regulation governing implementing acts (182/2011) also indicates that the views of all Member States are particularly important in the case of acts that contain countervailing measures (trade sanctions in response to another country's perceived illegal behaviour). As you say, this is likely to be a political decision.

Turning to your final issue, which relates to the links with negotiations on Icelandic accession, it is inevitable that the Commission's proposals will have some impact on the negotiations. It is difficult, at this stage, to gauge the extent of any impact but the Icelandic Government is well aware of the UK's serious concerns about the approach they and their industry have been taking to the important mackerel fishery, and our wish to avoid sanctions if we can find an acceptable resolution to the ongoing disagreement.

I will, of course, keep the Committee informed of any significant developments. We understand that discussion in Council working group will resume in March.

14 February 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 14 February, replying to my letter of 1 February 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We welcome the fact that there is clearly much common ground between us in considering the issues of principle raised by the Commission's proposal, which deals with a matter of significant concern to us all.

We look forward to hearing from you in due course in relation to any significant developments. This would usefully include reference to the implications for this draft Regulation of the recent collapse of negotiations between the EU, Norway, Iceland and the Faroe Islands (Reykjavik 14-16 February). In the meantime, we shall retain the proposal under scrutiny.

7 March 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 7 March replying to my letter of 14 February. You asked to be kept informed of significant developments on the above issue and, to this end, there have been two things that I believe will be of interest to the Committee.

Firstly, we have recently agreed detailed UK negotiating lines with other Government Departments and devolved administrations. The lines are as follows:

- To welcome the proposal as it is broadly based on the views of Member States expressed in the consultation responses.
- To acknowledge that the proposal provides a potentially useful tool for the EU to use in the event that third countries adopt unreasonable positions in negotiations on jointly managed fish stocks.
- That any sanctions introduced in relation to a dispute should be specific, targeted and proportionate.
- The Commission should not be given a free rein to introduce sanctions or import bans without proper consultation and consideration by Member States. On balance, the proposed committee examination procedure would seem appropriate.
- The interests of all sectors (including processors and retailers) need to be taken into account when identifying actions to be taken against countries allowing non sustainable fishing and not just those of the catching sector.
- We would wish to see the proposal amended to ensure that the scope is appropriate, that it is fully compatible with international law, fisheries agreements and trade agreements and that it does not include any possible unwelcome restrictions on trade.
- Sustainability and wider environmental concerns should be at the forefront of fisheries and marine management.

Secondly, at the request of Ireland and the UK, the subject of the continued lack of agreement on the management of the mackerel fishery and the Commission trade sanctions proposal was raised at Agriculture and Fisheries Council on 19 March. The UK and Ireland tabled a joint statement expressing our disappointment at the current unsustainable nature of the fishery and asking the Commission to take forward consideration of the sanctions proposal urgently. I enclose a copy of the statement for your information.

Commissioner Damanaki responded by agreeing with the concerns raised by the UK and Ireland. The Commission have assured us that the intransigence shown by Iceland and the Faroe Islands in the negotiations could not be allowed to continue. Taking forward the sanctions proposal appeared to be the only option available at this point. The EU needed to act quickly and agreement of the detail of the proposal needed to be hammered out in Working Group. We will, of course, take an active part in these discussions going forward.

27 March 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 27 March, replying to my letter of 7 March 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 April 2012.

We welcome the latest information that you have provided about agreement of the UK's detailed negotiating lines on this proposal, and also about the discussion at the Agriculture and Fisheries Council on 19 March, which bodes well for further developments.

We are content now to release the proposal from scrutiny.

25 April 2012

FISHERIES: WESTERN STOCK OF ATLANTIC HORSE MACKEREL (9003/09, 12548/09)

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

I am writing to provide an update on the political impasse affecting the development of long term management plans, which is exemplified in the above dossier, for no other reason than it was amongst the first to be under development after the Lisbon Treaty came into effect. I also cross-reference the dossier relating to anchovy in the Bay of Biscay (12548/09) which is similarly affected, although its only direct significance for the UK is this political issue.

To put this update into context, although the specific proposal had previously been cleared by your Committee from scrutiny, you last wrote on 13 January 2011 to confirm your Committee's continuing interest in ongoing progress on this. It will be helpful if I provide a brief re-cap of the political issue.

A significant faction (a blocking majority) led by France & Spain objected to the proposed co-decision legal base. The dissenting Member States argued that annual decisions on fishing levels should only be subject to Council agreement (and not by Council and Parliament). The Lisbon Treaty (as reflected in Article 43 (3) of the Treaty for the Functioning of the EU) has provision to allow for annual fishing decisions which cannot be delayed by a long process needing full political co-decision agreement.

Long term management plans, however, follow a multi-annual approach in agreeing the parameters for annual proposals. It is the UK view (shared by the European Parliament and Commission) that initial agreement is rightly a matter for both EP and Council. Operating within the agreed decision framework can then be devolved to the Commission within a tightly defined remit to make annual fishing proposals in the light of specified scientific advice criteria.

The dissenting Member States' view is seen to reflect a desire to adhere to the old flexibility for annual political bargaining featuring potential 'horse trading' deals for higher catches. That short term approach has failed, however, and having just emerged from last year's December Council negotiations, I am all the more convinced that making decisions in this way under duress, and subject to the vagaries of the bargaining process over two days, is not the right approach to managing fisheries. Following the science within a multi-annual strategy, therefore, is key to our Common Fisheries Policy (CFP) reform aim for future fisheries management & sustainability.

The challenge has been to agree a legal structure which will satisfactorily establish such a multi-annual framework, while leaving sufficient scope for Council (i.e. enough to satisfy the dissenting Member States) to apply discretion on agreeing catch limits within a defined range which is consistent with the objectives.

Regrettably, the Commission has made few efforts to resolve this issue. To its credit, however, the Polish Presidency, in the latter weeks before the Council negotiations, introduced a model for consideration (still focusing on the horse mackerel dossier) based on the following principles:

1. The plans should be adopted in co-decision, i.e. on the basis of Art. 43.2 of the Treaty.
2. The objective of the plan should be spelled out in clear terms based on the level of fishing mortality corresponding to maximum sustainable yield (MSY) as defined by scientific advice.
3. The plans should be reasonably general in nature in order to avoid micro-management at EU level. The Harvest Control Rule (HCR) would disappear entirely from the plan, being replaced by:
 - a. Annual or multiannual total allowable catches (TACs) in a standard TAC & quota regulation and/or;
 - b. HCR that would be devised at a regional level in accordance with a regionalisation principle, which is one of the cornerstones of the CFP reform package.

The UK Government was open-minded in relation to most of the principles identified in this model, and we emphasised that we attach great importance to the point that much of the detail of

management plans should ideally be taken forward at the regional level as part of a decentralised CFP. The Presidency model allowed some room for flexibility by the Council in terms of setting TACs, while minimising the scope for those short-term annual decisions to compromise the objective of MSY. So, on the substance we were broadly supportive of what was proposed, although we commented that we could not accept any weakening of the MSY target or any elimination of a specific reference to the fish mortality level.

The Presidency model was then discussed at Coreper. Our permanent representative reported that nearly all Member States supported the Presidency approach to strip out most of the proposal's HCR content and simply require fishing opportunities to be at a level consistent with MSY. The UK and the Netherlands were cautious about accepting such a reduced proposal and whether this could be a model for Plans under a reformed CFP; and considered further reflection was needed. Sweden sympathised with this position to some extent. The Commission, which had not been involved in the preparation of the Presidency's initiative, was also cautious. The Presidency noted significant agreement but said it would send the file for further working group consideration before an approach is made to the European Parliament.

I consider that two factors make agreement on this issue of prime importance at this time: firstly in a generic sense, in order to get this right under the CFP reform process, and secondly, there is a specific imperative in the short term, as we are pressing for an early proposal to replace the cod recovery plan, as I have described in my post December Council update.

In short, there will need to be more work on this, and we have confidence that the Danish Presidency will manage the next steps constructively. I will continue to report on developments.

18 January 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 18 January 2012, responding to my letter of 13 January 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 January 2012.

We were pleased to receive the informative update which you provided on the political impasse affecting the development of long-term management plans; as you wrote, this is exemplified in discussions on this proposal, since it was amongst the first to be under development after the Lisbon Treaty came into effect.

Your comment that more work needs to be done on this is undoubtedly correct. It is encouraging to see that you expect the Danish Presidency to manage the next steps constructively, and we welcome your undertaking to report on further developments.

26 January 2012

FISHING OPPORTUNITIES FOR CERTAIN FISH STOCKS WHICH ARE NOT SUBJECT TO INTERNATIONAL NEGOTIATIONS OR AGREEMENTS (14751/11, 16650/11)

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

Your Explanatory Memorandum on document 16650/11 and your Supplementary Explanatory Memorandum covering both of the above documents were considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

We can support the UK's proposed negotiating stance and will therefore release both proposals from scrutiny. We look forward to information from you on the outcome of negotiations.

On a point of detail, we would have found it helpful to have received further detail on the priorities of the UK Government, including in relation to effort management under the cod recovery plan. It is regrettable that we have identified such priorities from the specialist media rather than from your EM.

14 December 2011

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 14 December clearing the above proposals from scrutiny following consideration by your Agriculture, Fisheries and Environment Sub-Committee. I retained an undertaking to provide you with an update detailing the December Council agreements.

You commented that the Committee would have found it helpful to have received further detail on the priorities of the UK Government rather than picking up on the latest developments via the specialist media. I agree. As the negotiating priorities (which also reflect factors emerging from Commission/Presidency trilateral discussions in the latter stages) only coalesce in the final weeks before Council, there is clearly a need to update the Scrutiny Committees at this point. As you may be aware my Department also undertakes a pre-negotiation write round to the European Affairs Cabinet Committee detailing the key priorities for fisheries negotiations, as agreed with Devolved Administrations. My officials have therefore entered a step in the related communications plan to ensure that a copy of this letter will in future also be submitted to the Scrutiny Committees under a Supplementary Explanatory Memorandum.

Turning to the Council outcomes, Committee Members will be aware of my oral statement to the House of Commons on 19th December following Council, after the UK secured a number of key changes to the Commission's original proposals. It was clear that the key issue for our industry was the days at sea restrictions and intended further cuts.

I was pleased to report that we successfully secured agreement to the UK's interpretation of Article 13 of the Cod Recovery Plan that allows fishermen to 'buy-back' lost days by undertaking conservation measures to protect cod stocks. The important corollary of this was that we also avoided further penalties on days at sea that would have followed had our interpretation on this issue not been accepted.

This means that, while the Commission could find no way of relaxing the annual reductions to the basic allocation of days at sea for this year – and clearly this is disappointing and frustrating for our industry – we did avoid potentially greater and even more devastating cuts in the areas covered by the Plan. Moreover, we can continue to award additional days to vessels implementing cod avoidance and discard reduction measures. Fishermen in all affected Member States will still have an annual reduction in the time they are allowed to fish, but we are able to continue to work with the fishing industry to develop further conservation measures and provide 'additional days' as an incentive and reward for fishermen to take them up.

We are now engaged in pressing the Commission to ensure progress on the assurances we obtained during Council that they will be coming forward with proposals for a revised Plan early in 2012. This is vital if we are to enable fishing fleets operating in the Cod Recovery Zone to continue to catch their legitimate quotas and to secure their agreement to continuing to work with Government on conservation measures. We are urging the Commission to stick to this challenging timetable and are seeking a specific date we can expect to see the proposals.

We will also continue to press the Commission to exempt those cod catching vessels which are subject to fully documented fisheries (catch quotas) from the effort regime. For such vessels the level of cod mortality is strictly controlled and cod discards effectively eliminated. We therefore see no reason why they need to be subject to effort restrictions. We are seeking clarification on how we can help the Commission and the Scientific, Technical and Economic Committee for Fisheries (STECF) to make rapid progress in terms of evaluating fully documented fisheries with a view to exempting participating vessels.

Although days at sea issues came to pre-dominate the reporting on Council outcomes, we also achieved a number of important agreements on allowable catches. I have highlighted some below, but also attach a table of the complete list of total allowable catches (TACs) and UK Quotas agreed.

- The results of the recent EU/Norway agreement were endorsed, with a continuation of the amount of additional North Sea cod quota available as part of an expanded catch quota scheme (+12%). This will allow fishermen to land more of what they catch, in return for robust monitoring of their fishing activities and strict limits on discarding. A continuation of the Western Channel (ICES Area VIIe) sole Catch Quota scheme can also continue with the rollover of an additional 5% awarded to this scheme.
- There were also increases in quota for North Sea haddock (+15%), whiting (+15%), plaice (+15%) and sole (+15%).

- North Sea herring quota was increased by 100%.
- We saw off significant reductions for 'data poor' stocks, securing rollovers for many important bycatch species including Dab & Flounder, Turbot & Brill and Lemon Sole & Witch.
- In the **South West**, we fought hard for quota changes to follow scientific evidence, and were successful in securing significant increases in quota for cod (+170%), haddock (+25%) and whiting (+15%) as well as for VIIe sole (+9%) and VIIg-k herring (+60%). The significant quota reduction proposed for VIIde sprat was also prevented using scientific information from our recent Fisheries Science Partnership survey, enabling agreement of a smaller decrease for next year (-5%).
- In the **South East**, quota for channel plaice was increased by 8.5%, and a significant reduction was avoided in VIId skates, with the UK securing a rollover for this important bycatch stock.
- In the **Irish Sea**, we succeeded in ensuring that the significant TAC cut proposed (-19%) for the economically important nephrops stock was eliminated to better reflect the latest scientific assessment for the stock. The proposed 100% reduction in VIIa cod was also overturned, now at -25%.
- In the **West of Scotland**, another UK priority was to secure a significant increase in haddock quota following scientific advice. A 200% TAC increase was secured in return for improved selectivity and national spatial measures. We also secured a rollover in megrim and a smaller decrease in monkfish (-5%) quota.

Finally, the UK again invoked 'Hague Preference' on both North Sea haddock and whiting to ensure adequate fishing opportunities for these stocks for fishermen in the **North East and Scotland** (by significantly supplementing the amounts otherwise available). We also counter-invoked on those stocks of interest to the UK (to the west of the British Isles) - on which the Irish applied their own Hague Preference prerogative - to limit the potential damage of such invocation.

All considered, these fishing agreements represent a successful Council negotiation outcome. Reactions to the overall package, however, have rightly focused on the days at sea issues. While we managed to offset the more damaging cuts during these negotiations, I nevertheless look forward to achieving more by securing the revision of the cod recovery plan itself in the coming months.

12 January 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 12 January, replying to my letter of 14 December 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 January 2012.

The update which you provided on the position reached at the Council meeting in December was helpful, as was your explanation that a copy of the pre-negotiation write-round letter will in future be submitted to the Scrutiny Committees under a Supplementary Explanatory Memorandum.

I confirm that this strand of correspondence is now closed.

26 January 2012

GREENHOUSE GAS EMISSIONS: MECHANISM FOR MONITORING AND REPORTING (17549/11)

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

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

We note that, while you agree with the Commission that the current Monitoring Mechanism Decision needs to be amended to incorporate reporting requirements for the EU Effort Share Decision, you

consider that aspects of the proposal go beyond these requirements, and you see a need to reduce reporting burdens for Member States' national administrations.

In general terms, we support the objective of simplification of reporting requirements where this is possible without prejudice to the relevant policy objectives. In the present case, we would find it helpful to receive more information from you on several of the concerns that you raise.

You comment that the proposal to report CO₂ emissions from maritime transport goes beyond international commitments. We are aware that in November last year the Committee on Climate Change (CCC) published a review of UK Shipping Emissions which opened up the possibility of including international shipping in the EU ETS. How does your stance on the Commission's proposal sit alongside the CCC's findings?

You state that annual reporting on national adaptation measures is inconsistent with the principle of subsidiarity, and you comment that, in line with that principle, flexibility is needed to develop local solutions to address local problems. The latter point seems to us different from the issue of reporting requirements, and we would ask you to spell out more fully why you see reporting on adaptation measures as questionable for reasons of subsidiarity.

You also comment that the proposal to enhance the Commission's powers in respect of evaluation of GHG emissions and progress towards EU targets adopted under the Kyoto Protocol, including the recalculation of Member States' emissions, requires careful consideration. Again, we would be interested to see more detail of the concern that you feel about this aspect of the proposal.

We would ask you to respond to this letter within the usual ten working days. We shall keep the proposal under scrutiny.

18 January 2012

Letter from Gregory Barker MP to the Chairman

Further to the Explanatory Memorandum I submitted to the Committee on 19 December on the proposed Regulation on a mechanism for monitoring and reporting greenhouse gas emissions, please see the attached impact assessment [not printed] which was not completed in time to accompany the Explanatory Memorandum.

I am also writing in response to your letter of 18 January seeking further clarification of the Explanatory Memorandum.

Firstly, you also ask how the Government's statement that "The proposal to report CO₂ emissions from maritime transport ... exceeds international commitments" sits alongside the findings of the Committee on Climate Change (CCC), with particular reference to the CCC's statement in its Review of UK Shipping Emissions that, in the absence of a global economic instrument negotiated in the International Maritime Organization (IMO) or the UN Framework Convention on Climate Change (UNFCCC), "inclusion of international shipping in EU ETS in a way that anticipates and is compatible with a future global agreement should be considered".

The Government's position and that of the CCC are consistent with one another. The Government and the CCC both recognise that an international approach to reducing shipping emissions would ideally be agreed, either through the IMO or the UNFCCC, but that failing this an EU regional measure would be a second best option.

In early 2011 the European Commission began a wide-ranging stakeholder consultation to help it develop a regional proposal, hosting a total of three two-day meetings throughout 2011. The Government was represented at these meetings by Department for Transport officials. While a policy option that includes shipping emissions in the EU ETS is one of those under consideration by the European Commission, no decision has yet been reached on which measure (or measures) to take forward through an EU legislative proposal.

The CCC also suggested that "The Government should work with European partners to gain better data on fuel consumption, with a view to estimating current emissions and projecting future emissions more accurately". The Article 10 proposal by the European Commission, while exceeding current international reporting commitments, could establish a basis for collecting improved underlying data to this end. However, further work with the European Commission would be necessary to ensure that such a proposal met the objective of collecting improved underlying data without imposing a disproportionate cost burden on the Government or on industry.

You asked if we could spell out more fully why reporting on adaptation measures is questionable for reasons of subsidiarity. In principle we have no objection to reporting our actions on adaptation, as the UK is active both in assessing risks (the UK Climate Change Risk Assessment laid before Parliament on 25th January) and in its plans for publication of a National Adaptation Programme in mid 2013. The UK Climate Change Act (2008) requires a 5 yearly cycle of risk assessment and national plans, the UNFCCC requirements are for roughly 4-yearly reporting on adaptation plans. The EU reporting requirement goes beyond this to an annual reporting requirement. It is not clear what added value such reporting would offer. At this stage it is not clear as to the costs of such regular reporting, but this would inevitably have additional bureaucratic overhead. In addition to the frequency of reporting, the proposed regulation also stipulates that the Commission may set out detailed rules on reporting content and on operation of national systems, which may well cut across the approaches adopted by the UK.

The approach set out in the regulation is mostly argued for on the basis of the requirement for transnational action on climate change mitigation. However, little justification has been put forward for adaptation activities which have a much more local and sectoral focus. The differences in national economic, social and environmental factors will mean different approaches to adaptation will be proposed within Member States. This means a EU wide mandate for adaptation regulation would not follow a subsidiarity principle. The current proposal justifies regulation on the need to share information, in order to help develop an EU Adaptation Strategy. The UK has been at the forefront in supporting a new initiative to share information across the EU through a Commission website called the EU Clearing House Mechanism. The limits of Union competences are governed by the principle of conferral. The use of Union competences is governed by the principles of subsidiarity and proportionality. The principle states that “the Union shall act only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional or local level but can rather, by reason of the scale of effects of the proposed action be better achieved at Union level ”. Without evidence that this well supported new Clearing House Mechanism (going live in March this year) is failing, it is not clear why a regulation is needed now to make such sharing of information mandatory.

Finally, the proposal for the Monitoring Mechanism Regulation provides for the European Commission to undertake annual expert reviews of Member States’ inventories in order to assess their achievement of their greenhouse gas emission reduction or limit (target) as set out in the EU Effort Share Decision. The European Commission will adopt a delegated act under this Regulation in order to determine the rules for the conduct of these expert reviews. One outcome of these technical reviews may be a recalculation of Member State’s inventories, thus increasing the Commission’s control over determining the UK’s annual emissions and Effort Share Decision target, and potentially creating some confusion with the existing annual UNFCCC GHG inventory review process.

Another key consideration for the Effort Share Decision is how to respond to changes to methodologies for how emissions are calculated, such as the recent agreement to adopt revised Global Warming Potentials. In particular, how such changes would affect the Member State’s compliance with their targets under the EU Effort Share Decision. The Government’s position is that there should be no retroactive changes that could make a Member State non-compliant with the Effort Share Decision, and that the risk of changing methodologies should be balanced with the administrative burden of changing annual targets under the Effort Share Decision.

The European Commission’s proposal therefore requires careful consideration in order to ensure that Member States are clear in what circumstances amendments to their targets under the Effort Share Decision would take place. This is particularly important for the UK given the link between the EU target and the UK’s carbon budgets.

9 February 2012

Letter from the Chairman to Gregory Barker MP

Your letter of 9 February, replying to my letter of 18 January 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

In my letter, I raised a number of questions: about the inclusion of CO₂ emissions from shipping in the EU ETS; about your concern that reporting on adaptation measures might be questionable for subsidiarity reasons; and about your concern over the proposal of powers for the European Commission to evaluate and re-calculate information about Member States’ emissions.

We found it helpful to see the responses which you have provided on these questions. We note that you are still giving consideration to some aspects of the proposal, and we would ask you to write to us again when your consideration is completed. Until then, we shall keep the proposal under scrutiny.

7 March 2012

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

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 refer to our earlier correspondence on this issue and your letter of 17 December 2010.

You rightly pointed out in your letter that no systematic study has taken place of the application of economic mechanisms for forestry across the EU. As conditions vary considerably between Member States, and the development and application of forestry policy is a national competence, there would be only limited value to such a systematic approach. However, we do continue to monitor the application of economic mechanisms across the EU and further afield, and aim to learn lessons which can be applied in our own forestry policy. We will continue to monitor this, and will look for opportunities in future EU work, including the Commission's forthcoming work on forestry policy and rural development, to see whether there are opportunities for the type of study you suggest.

The review of the EU's Forest Strategy, currently underway, provides an opportunity to encourage greater information sharing and the exchange of best practice on the use of economic mechanisms for forestry.

The more fundamental point you make is about the need to consider the non-market benefits of forests properly so that we fully appreciate their value in achieving a range of policy goals. That is something we are pursuing in broader policy channels, including through our work on international climate change and biodiversity. As you say, I do indeed support the Committee's recognition of the need and potential for forest policy to contribute to the fight against climate change.

31 January 2012

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

Your letter of 31 January 2012, referring to my letter of 17 December 2010, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 8 February 2012.

We seem broadly at one in our recognition of the potential importance of economic mechanisms in frameworks for forestry policy. Clearly, there are lessons to be learnt from other countries, and we hope that the Government will keep an open mind to such learning opportunities.

We are happy to regard this strand of correspondence as closed. We expect to return to this issue, and others related to forestry, when we hear more from you about the review of the EU's forest strategy.

9 February 2012

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

My colleague Jim Paice wrote to the Committee on 31 January set out the UK's response to the EU Commission's Green Paper on Forest Protection and Information in the EU, "Preparing forests for climate change". In response you asked for further information, at a relevant stage, on the EU Forest Strategy. I have now taken on responsibility in the Department for EU and International Forestry.

The EU Forest Strategy was adopted in 1998 and an Action Plan established in 2005. The current exercise is a revision of the Strategy to take account of new and emerging issues, and reflect on areas from the existing Strategy that require further work or impetus.

An Ad Hoc Working Group is working on a preparatory report which should form the basis of the revised EU Forest Strategy. This report is based around a number of thematic issues, including Climate Change, the Green Economy, Ecosystem services and biodiversity and the need to improve

the knowledge base and share and develop forest information and monitoring. The thematic papers have been produced by Member States and forest sector stakeholders (the UK produced the paper on climate change, drawing on our previous work in this area) and the Commission has developed a first version of the report to reflect these papers and the subsequent discussions between Member States. The draft report also sets out a number of policy options and recommendations.

Member States will now have the opportunity to comment on the draft report after which a revision will be produced for a further round of comments. In June the Commission will produce a final version of its report which will be presented to Member States. However, it should be underlined that, although Member States have been actively involved in the development of the report, this will be a Commission document and Member States are not bound to accept the recommendations. It will then be for Member States to determine how to use this report to shape a revised EU Forest Strategy.

In developing the revised EU Forest Strategy the UK's aims have been: to ensure the principle of subsidiarity regarding forest policy is respected, to emphasise the need to add value to existing National level activities, and to promote better use and coordination of evidence and forest information. In preparing final versions of the report and in preparing the UK's response we will continue to engage with the relevant forestry stakeholders in the UK.

30 April 2012

HERRING STOCK: ESTABLISHING A MULTI-ANNUAL PLAN FOR HERRING DISTRIBUTED TO THE WEST OF SCOTLAND (17494/11)

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 on 18 January 2012.

While your EM indicated that there may be some discussion by Member States as to whether the function being delegated to the Commission relates to an "essential" element, it did not, regrettably, explain the Government's position on that central question.

We will therefore retain the proposal under scrutiny and look forward to receipt, within the usual ten working days, of your position on that question, as also an update on the progress of discussions.

18 January 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 18 January 2012, asking for the Government's position on a key point in relation to the above dossier. This was on the central question of whether or not the functions proposed to be delegated to the Commission under this proposal are considered to be 'essential' elements of the plan.

Powers that can be delegated to the Commission (as proposed, under the provision of Article 290 of the Treaty on the Functioning of the EU (TFEU)) are limited to anything agreed to be the non-essential elements. Essential elements in this context would, in our view, relate to the fundamental objectives and structure of the multi-annual plan.

In this case, however, the elements proposed for potential delegation to the Commission are limited to making adjustments to the biological parameters (e.g. fishing mortality rates; spawning stock biomass levels; biological reference levels) which need adaptation in the light of ongoing scientific advice. These elements are science-based rather than points for political agreement – and while important, the Government consider them to be 'non-essential' in this context, as their ongoing maintenance means staying in line with the objectives of the plan.

While this is the Government view on eligibility for delegation, however, there is a wider question on whether the future use of delegated acts is the best model to follow for this purpose. That model may still be of some limited use if taking that route will enable short term progress under the current Common Fisheries Policy – where the use of delegated acts may therefore serve as an interim (and strictly time-limited) measure while the current CFP continues to apply. But for the longer term that model represents much criticised and centralised control from Brussels which is not considered

appropriate for regional implementation of the plan. There is an important read-across here to the decentralising elements of our CFP reform agenda, where we aim to establish how ongoing operation and adaptation of a plan will work in a regionalised model.

I should of course add that the above discussion on delegated acts is predicated on the legal base prevailing as proposed – i.e. Article 43 (2) TFEU, requiring full co-decision of the plan itself. As we have seen, however, this is a major bone of contention for those Member States that consider any elements related to fishing opportunities should be a matter for Council only (and therefore requiring a legal base of Article 43 (3) TFEU). This is the core difficulty underlying the overall impasse on the development of multi-annual plans. I updated the Scrutiny Committees on this issue in my recent letter of 18th January – set in the context of the horse mackerel multi-annual plan discussions (EM 9003/09).

I would prefer to see focused discussions scheduled to resolve the over-arching issue, rather than further proposals being brought forward in a piecemeal fashion. The Danish Presidency has identified resolution of this impasse amongst the priorities of its work programme, and I confirm I will continue to report on developments.

30 January 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 30 January 2012, replying to my letter of 18 January, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 8 February 2012.

We welcome the clarification that you have provided of the Government's view of whether or not the functions proposed for delegation to the European Commission may be considered "essential". We are also interested to see your comments on the issue of the best model to follow in taking forward reform of the CFP.

Our consideration of that wider issue will continue as discussion of the July 2011 reform proposals proceeds. As regards this proposal, we are content to release it from scrutiny, though we would welcome further updates in due course on the progress of discussions.

9 February 2012

IMPROVING THE DELIVERY OF BENEFITS FROM EU ENVIRONMENT MEASURES (7411/12)

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

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

We were particularly interested in the content of this Communication in the light of our inquiry into EU Freshwater Policy, on which we expect to report imminently. Several of the issues raised chime with those that we identified in the course of our inquiry. We therefore trust that you will be able to take into account our conclusions and recommendations as part of the process of formulating your position on the 7th Environmental Action Programme.

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

25 April 2012

INNOVATION FOR A SUSTAINABLE FUTURE – THE ECO-INNOVATION ACTION
PLAN (ECO-AP) (18874/11)

**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) of 12 January 2012 on the above Communication was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 1 February 2012.

We were interested to see this Communication, and to learn more about the European Commission's intentions for taking forward the Innovation Union flagship initiative through the development and implementation of an Eco-innovation Action Plan. You explain that the Plan will focus on the specific bottlenecks, challenges and opportunities for achieving environmental objectives through innovation. In principle, this certainly seems to be a worthwhile endeavour.

We note that one of the actions under the Plan is to promote eco-innovation through the European Innovation Partnerships (EIPs). You will recall that last year we published the report of our inquiry into innovation in EU agriculture. We had taken evidence from the Commission about the proposed EIP on productive and sustainable agriculture, and we made clear our support in principle for this EIP, provided that it was founded on effective, action-based co-operation.

While the details of the EIP proposal are still being worked up, it seems to us that the scope of the EIP could well cover most, if not all, of the actions which the Eco-innovation Action Plan would promote in agriculture, where environmental objectives are as important as in any other sector.

We are content to release the Communication from scrutiny, but we would find it helpful if you could comment in more detail both on the specific interaction which you see between the Plan and innovation-related reform of the CAP, and also on the extent to which the Plan complements, without duplicating, measures being taken in other areas of EU policy.

On a domestic note, we would also be interested to know the extent to which your Department will work with BIS in relation to the Plan.

We would be grateful if you could reply within the usual ten working days.

1 February 2012

Letter from Lord Taylor of Holbeach to the Chairman

Thank you for your letter of 1 February regarding EM 18874/11, in response to mine of 12 January.

Eco-innovation is a broad concept that is related to many policies. Although environmental policies are the main driver for eco-innovation development and uptake other ongoing policies in innovation, energy, cohesion also help shape the eco-innovation landscape.

As mentioned in your letter, details of the Eco-innovation Action Plan's proposals still need to be developed further and it will be important that any future eco-innovation initiative take account of the new policy framework set by the Europe 2020 Flagship Initiatives "Innovation Union", "A Resource-Efficient Europe", "Industrial Policy for a Globalized Era" and "Agenda for New Skills and Jobs". The "Innovation Union" sets the future framework for innovation policy in the EU. Any new eco-innovation initiative needs to build on the "Innovation Union" and take it forward in a way that specifically supports eco-innovation. At times, this is explicit such as creating European Innovation Partnerships to address specific societal challenges or the review of environmental legislation with regards to their eco-innovation potential. A long-term vision for the direction of the green transition is provided in the "Resource-Efficient Europe" flagship to increase certainty for investment and eco-innovation.

Additionally the Industrial Policy Flagship explicitly states that the Eco-innovation Action Plan will put in place the tools to identify the deployment requirements for key environmental technologies, enhance coordination and cooperation between the EU and Member States and generate awareness of the potential of new technologies. Finally, the New Skills and Jobs Flagship calls for an Eco-innovation Action Plan to support competences for sustainable development, and promote appropriate skills development and tackle skills mismatches.

Although subsequent EU reforms of the Common Agricultural Policy (CAP) reflect a growing commitment to environmental issues, the principal focus has been on land use and management and

the diffusion of good practice, and this should contribute to the knowledge sharing that is essential for the development of eco-innovation.

Regarding our collaboration with BIS on the innovation policy agenda, I strongly believe that the Eco-Innovation Plan will complement and contribute to the implementation of the recently published Research and Innovation Strategy. In this context, my Department will work closely with BIS and other Government Departments to enable better international research and innovation collaborations and improve the sharing of best practice.

9 February 2012

Letter from the Chairman to Lord Taylor of Holbeach

Your letter of 9 February, replying to my letter of 1 February 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

It was helpful to see your comments about co-ordination between the Eco-AP and other EU innovation initiatives, and about co-operation between your Department and BIS. It is clearly important that, at EU and Member State level, innovation initiatives are driven forward along sustainability lines, in a way that strengthens activity rather than duplicating it.

I confirm that we regard this correspondence as closed.

7 March 2012

INTERNATIONAL CONVENTION ON THE REGULATION OF WHALING (13752/11)

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

With regards to your letter of 27 October requesting an update on the above draft Council Decision, I can confirm that it was adopted by Member States on 19th December 2011. I attach the final copy of the Decision (COUNCIL DECISION 17641/11 establishing the position to be adopted on behalf of the European Union, in relation to matters falling within its competence, at the next three meetings of the International Whaling Commission, including the related inter-sessional meetings, with regard to proposals for amendments to the International Convention for the Regulation of Whaling and its Schedule).

We welcome the retention of key elements of the last Council Decision, in particular: support for the moratorium on commercial whaling; an end to scientific whaling; creation of sanctuaries; and proper control of Aboriginal Subsistence Whaling. A number of the changes we proposed to strengthen the EU's support for conservation initiatives and welfare were also adopted.

Denmark entered a statement in the Council's minutes that they could not vote in favour of the Decision. Denmark believes the EU position on IWC meetings includes content which for a large part is incompatible with the interests of the Faroe Islands and Greenland and that it will be impossible to find solutions where these interests can coincide with the EU position. In such situations Denmark intends to make it clear to the IWC that Denmark acts on behalf of the Faroe Islands and Greenland and not as an EU member state.

I consider that we have broadly achieved our negotiating objectives. We have worked with the EU to bring the terms of the negotiating mandate as close as possible to our strong anti-whaling stance.

The new Council Decision will mean that Member States can act collectively as a united front in areas where the EU has competence, allowing them to operate as a bloc and so as a major player in international negotiations on whaling. We will continue to press for improved conservation and protection of whales.

18 January 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 18 January, replying to my letter of 27 October 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 January 2012.

We welcome the update which you have provided, about the Decision as adopted in December. We consider this correspondence now closed.

26 January 2012

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

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 on 18 January 2012.

Like you, we support the mainstreaming of climate change and environmental considerations throughout the EU budget. The mechanism for oversight, however, is unclear and we would welcome your thoughts. In our report last year on the future Financial Framework, we recommended that such a responsibility in relation to climate change might be assumed by the Climate Action Commissioner.

You express concern about the creation of two Sub-Programmes in the LIFE Programme. We appreciate your concern and suspect that it might be derived from the idea that it is an operational decision due to the creation of the new Climate Action Directorate General. That concern aside, we find it helpful to have the separate Sub-Programme on Climate Action in order to give climate change mitigation and adaptation actions appropriate attention. We see merit in one of the two Commissioners assuming ultimate political responsibility for the entire Programme, a process which would automatically require full communication between the two DGs.

We note that you broadly support the substance of the proposal but have a number of issues that you would wish to clarify. We consider those to be legitimate and will be interested to monitor your progress in resolving them.

Turning to the issue of the budget, the Commission has proposed a substantial increase to this Programme, an increase which is opposed by the Government. In our view, this increase in spending could in fact be justified given the EU's commitment to halt biodiversity loss by 2020 and the increasingly difficult challenges created by climate change. We would, however, find it useful to see some form of indication of the types of project that might be supported in reaching a position on this matter. If the Programme is to support large scale pilot projects, such as Carbon Capture and Storage or renewable energy projects, it might be argued that the increased budget is itself too limited. On the other hand, if it is to be directed at much smaller scale projects – such as new technologies to assist agriculture's contribution to climate change mitigation – it could potentially be reduced. Your comments on that matter would be welcome.

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

18 January 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 18 January 2012 outlining the comments raised by the Agriculture, Fisheries and Environment Sub-Committee on the new LIFE proposal. I have responded to the specific comments you raise in your letter below.

You asked about the mechanism providing oversight of the mainstreaming of climate change and environmental considerations through the EU budget. In the Multi Annual Financial Framework Communication, the Commission has proposed a methodology for tracking climate and biodiversity-related expenditures derived from the OECD 'Rio Markers'. This will be integrated into the existing methodology for measuring performance of EU programmes. This should enable the Commission to set out clearly how much of the budget relates to these objectives across all EU programmes. I fully expect both DG CLIMA and DG ENV to scrutinise the programme monitoring and evaluation reports required for EU programmes, in considering the success or otherwise of the mainstreaming approach over the next programme period.

I would like to assure you that the Government welcomes the creation of the new sub programme on climate action. As you note, having a separate sub programme on climate action sends a strong signal of the importance of climate mitigation and adaptation actions. However in creating the two

new sub programmes, we are clear that this must not result in an artificial separation of environment and climate objectives, nor the loss of potential co-benefits of addressing the two together, or the ability to address potential tensions between areas. The Commission has recognised this issue and indicated the potential synergies between the two and that projects should demonstrate multiple objectives. We will ensure these messages continue to be reinforced as any future programme is developed, for example through, the multi annual work programme and programme guidance. I am confident that good links between the two sub programmes can be achieved.

You highlighted the issue of the budget for the LIFE Programme. Of course I agree with you that the challenges of addressing biodiversity loss and climate change are considerable and require concerted effort and finance. However, as I highlighted in my Explanatory Memorandum, our top priority for the Multiannual Financial Framework (MFF) is budgetary restraint, thereby ensuring that the EU budget contributes to domestic fiscal consolidation. Whilst our overall objective is to reduce budget size, we consider that spending on climate change should have a proportionately larger share of a budget that, at most, increases by no more than inflation. The Government will also be pursuing its broader environmental and biodiversity objectives through other areas of the EU budget, such as the Common Agricultural Policy, where we would like to see a larger share of the budget given over to addressing environmental and biodiversity objectives under Pillar 2.

We consider that the mainstreaming of climate and biodiversity spending across existing budget headings, in combination with a LIFE programme which grows by no more than inflation in payment terms, should place us in a good position to address the challenges we face.

To facilitate mainstreaming, the Commission is proposing a new LIFE Integrated Project, intended to operate on a larger territorial scale (such as the regional level), and which will help coordinate the mobilisation of other EU, national and private funds for environmental and climate objectives. These will encourage applicants to develop a strategic approach towards certain environmental and climate challenges by using various funds and programmes, as part of a mainstreaming approach. In practice the UK understands that the type of activities which currently receive LIFE funding could continue either as a standalone traditional project or under the umbrella of an Integrated Project, to be planned and implemented at a larger and more strategic level.

Generally LIFE programme funding has acted as a catalyst to start-up action, providing the one-off investment needed in a specific area, eliminating initial barriers to the implementation of EU environmental and climate policy and testing new approaches for future scaling up. LIFE funding addresses gaps and externalities, raises awareness and demonstrates the benefits of environmental protection and climate action. It is not directed at research or at investment in existing technology, nor the funding of large infrastructures.

The LIFE sub programme for Climate Action will support public authorities as well as private actors, especially small and medium enterprises, in testing small scale low carbon and adaptation technologies. Specific local and regional climate mitigation, adaptation strategies or action plans will be financed through the Integrated Projects mentioned above. The sub programme will also support capacity building as well as awareness raising actions involving stakeholders, in order to improve the implementation of the existing climate legislation.

A good example of a climate mitigation project funded under the current LIFE programme is that of the Biomass Residue Agro-energy System in Sweden, which ended in November 2009.

This resulted in a complete facility for producing a carbon neutral biomass pellet fuel, using an innovative method to convert agricultural residues into a more sustainable fuel and heat energy supply and demonstrated the following:

- 100% reduction of waste from an agricultural seed production company;
- Closed-loop energy system providing 100% fossil fuel free heating of buildings and drying operations;
- 100% reduction of methane emissions from decaying agricultural residues;
- District heating initiative using heat generated at the facility;
- A new way of sequestering carbon dioxide from atmosphere; and
- Dissemination of project results to delegations from over 40 countries through project facility study visits.

I hope that this answers your specific comments on the LIFE Proposal and I look forward to continuing to work with you on this as the detailed negotiations on the Regulation go forward.

31 January 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 31 January, replying to my letter of 18 January 2012, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 8 February 2012.

It was helpful that you provided this prompt, and informative, response to the points that we raised. While we may not be at one with you on all issues, including the proposal by the European Commission of a substantial increase in this Programme, there is common ground between us on the priority that needs to be given to a range of objectives supported by the Programme.

We will retain the proposal under scrutiny for the moment, as negotiations proceed.

9 February 2012

NON-COMMERCIAL MOVEMENT OF PET ANIMALS (11216/09)

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

Further to my predecessor Lord Henley's letter of 18th July 2011 about changes to the Pet Travel Scheme, I am writing to provide an update to your Committee with additional information about changes to the Scheme. I apologise for the late notification of these changes, but these issues have been under discussion at European level.

TAPEWORM TREATMENT

Lord Henley's letter explained that the Commission had adopted their proposal for a new delegated act to provide for tapeworm controls on dogs entering EU Member States that are currently assessed as free from *Echinococcus Multilocularis*, and that the Commission's proposal had been submitted for scrutiny to the European Parliament and Council, a process that would take approximately four months.

I can confirm that both the European Parliament and Council have now formally adopted these proposals meaning that from the 1st January 2012, tapeworm controls will apply to all pet dogs entering the UK. Under these rules, not less than 24 hours and not more than 120 hours (1-5 days) before its scheduled arrival time in the UK, all dogs must be treated against tapeworm and the treatment recorded in the EU pet passport or the third country official veterinary certificate.

Cats and ferrets will no longer require this treatment. There will also be no mandatory tick treatment before any pet enters the UK.

TATTOO IDENTIFICATION

The Commission has also adopted a delegated act to make a minor amendment to Annex Ib of the Regulation 998/2003 to add a reference to tattooing. As Lord Henley's letter explained, the UK was not overly supportive of this amendment however there was little opposition amongst other Member States and, having discussed the practicalities with the Animal Health and Veterinary Laboratories Agency, we are satisfied that suitable arrangements are in place to process a tattoo check if required. The number of pets entering the UK with a tattoo as the sole form of identification is expected to be very low.

MOVEMENT OF PETS FROM THE REPUBLIC OF IRELAND TO GREAT BRITAIN

We do not currently require checks to be carried out on pets arriving in the UK from the Republic of Ireland although checks are carried out on pets coming from the rest of the EU and other countries and territories.

Under the EU pet movement system, all pet dogs, cats and ferrets moving between EU Member States must meet the same animal health rules. Therefore from 1st January 2012 the requirement is that all pets travelling from the Republic of Ireland to the UK should be microchipped, vaccinated against rabies and accompanied by a pet passport.

However as both the Republic of Ireland and the UK have had no indigenous rabies for many decades, compliance checks on pets travelling between the two countries will not be applied. Those travelling with pet animals should therefore not experience any change on the ground from the 1st January.

LEGISLATIVE FRAMEWORK

The Non-Commercial Movement of Pet Animals Order 2011 has been agreed by both the Home Affairs Committee and the Reducing Regulation sub-Committee and was laid before Parliament on the 9 December 2011. This legislation revokes and replaces existing pet legislation in England and Scotland (equivalent legislation is not in force in Wales) to enforce the revised import requirements that apply to pets (cats, dogs and ferrets) entering Great Britain from 1st January 2012.

30 December 2011

SHARK FIN REMOVAL ON BOARD VESSELS: EC REGULATION NO 1185/2003 (17486/11)

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

Your Explanatory Memorandum (EM) of 12 December 2011 on the above proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

We agree with you on the need to remove the derogation for special fishing permits in the 2003 Regulation, which has enabled Member States to permit the removal of shark fins at sea, subject to certain requirements.

We are content to release the proposal from scrutiny, but would ask you to keep us updated about progress with the proposal.

18 January 2012

SHIP RECYCLING (8151/12, 8173/12)

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 of 12 April 2012 on the above proposals was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 25 April 2012.

We agree with your position on the draft Regulation and would ask that you keep us informed of progress in the course of negotiations.

On the draft Decision, the EU is not, and should not be, a party to the Convention. We therefore agree that it is entirely inappropriate for the Council to command the Member States to ratify or accede to the Convention and the Decision does not therefore seem desirable. Nevertheless, we have some sympathy with the attempt to apply pressure on the Member States. Following your logic and that of the Commission, Member States would be likely to ratify once the Regulation has been adopted. One option might therefore be to include within the Regulation a requirement for each Member State to report on the state of ratification, while avoiding a firm requirement to ratify. We would welcome your view.

We will retain both proposals under scrutiny, and look forward to your reply by mid-May.

25 April 2012

SINGLE CMO REGULATION: ORGANISATION OF AGRICULTURAL MARKETS AND SPECIFIC PROVISIONS FOR CERTAIN AGRICULTURAL PRODUCTS (5084/11)

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

As requested in your letter of 14 July, I am writing to provide an update on the negotiations relating to the alignment of the Single CMO Regulation to the Lisbon Treaty.

Poland has held two Council Working Parties under its Presidency to continue the technical examination of the Commission's proposal. Discussion focussed on improving the clarity of the text and to ensure that the objective, content and scope of the Commission's delegated powers are appropriately defined. The European Parliament's report on the Commission's proposal was also discussed with a view to preparing a Council position ahead of the trilogue discussions.

There are a number of issues that have yet to be resolved as follows:

- **Controls and sanctions:** although the Commission has proposed the use of both delegated and implementing acts in this area, the position of the Council is that the basic act should set out the principles and that these can be supplemented by detailed rules in implementing acts. The European Parliament has indicated that if this approach is adopted then a certain level of detail must be included in the basic act.
- **Scope of Article 43(3) proposal:** the Commission and European Parliament favour a restricted interpretation of the proposal on the fixing of certain aids, refunds and prices, which will be subject to a Council decision alone under Article 43(3) TFEU. The Council favours a wider application of provisions to be covered by this measure.
- **Duration of delegation:** the Commission has proposed that powers to adopt delegated acts should be conferred for an indeterminate period of time. The Council has generally favoured a period of five years with a tacit extension. The European Parliament appears to be flexible on periods of either five or seven years, with tacit extension, although dossiers linked with the multi-annual financial framework (MFF) should be aligned to the length of duration of the MFF.
- **Procedure in the event of no opinion in the Examination Committee (Article 5(4) of Regulation 182/2011):** the Commission has not proposed recourse to the appeal Committee in the event of a no opinion by the Committee. The Council and the European Parliament are broadly in agreement that this provision should apply in a limited number of cases, mainly in areas where the Regulatory Committee currently applies.
- **Use of the urgency procedure:** the Commission has proposed the use of the urgency procedure for the adoption of time critical delegated or implementing acts. The Council and European Parliament prefer a more restricted approach where urgent delegated acts are confined to cases where there are imperative or overriding general interest requirements and where duly justified imperative grounds need to be given for urgent implementing acts.

As these issues are common across all of the CAP alignment dossiers, the Presidency has entered into trilogue discussions with a view to resolving these horizontal issues first. A number of meetings between the Presidency, Commission and European Parliament have taken place since October and some good progress has been made. A further trilogue will be held before the end of the year at which it is hoped that agreement can be reached.

Trilogue discussions on the specific elements of the Single CMO proposal itself have also started. Negotiations will continue into the New Year, which will also take account of the agreement on the horizontal issues. These are unlikely to be contentious and it is hoped that agreement could be reached at the first reading stage.

19 December 2011

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

Your letter of 19 December 2011 about this proposal, replying to my letter of 14 July 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

It was helpful to receive the update which you provided on discussions about this proposal, and your explanation of the issues on which discussion will continue. Pending a further update, we shall keep the proposal under scrutiny.

18 January 2012

[SEE ALSO 'EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (14344/10, 14306/10, 5084/11)']

SOIL: SOIL PROTECTION DIRECTIVE (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 your letter of 23 June 2011, where you asked for an update on progress of any significant developments on the proposed EU Soil Framework Directive.

The Directive was not tabled for formal negotiation during the present Polish Presidency and is not currently on the agenda for the forthcoming Danish Presidency. We understand that the Danes do not intend to pursue the dossier unless they receive a signal from one or more members of the blocking minority that they would be prepared to change their position and there was therefore a realistic chance of getting the Directive agreed.

During 2011, informal technical discussions were held amongst members of the EU Contaminated Land Common Forum, who negotiated significant improvements to the text, without prejudice to any Member State's formal position. This co-called "Common Forum" text has now been published on the website of the Common Forum and can be found at www.commonforum.eu/SoilDirectiveAlternative.asp. We have heard that the Commission would be prepared to work with the Common Forum version of the text if it resulted in the current deadlock being broken. Latest intelligence also suggests that France may be prepared to change its position on the dossier following Presidential elections in April / May 2012. If this was the case, this may be all the signal required for one of the forthcoming Presidencies (either Denmark or Cyprus) to schedule the dossier for formal negotiation.

However, the UK's position remains that we would prefer not to have a Directive at all. Our focus for the next few months is therefore to refresh our lobbying strategy in order to persuade other Member States of our continuing concerns in order to keep it off the table. Meanwhile, we are recalculating the possible costs and benefits of the Directive to take into account the textual changes made in the Common Forum version of the text, which will inform our negotiating position should formal working groups recommence.

20 December 2011

Letter from the Chairman to Richard Benyon MP

Your letter of 20 December, replying to my letter of 23 June 2011, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 18 January 2012.

We were grateful for the update, and for your confirmation that you remain opposed to any Directive in this area. We look forward to being kept informed of any significant developments.

18 January 2012

SUGAR: SPECIAL REPORT NO 6/2010 - HAS THE REFORM OF THE SUGAR MARKET
ACHIEVED ITS MAIN OBJECTIVES? (16315/10)

**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**

In your letter of 26 January 2011, replying to previous correspondence on the 2006 reforms of the sugar regime, you asked to see the Scottish Agriculture College (SAC) assessment of the impacts of the 2006 EU sugar regime reforms once it was available. I can now provide a link to the published version:

<http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=17618>

The main findings of the report are as follows:

- The reforms have largely achieved their objective of reducing production by 6 million tonnes and moving the EU from a surplus to a deficit producer.
- The reforms appear to have created a more direct link between world and EU prices. Data suggests however that price cuts have not been passed on to the consumer.
- Overall profitability has been maintained although there remains a wide divergence at the farm level.
- The reforms have sped up the consolidation of the industry and the process of productivity improvements in the UK.
- The reforms did not maximise competitiveness as they did not ensure that the least efficient production was curtailed.
- Traditional cane sugar suppliers to the EU have suffered as a result of the reforms. However the impact on individual ACP countries has varied.

This report is a useful contribution to the debate as sugar reform is once again under debate in Brussels.

9 January 2012

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

Your letter of 9 January 2012, replying to my letter of 26 January 2011 about this report, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 25 January 2012.

We were interested to see that the Scottish Agricultural College (SAC) study into the outcomes of the 2006 reform of the EU sugar regime has now been published.

We note that you mention, among the main findings from that study, that data suggest that price cuts have not been passed on to the consumer; and also that traditional cane sugar suppliers to the EU have suffered as a result of the reforms. We would welcome your comments on these findings which, in our view, indicate that the 2006 reform left much to be desired. We would ask you to reply within the usual ten working days.

26 January 2012

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

You asked in your letter of 26 January 2012 for my comments on two specific findings of the Scottish Agricultural College (SAC) study into the outcomes of the 2006 reform of the EU sugar regime.

First, you mention that the study finds that EU sugar price cuts have not been passed on to the consumer. This finding does not surprise me and is consistent with the views that have been put to me by representatives of the UK food and drink industry. They say that they have found the price of sugar, an important raw material for their products, rising rather than falling over the past two years. As the SAC study also finds, EU sugar prices have more closely followed the rise and fall of world sugar prices since the reform; and for two years now we have been in a period of high world sugar

prices. But it is also the case that we still have restrictions on sugar supply in the EU. Beet sugar production is restricted by national quotas, whilst cane sugar supply is restricted in the most part by high import tariffs and cane supplies have not increased in line with the European Commission's 2006 forecasts. Inevitably, if we have restricted supply, then this will have an upward impact on prices. In part for these reasons, I agree with the Commission that further reform of the EU Sugar Regime is necessary, and the UK has supported the Commission's proposal to abolish the quota restriction on beet sugar production.

You also draw attention to the finding that traditional cane sugar suppliers to the EU have suffered as a result of the reform. Again, this is not an unexpected finding and it is consistent with what the representatives of the supplying countries have told me themselves. The reasons are complex and I believe that the fate of the supplying countries is closely linked to the fate of the EU cane refining sector. I am satisfied that neither that the Commission's handling of current EU sugar market supply issues, nor their proposals for further reform of the sector, sufficiently take into account the needs of the cane refiners (and therefore their suppliers). A balance needs to be maintained between these two sources of sugar supply to the EU market, but recognition of this need for balance appears to be absent from the Commission's current thinking. There are good food security reasons to maintain two sources of sugar supply to our market; moreover, there are both development benefits to developing country suppliers and the competition and employment benefits to the UK to be considered. For all these reasons, I have been calling on the Commission to take greater account of the cane sugar sector in its proposals for management of the EU sugar market.

6 February 2012

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

Your letter of 6 February, replying to my letter of 26 January 2012, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 15 February 2012.

You comment that you are not surprised by the findings of the Scottish Agricultural College (SAC) study, that the reform of the EU sugar market has not meant price cuts for consumers, and that it has had a negative impact on traditional cane sugar suppliers. We agree with you that these findings point to the need for further reform.

We understand that the European Commission intended to evaluate the sugar regime at the end of 2011, with a view to presenting further proposals in due course. Perhaps you could bring us up-to-date on where the Commission's evaluation stands and when further proposals can be expected, and also on what efforts the Government are taking to encourage further reform.

We would ask you to reply within the usual ten working days.

15 February 2012

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

European Commission proposals for the future of the EU sugar regime are contained within their wider set of proposals for the reform of the CAP as a whole. The Commission are proposing not to extend the beet production quota system beyond the 2014/15 sugar marketing year, whilst retaining the present (but never used) safety net of a Private Storage System for the beet sector. At the same time they are making no proposals to change the existing arrangements with regard to imports of raw cane sugar from developing countries.

In principle the Government is in favour of abolition of the production quota system in the beet sector. We believe that production constraints of this kind distort the market and artificially inflate prices for the food and drink industry and ultimately for consumers. Removing quotas would allow farmers and beet processors to increase beet sugar production where conditions are suitable, to help meet domestic consumption needs and to increase exports to a hungry world.

I have also argued in Brussels that it is not enough to deregulate the beet sugar sector. Additional proposals are needed to allow for increased import opportunities for the EU's cane sugar refiners if they are to remain competitive with the beet sector and survive this next phase of reform. If the refiners are not allowed to operate at full capacity, their future will be jeopardised with potentially devastating consequences for their developing country suppliers.

The wider CAP Reform package is the subject of a separate correspondence between ourselves and it would be helpful if any further exchanges on sugar reform could be subsumed into that correspondence.

28 February 2012

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

Your letter of 28 February, replying to my letter of 15 February 2012, was considered by our Sub-Committee on Agriculture, Fisheries and Environment at its meeting on 21 March 2012.

You explain that the European Commission's proposals for the future of the EU sugar regime are contained within their wider set of proposals for CAP reform. You say that the Commission does not propose that the beet production quota system should be extended beyond the 2014-15 sugar marketing year, but that the present (but never used) safety net of a Private Storage System for the beet sector should be retained. You also say that the Commission is making no proposals to change the existing arrangements for imports of raw cane sugar from developing countries. You set out your views on what steps are needed, not least to safeguard the interests of cane sugar refiners in this country and producers in the developing world.

We also consider that more needs to be done to extend reform of the sugar regime. While we take your point that these concerns sit in the wider context of CAP reform, we think that they are of sufficient importance for separate and specific consideration. We will reflect on how best to take this forward.

22 March 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

Your Explanatory Memorandum (EM) on the above Communication was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

We agree with you that the finding in the report that "the level of enforcement [under the Regulation] varies significantly between Member States" points to the need for remedial action, and that the Commission's proposal to issue further guidance falls short of what is required. We also support your intention to bring pressure to bear on the Commission to act more effectively to tackle long-standing concerns on enforcement of the rules. It seems to us unacceptable that severe animal welfare problems during transport persist, as you note in your EM.

We would welcome further information from you about developments in this area, in due course. In the meantime, we shall retain the report under scrutiny.

14 December 2011

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

Thank you for your letter of 14 December noting your Committee's views on the findings in this Report and highlighting the need for the EU Commission to tackle long-standing concerns on the enforcement of the rules.

The Report was discussed very briefly at the Agriculture and Fisheries Council meeting on 15-16 December. The incoming Danish Presidency announced they would prioritise this work, starting with an Experts Working Party meeting on 13 January 2012. Their aim would be to reach agreement on Council Conclusions from the Report.

We look forward to this more detailed discussion and hope to contribute towards a constructive outcome.

We will write to you following this meeting informing your Committee on any progress that has been made.

5 January 2012

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

Your letter of 5 January 2012, replying to my letter of 14 December 2011, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 January 2012.

We welcome the information that you provided about the Danish Presidency's intentions for this dossier. We shall retain the report under scrutiny while awaiting further updates.

19 January 2012

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

Further to your letter of 19 January on the above, I am writing to update the Select Committee on the outcome of the Danish Presidency's work on preparing draft conclusions on this report, which will be considered by EU ministers at a meeting of the Agriculture and Fisheries Council on 14-15 May.

The Danish Presidency has held five Working Party meetings of Member States experts between December 2011 and April 2012, in an attempt to reach a consensus on what should be the key messages from the Council to the Commission on the work needed to address some of the deficiencies highlighted in the Commission's report. Initially, they circulated a questionnaire to Member States, with a series of questions on whether Member States supported the Commission's approach (no new legislation) or, if not, what their priorities for legislative change would be.

From the results of this questionnaire, it was clear that Member States were broadly split between those that wanted such change and those that did not. Furthermore, in the main, those that supported change did not share the same priorities. As discussions developed, there was a clear split within the pro-change group of Member States, between those that wanted radical change involving a limit of 8 hours on the transport of all species of livestock for slaughter, and those that wished to work within the parameters of the existing rules, basing any changes to the rules on long journey transport on the available scientific evidence, such as that provided by the European Food Safety Agency (EFSA). The UK was one of those Member States supporting this last position.

Faced with such a variety of opinions, the Danish Presidency has produced a set of draft conclusions on transport which stops short of calling for the Commission to make any radical change. Instead, it supports moves by the Commission to improve enforcement of existing rules; reminds the Commission that for reasons of animal welfare, the transport of animals over long journeys including animals for slaughter, should be limited as far as possible; and, invites the Commission to consider using their existing implementing powers to adopt new rules on a variety of technical issues, where the existing legislation remains incomplete.

Whilst it is disappointing that there is no strong message from the Council to the Commission to review the rules on long journeys (particularly for vulnerable infant animals which was a UK objective) in the immediate future, the UK has been successful in seeing several references made on the need to base any future changes to the legislation on available scientific evidence. In particular, Conclusion 26 encourages the Commission to take account of existing and emerging scientific evidence when in the future considering additional actions and possible future amendments to the Transport legislation.

I hope the above information will allow the Select Committee to complete their scrutiny or, if it is to remain under scrutiny, to provide the Minister with the flexibility to support conclusions on the basis of the above information. I am happy to provide the Committees with a copy of the final Council conclusions adopted and to provide any further commentary on the discussion held at the Council meeting.

30 April 2012

THE PROTECTION OF MARINE ECOSYSTEMS FROM THE ADVERSE IMPACTS OF BOTTOM FISHING GEARS (16151/10)

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

Your letter of 18 November 2011 on the above report, replying to my letter of 16 February, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 14 December 2011.

It is regrettable that your reply has been so long delayed, but we nonetheless found the information that you have now provided very useful.

It seems clear that the key issues discussed in your letter will be taken forward in the context of proposals still to come from the European Commission, in which we shall be closely interested. For this reason, I confirm that we regard this strand of correspondence as closed.

14 December 2011

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) (17367/08)

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

Negotiations on the WEEE recast concluded in December 2011 at second reading. The agreement between Member States was adopted by the European Parliament on 19 January 2012.

We await agreement by the Council, which should take place within the next month or two, but in the meantime I should like to provide the committee with details of the agreement.

I believe that the outcome is a good one for the UK. It stretches the environmental objectives of the Directive whilst avoiding unnecessary burdens on industry, and allows sufficient time for member states to respond to the new requirements. I shall deal with the main themes of the recast in turn.

SCOPE

As the committee will be aware, the current directive is based on a closed scope of equipment covering certain defined products in ten categories:

- Large household appliances
- Small household appliances
- IT & Telecomms equipment
- Consumer equipment
- Lighting equipment
- Electrical & Electronic Tools
- Toys, Leisure & Sports equipment
- Medical Devices
- Monitoring & Control Instruments
- Automatic Dispensers

The move to “open” scope will not take place until 6 years after the directive comes in to force (it is likely to be published in the Official Journal in Summer this year). However, Photovoltaic panels will come into scope immediately the directive comes into force, within the “Consumer Equipment” category.

Open scope will cover six categories, with very broad exclusions for certain types of equipment. The six categories are:

- Temperature exchange equipment
- Screens, monitors and equipment containing screens having a surface greater than 100cm²
- Lamps
- Large equipment (one length 50cm or more)
- Small equipment (no length more than 50cm)
- Small ICT (no length more than 50cm).

However, specific additional exclusions would apply to:

- Equipment designed to be sent into space
- large scale stationary industrial tools
- large scale fixed installations
- means of transport for persons or goods excluding electric two wheeled vehicles which are not type approved
- non road mobile machinery made available exclusively for professional use
- equipment specifically designed solely for the purpose of R&D only made available on a business to business basis
- medical devices and in vitro diagnostic medical devices, where such devices are expected to be infected prior to end of life, and active implantable medical devices
- pipe organs installed in churches

In addition, equipment which is specifically designed and installed as part of large scale stationary industrial tools and large scale fixed installations will also be considered out of scope.

Scope will also be limited by the definition of electrical and electronic equipment (EEE) in the Directive. This will continue to be “equipment which is dependent on electric current or electromagnetic fields in order to work properly...”. This is the existing “primary function” interpretation and means that products with minor electrical functions would not be within scope.

COLLECTION TARGETS

The current target of 4kg per inhabitant each year of separately WEEE from private households will be replaced in 2016 by a “Placed on the Market” weight target. This target will be calculated on the basis of the total weight of WEEE collected in a given year, expressed as a percentage of the average weight of WEEE placed on the market in the preceding three years. In 2016, that target will be 45%. The target will increase to 65% in 2019.

There will also be the opportunity to develop and use a “WEEE Generated” collection methodology and target – which the UK favours. WEEE generated takes account of the lifecycles of different waste streams. As part of the agreement, the Commission are committed to investigating the feasibility of WEEE generated over the next three years. An option of meeting an 85% WEEE generated target is open to Member States from 2019.

RECOVERY, REUSE AND RECYCLING TARGETS

These targets remain the same for the next three years. In three years’ time, they will be increased by 5% to the following percentages:

- Categories 1 and 10 (large household appliances and automatic dispensers) 85% recovery and 80% recycling.
- Categories 3 and 4 (IT, Telecoms and consumer equipment) 80% recovery and 70% recycling.
- Categories 2, 5, 6, 7 and 9 (Small household appliances, lighting equipment, electrical and electronic tools, toys leisure and sports equipment, and monitoring & control equipment) 75% recovery and 55% recycling.

Targets of 70% recovery and 50% recycling for medical devices will be introduced immediately.

Within four years the Commission will examine the case for a mandatory reuse target, separate from the recycling target.

ILLEGAL SHIPMENTS

This was the subject of lengthy and detailed negotiation in order to ensure the effective prevention of illegal WEEE exports to developing countries. The Directive includes a new Annex 6 which introduces new minimum monitoring requirements for the shipment of used EEE.

The legitimate trade in used EEE under warranty for refurbishment or repair to OECD countries only remains permitted.

AUTHORISED REPRESENTATIVES

The directive introduces the concept of Authorised Representatives. Producers established and registered in at least one Member State will be able to appoint authorised representatives in other Member States where they place EEE on the market in order to fulfil producers' obligations. These representatives will be subject to the same requirements as registered producers.

DISTRIBUTOR/RETAILER TAKE-BACK

There is a new requirement on retailers with EEE sales areas over 400m². These retailers will be required to take back any small item of WEEE (which in this context is an item means no external dimension over 25cm) without the customer having the obligation to make a purchase. Nevertheless, where alternative collection schemes are likely to be at least as effective, take-back will not be required.

The UK Government will consult late this year, or early next, on necessary amendments to the UK WEEE Regulations. We will use that opportunity to consider other improvements we should make to the UK WEEE system that are good for business, in line with the objectives of the Red Tape Challenge, and continue to improve recycling rates. In the meantime we will continue to talk to all those involved in the WEEE chain of business in order to inform the basis of the consultation and ensure a smooth transposition in the UK.

6 March 2012

WATER POLICY: PRIORITY SUBSTANCES (6019/12)

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

Your Explanatory Memorandum (EM) of 20 February 2012 on this proposal was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 7 March 2012.

We are of course conducting an inquiry into the future direction of EU freshwater policy, and this includes consideration of implementation of the Water Framework Directive (WFD) – both experience of its application since it was adopted, and expectations of further implementation in the future. We were pleased that you gave evidence to the inquiry, also on 7 March, when this proposal was included in the discussion.

You acknowledge the importance of ensuring that environmental legislation is reviewed and adapted to meet existing and emerging risks. This proposal has come forward under a well-established process for ensuring that the WFD is subject to such review and adaptation, a process in which the UK has been fully involved.

It is clear that some of the changes to the list of priority substances in this proposal could require very high levels of expenditure in wastewater treatment. While such major expenditure should never be committed without proper forethought, it may be unavoidable if it serves to remove a clearly established hazard to the environment or to public health.

It seems, however, that knowledge about the extent of the problems posed by some of the substances (EE2 and diclofenac) is still limited; and also that there is still a real need to clarify the scope for tackling the problem at source – through pharmaceuticals regulation – rather than through end-of-pipe controls. We would ask you, therefore, to comment further on these points: has scientific knowledge, and consideration of policy options, been advanced to the stage where tackling these substances through the controls required under the WFD is the best and most effective approach?

We would be grateful if you could reply within the usual ten working days. We shall keep the proposal under scrutiny.

7 March 2012

Letter from Richard Benyon MP to the Chairman

Thank you for your letter of 7 March 2012. You requested that I comment on whether scientific knowledge and consideration of policy options has advanced to the stage where tackling substances, such as 17alpha-ethinylestradiol (EE2) and Diclofenac, through controls required under the WFD is the best and most effective approach.

For substances to be introduced as priority substances there should be evidence that they pose a significant risk to organisms via the aquatic environment at European Union level. As you rightly point out there has been a detailed prioritisation process which we have played a full part in, to decide which substances should be included within the current proposal. However, the Commission have acknowledged that the prioritisation process does not deal well with endocrine disrupters and pharmaceuticals and we would like to seek improvements to it for future reviews.

Specifically in regards to the substances you mention, I would agree that the scientific knowledge on the extent of the problem and the best policy options to use to tackle them, is still limited and it's an area where we are keen to undertake further research.

There have been a range of studies conducted on both EE2 and Diclofenac, but these have not been conclusive. Fish like many insects, tend to be profligate breeders, so that large numbers of eggs are fertilised but the vast majority do not reach adulthood. There are many other contributing factors that impact on fish populations such as; diffuse pollution and sediment issues, fry being washed away by early season floods and barriers to migration etc. So it may be that the impact of these substances is lost within the huge natural mortality rate.

These issues and others need to be considered when deciding how best to tackle the problems impacting on our aquatic environment and to achieve our objectives under the Water Framework Directive, through the river basin planning process. It is important that we have the necessary measures in place to protect our aquatic environment, but I don't believe we are yet in a position to decide that using the controls placed upon us through the priority substances proposal, is the most appropriate and cost effective mechanism for dealing with the problem. It could be more appropriate to tackle the issue at source through the extensive EU legislation on the regulation of pharmaceuticals.

I am therefore pleased to hear that the European Commission (DG SANCO) has recently commissioned a study, to look at whether the existing pharmaceutical legislation needs to be changed to improve the environmental impact assessment of pharmaceuticals before they are marketed in the EU.

Regulatory controls on substances at source should be set at EU level to avoid market distortion. Consideration of measures that could be taken nationally under the Water Framework Directive should take account of any EU level mechanisms when considering whether national controls (such as end-of-pipe treatment, advice on disposal, voluntary take-back schemes) would be cost effective or disproportionate to meet environmental standards. Broader measures that are taken under the Water Framework Directive to reduce barriers to fish movement are also likely to be supportive of more resilient fish populations.

20 March 2012

Letter from the Chairman to Richard Benyon MP

Your letter of 20 March 2012, replying to my letter of 7 March, was considered by our Agriculture, Fisheries and Environment Sub-Committee at its meeting on 18 April 2012.

We note that there are developments, notably the study commissioned by DG SANCO, in relation to some of the pharmaceutical substances included in this proposal. We would welcome an update in due course. In the meantime, we shall keep the proposal under scrutiny.

25 April 2012