

HOW CAN ORGANIC BENEFIT FROM THE EUROPEAN UNION'S PROMOTION POLICIES?

Preliminary note: please read Regulation (EU) No 1144/2014 of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries.

Table of contents

WHO CAN APPLY?	1
WHAT ARE THE FUNDABLE PROGRAMMES?	1
WHAT IS THE TARGET MARKET?	2
WHAT ARE ELIGIBLE ACTIVITIES?.....	2
WHAT IS THE AVAILABLE BUDGET? WHY CO-FINANCING?	2
LET'S TRY TO CLARIFY:	2
UNWRITTEN RULES	3
WHAT ARE THE TOPICS OF PARTICULAR INTEREST FOR THE ORGANIC SECTOR?	3
WHAT TO AVOID?	3
WHEN AND HOW CAN YOU APPLY?.....	4
HOW TO DEVELOP A PROJECT.....	4
INDICATIVE DEADLINES	5
DO YOU HAVE MORE QUESTIONS?	5

The European Commission has ringfenced 185.9 million euros in 2024 to fund promotion activities for sustainable and high-quality EU agri-food products in the EU and worldwide. Part of this budget is ring-fenced specifically for organic and other sustainable products.

Who can apply?

Trade or inter-trade organisations, producer organisations (if recognised by the Member State), agri-food bodies which have been entrusted by the Member State with a public service mission in this area (for example: Agence Bio).

A trade or inter-trade organisation must be “representative of the sector”, which means it accounts for at least 50% as a proportion of the number of producers, or 50% of the volume or value of marketable production of the product(s) or sector in the Member State. Representativeness thresholds lower than 50% may be accepted if the organisation demonstrates in the proposal that there are specific circumstances, including the evidence on the structure of the market, which would justify treating the proposing organisation as representative of the product(s) or sector.

It is quite difficult for an organic trade organization to cover more than 50% of the market (it is less difficult when some retail chains are also members of the organisation, provided that they are willing to declare their organic turnover); in previous tenders, declarations have always been accepted that, given that no organization accounts for at least 50 % of the marketable production, an organization representing a significant share must also be considered representative (it is not codified, but it is better not to go much below 20%).

What are the fundable programmes?

Information provision and promotion programmes may consist of:

- ‘Simple’ programmes: submitted by one or more proposing organisations from the same Member State);
- ‘Multi’ programmes (submitted by at least two proposing organisations from at least two Member States or one or more Union organisations).

What is the target market?

Programmes are also divided among those aimed at promoting projects within the internal market (IM) and in third countries (TC). It means that there are four types of programmes you can apply to: simple programmes in the internal market, simple programmes in third countries, multi programmes in the internal market, and multi programmes in third countries.

Each year, the European Commission adjusts the available funding based on submission figures from the year before. For example, the 2023 budget for multi programmes for the organic products in the internal market was decreased due to low application rates in 2022.

What are eligible activities?

Eligible activities shall consist of a coherent set of operations and shall be implemented over a period of at least one year but not more than three years.

They shall consist of promotional activities and information campaigns, notably taking the form of public relations, press events, advertising, points of sales activities, participation in events and fairs of national, European and international importance, social media activities (influencers included), online promotion campaigns, sponsorship of relevant initiatives, incoming of potential buyers, educational tours for journalists and operators, information brochures on products for different categories of users, gadgets, etc.

Advertising in supermarkets' flyers cannot be branded: even if particular companies participate in the promotional period, advertising must be on the approved message and on European organic.

Please find here an [example](#) of a current campaign co-financed by the European Commission on fruits and vegetables consumption and healthy eating practices, and 'simple' and 'multi' programmes' beneficiaries testimonies.

What is the available budget? Why co-financing?

The co-financing rate refers to the share of a project's budget that shall be borne by the European Union's public accounts.

- Simple programmes: The total budget allocated for simple programmes is €89 million - of which €25 million for programmes promoting organic and sustainable products. There is a co-financing rate by the European Commission of 70% for internal market projects and 80% for third countries projects;
- Multi programmes: The budget allocated for multi programmes is €87.4 million - of which €39 million for programmes promoting organic and sustainable products, with an 80% co-financing rate for both internal market and third countries projects.

Please note that the financial contribution to simple and multi programmes can reach 85% of the eligible expenditure in the event of serious market disturbance, loss of consumer confidence or other specific problems.

Let's try to clarify:

- Even if it is not necessary that all the organisation's member companies participate in all or some of the activities envisaged in the project, all must still be offered the opportunity to participate (and under the same conditions).
- In the case of a project that targets markets A, B and C, there may be companies that participate in one or more activities in all three countries, or that simply participate in a fair in A and tastings in B, or, even more, that some companies decide not to participate in any of the activities: it remains always the fact that everyone was offered the opportunity.
- It should be kept in mind that the company that participates in one or more activities will not be able to get away with paying only 30% of the costs of these activities not covered by the funding. There are, in fact, general and horizontal costs, which concern the project as a whole (for example project design -which cannot even be covered by financing and must therefore be self-financed-, implementing body, administrative management, management of the website and social media, press office, advertising, gadgets, costs of personnel involved in coordination of activities, etc) which we cannot hypothesize here. You should proceed with a preventive budget, but you are not wrong if you consider that the 70% (or 80%) funding, having to also cover general and horizontal costs, in fact means that it remains on the shoulders of the company who participates in the initiatives a cost between 45% and 50%.

- The beneficiaries may ask for a pre-financing (not more than 20 % of the grant amount), with a pre-financing guarantee provided by a bank or an approved financial institution (if needed, with guarantees by members of the organization taking part to the project).
- Given that the project is written approximately three years in advance of its conclusion date, it may happen that changes are necessary during its progress (think of the impact of COVID or the war in Ukraine on previous projects); it is possible to move resources from one initiative to another with the presentation of an amendment which must be approved by REA (non-implemented activities cannot be replaced by other activities upon beneficiaries' unilateral decision), no less than two months are required for approval. REA is stricter than Chafea (who previously oversaw project implementation): according to REA, currently if a fair is cancelled (even due to *force majeure*, e.g. the pandemic) it has to be replaced by another fair in the same target country and with the same target audience, which is not easy. So, the fewer changes you make, the better.

Unwritten rules

The regulation does not provide further details, but there are some “unwritten rules”.

- A program which targets two or three member countries is more likely to be accepted than projects that only cover the organization's own country (to reduce nationalistic impulses with a view to the single European market), another one is that it is not appropriate to foresee activities in a dozen Member States: the reasoning is that the Commission will make is that it is too dispersive a project, which the proponent is unable to follow in the best way (it must also be said that with too many targets the resources available for each country are reduced, and it will be difficult to implement initiatives with a real impact).
- In the case of third countries it is not appropriate to target the Republic of the Seychelles or the Republic of the Maldives (unless you provide an excellent market analysis and motivate the target and strategy really well): according to the overall strategies of the EU, China and Southeast Asia (Japan, South Korea, Singapore...) are attractive markets with promising prospects for increasing imports of EU products; also the whole North America is an attractive market and shows a growth potential better than Central and South American countries (which anyway may be attractive for specific products).
- Also regarding duration, an unwritten rule is that a project that lasts one year is evaluated less well than one that lasts two or (better) three years, as it is considered that in one year it is difficult to have good consolidated results.
- It is not necessary for the budget to be divided equally between the different countries, it is fine if you plan to spend more on the German market than you would in Belgium (there is Biofach, the territory is larger, there are more consumers, etc.), but it should be avoided to have a negligible budget on one country only to claim the project is multi-state.
- A two-year project with total costs of EUR 1 million is not seen well (and, in the end, it is disproportionate due to the greater incidence of general expenses), but neither is a three-year project with costs of 12 million.

What are the topics of particular interest for the organic sector?

Simple & multi programme – Internal market:

Information provision and promotion programmes aiming at increasing the awareness and recognition of Union quality scheme on organic production method;
 Programmes aiming at increasing the awareness of Union sustainable agriculture and animal welfare;
 Programmes aiming at increasing the consumption of fresh fruit and vegetables in the internal market in the context of balanced and proper dietary practices ;
 Programmes highlighting the specific features of agricultural methods in the Union and the characteristics of European agricultural and food products, including control system.

Simple & multi programme – Third countries:

Information provision and promotion programmes concerning the organic products under Union quality scheme.

What to avoid?

The aim of the regulation is to create awareness and promote products that are part of European quality schemes. The message must be about the advantages and the overall benefits of these schemes: a project whose aim is to inform that e.g. the Demeter seal guarantees higher quality respect to products with the European organic logo



is not eligible, nor it can be said that e.g. Naturland standards are preferable to the European regulation because they go beyond the legal minimum requirements for organic production in the EU. On the other hand it is quite logical: the EU cannot be expected to make resources available to allow someone to argue that EU standards are unsatisfactory and that it is better to choose products that refer to other quality schemes: if you want to inform the public that EU standards are worse than yours, you can certainly do so, but with your own money.

The project activities must not be brand oriented: the focus must be on the approved EU message, the advertisements must be on this message, not on the products of a single company; if you make videos to post on YouTube, be careful not to give visibility to brands, but to the European logo.

The display of brands is naturally completely legal in the collective areas at trade fairs (where the stands must all be of the same size, without favoring some companies to the detriment of others), but the focus must remain on the European message: the brand must not exceed 5% of the project's visual (which means that the larger and more evident the project's visual, the greater the space for brands).

No problem even for the brands shown on the labels of the products used in tastings at points of sale or at events, but both the desk and the hostess' apron cannot be branded, even in this case the visual must be that of the project.

About health claims, reg.1924/2006 applies, so each health claim must be included among those authorized by European regulations (reg.432/2012 and following): therefore it cannot be declared that a systematic literature review and meta-analyses have ascertained a higher antioxidant and lower cadmium concentrations and lower incidence of pesticide residues in organically grown crops, not even citing the bibliographical references.

When and how can you apply?

As from April 2021 onwards, the evaluation of proposals in the framework of agricultural products' promotion policies has been reassigned to the Research Executive Agency (REA), in place of the former Consumers, Health, Agriculture and Food Executive Agency (CHAFEA).

CHAFEA's approach was more flexible than REA's – one more reason to be as rigorous as possible in the collection of accounting documents and evidence of the initiatives carried out (photos, presence sheets, etc.).

How to develop a project

The wisest way is to ask member companies (if only, considering the fact that in the end they pay) which markets and initiatives are of greatest interest, informing them that in any case approximately half of the expenses will be borne by them.

On the basis of this initial collection of information, a first draft of the project and budget is developed, which is then verified with the companies from which confirmation is requested. The budget has to be analytical and based on real data and market costs accepted by REA.

The impact of each initiative must be estimated (number of useful contacts, for example), with an estimate of how much the campaign will affect consumption, to verify the cost/contact ratio.

Don't exaggerate: if you declare that with a spend of EUR 200k for a pavillion at Biofach you will double German consumers' spending on organic products you will not earn a higher score, on the contrary: you will cast doubt on your competence.

If you do not have experience in drafting projects, it is advisable to contact expert professionals/consulting firms. Here the issue becomes delicate, given that it is not possible to agree on a success fee (i.e. it cannot be promised that if the project is approved, a task will be entrusted that will compensate for the work done).

In fact, once the project is approved, all the non-trivial activities must be entrusted on the basis of a tender under the mantra that any possible conflict of interest must be avoided.

When the proposing organization(s) becomes beneficiaries (i.e. obtain the financing), the work has to turn to an Implementing Body, i.e. an agency or company responsible for carrying out (partially or completely) the promotion activities on behalf of the beneficiary on the basis of the approved project. Also the implementing body has to be chosen with a public tender.

Projects must then necessarily identify a third-party, independent body that is responsible for monitoring and evaluating the project, including through surveys and other analysis and market intelligence tools.

REA may be assisted by independent, outside experts whose task is to analyse reporting documents, with written assessment of the progress of the campaign, to identify challenges met by beneficiaries at an early moment and to provide assistance with the finding of adequate solutions.



Indicative deadlines

18 January 2024: Launch of the call for proposals public.

31 January - 1 February 2024: EU info Days.

May 2024: Deadline for applicants to submit proposals.

May – September 2024: Deadline for applicants to submit proposals.

May -September 2024: Experts evaluate proposals.

September – November 2024: Notification of applicants if their proposal has been selected.

As of December 2024: Grant agreement signature.

January 2025: Start of promotional campaigns.

Do you have more questions?

- IFOAM Organics Europe is organising a webinar on promotion policies during which the Commission will intervene, on 23rd of January from 14h to 15h15.
- The European Commission is organising its [info days regarding promotion policies](#) on 31st of January and 1st of February.
- **IFOAM Organics Europe has set up a “hotline” held by Roberto Pinton, a recognised expert on organic and promotion programmes, that you can contact via email at: r.pinton@organic-consulting.net.**
- [The REA’s website dedicated to promotion policies](#);