



**PROPOSAL FOR LONG TERM FUNDING OF THE EUROPEAN UNION  
MINOR USES COORDINATION FACILITY**

**Introduction**

1. Because of the extensive data packages required for authorization to market plant protection products, growers face increasing difficulties in gaining authorization for ‘minor uses’. Minor uses of pesticides are uses on niche crops or against pest problems which are not routinely encountered but may on occasion be very damaging. These niche crops have a high economic value for farmers, but are usually of low economic interest for the agro-pesticide industry. This leads to a lack of authorized products on the market for farmers to use on these crops which in turn can lead to illegal uses or to loss of crop production. These crops include most vegetables, fruit, nursery crops, flowers, forest trees and some arable crops. It is estimated that overall they represent more than EUR 70 billion per year, which equates to 22% of the total EU plant production value.
2. To address this problem in a more coherent way the European Commission has established the EU Minor Uses Coordination Facility.
3. The mission of the Facility is ‘to enable farmers in the EU to produce high quality crops by filling minor uses gaps through efficient collaboration to improve availability of chemical and non-chemical tools within an integrated pest management (IPM) framework’.
4. The activities and tasks of the Coordination Facility<sup>1</sup> are:
  - sharing of information and experience gained at national level;
  - coordination of minor use work between Member States and stakeholders;
  - creation and maintenance of a data base on minor uses;
  - stimulation of harmonisation (e.g. crop group and pest group definitions, extrapolation tables, development of guidance).
5. Jointly funded, initially, by the EU and the governments of France, Germany and the Netherlands, the Facility is hosted by the European and Mediterranean Plant Protection Organization (EPPO) in Paris.
6. The funding of the Coordination Facility has been guaranteed by France, Germany and the Netherlands for the first three years (from April 2015 until April 2018). A priority for the Coordination Facility will be ensuring longer term financial sustainability, beyond the first three

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<sup>1</sup> *Report from the Commission to the European Parliament and the Council on the establishment of a European fund for minor uses in the field of plant protection products: Brussels, 18.2.2014 COM(2014) 82 final.*

years, by encouraging financial commitments from all Member States. Several other Member States have already indicated their willingness to contribute to the funding of the Coordination Facility.

7. The IR-4 Project (Interregional Research Project No.4) was formed to solve the ‘Minor Use Problem’ for US growers. Since 1963, the IR-4 Project has been the major factor in facilitating the registration of crop protection tools for US specialty crop growers. The Pest Management Centre (PMC) is the Canadian equivalent of the USA IR-4 programme. The minor uses programme in Canada runs since 2002.
8. As it is clear that minor uses problems in the EU will not all be resolved in three years, a long-term plan and a strategy to secure funds to guarantee at least a 10-year operation of the Coordination Facility, is laid down in this document.

### **What has happened so far**

9. The European Union awarded a grant for the action entitled ‘Coordination of the authorisation requests for minor uses of plant protection products’ (‘the Action’) to the European and Mediterranean Plant Protection Organization (EPPO) (Grant agreement SANTE/2015/E3/EPPO/S12.704731 and SANTE/2016/E4/EPPO/S12.730316).
10. The total eligible costs were estimated at EUR 700 000 per year. The European Union undertook to finance a maximum amount of EUR 350 000. The grant was further limited to 50% of the total eligible cost of the Action. Eligible costs must be actual costs incurred by the Beneficiary. The grant may not exceed the maximum ceiling of EUR 350 000.
11. For the first year the EU Minor Uses Coordination Facility was jointly funded by the EU and the governments of France, Germany and the Netherlands. The three countries committed funds -to match the EUR 350 000 committed by the Commission- in order to ensure rapid progress with establishment of the Coordination Facility and employment of a team to operate the EU Minor Uses Coordination Facility. The first year has been used to lay the ground work/foundation for the years to come.
12. In the first year (15 April 2015 – 14 April 2016) the total costs of the EU Minor Uses Coordination Facility were EUR 164 852.
13. The main reasons for the underspend against the available total budget were:
  - Advertising and recruitment for the Co-ordinator took 4.5 months from the signing of the Grant Contract.
  - This financial report covers effectively the activities of the Coordination Facility from 1 September 2015 when the Co-ordinator started work until 14 April 2016.
  - The Coordination Facility is only fully staffed as of 1 November 2016. An IT-officer has been employed from 1 April 2016. Within the administrative team in EPPO an Administrator has been assigned to the Coordination Facility from 1 January 2016. On 1 November 2016 the Technical Expert started work.
  - The expenses of the Expert Group meetings are not included in the financial overview of the first year as these meetings were held at the end of April 2016, and therefore fell just outside the first year since the signing of the grant agreement.

## **Long term funding**

### **Long term strategy**

14. Funding can be achieved by contributions from the EU, governments of EU Member States, governments from other countries, as well as contributions from other stakeholders (industry and third parties).
15. Preferably commitment for contributions should be provided for a longer period.
16. All the countries which benefit from the work of the Coordination Facility should have the opportunity to participate in the technical exchanges that are organized under the umbrella of the Coordination Facility and should participate in the funding of the Coordination Facility.
17. In general, money not spent in the allocated year(s) will, with the consent of funders, be retained in the dedicated bank account for the EU Minor Uses Co-ordination Facility for funding the Facility in future years. This allows flexibility of payment for contributors and it enables EPPO to recruit and retain the staff of the Coordination Facility. Without this advance payment EPPO would be unable to take the risk of renewing employment contracts, which would then endanger the continuity of the work of the Coordination Facility.
18. Member States will be approached by the Coordination Facility with a request for a voluntary assessed contribution. Such a request will be accompanied by the annual report and work plan of the Coordination Facility.
19. The Coordination Facility has planned an annual meeting of stakeholders (including representatives of all Member States) on 25 January 2017 at which the work of the Coordination Facility will be reported, and advice offered on priorities for future work and ways of working. This will also be an excellent opportunity to discuss the funding and management of the Minor Uses Programme.

### **Long term voluntary assessed contributions**

20. The preferred option is voluntary assessed contributions from EU Member States according to their population (equal to the voting system in the Standing Committee on Plants, Animals, Food and Feed). Such a system would take into account the size of the population which in its turn linked to the need for food and/or plant production.
21. Funders will take part in governance of the Facility. The Steering Group currently comprises all of the four funders, plus EPPO, but as the number of funders rises arrangements will be made for a steering group to be appointed by the whole body of funders.
22. Funding and governance of the Coordination Facility contribute to the coordination of the minor uses work by the Coordination Facility. An overview of activities and tasks of the Coordination Facility can be found in the document “EU Minor Uses Coordination Facility – Overview of Tasks”. In addition, each *individual project* carried out under the supervision of the Coordination Facility has to be funded separately.

23. Contributions by industry, and third parties, will be dedicated for specific minor use projects rather than being used to cover the costs of the Facility itself. This will avoid any conflict of interest in the running of the Coordination Facility.

### **Transition**

24. Transition from the current position to the envisaged long term funding will only be possible if:

- the initial funders (France, Germany and the Netherlands) allow money they have allocated to be rolled forward for use in future years,
- additional funding and funding commitments made in the first three years by other Member States will not affect the contributions of existing funders for that period, and
- new funders are prepared to commit funding 2-3 years ahead.

25. The Commission has confirmed that it is not possible to carry over any money of the Commission contribution not used in one year to the next year.

26. In preparing the different scenarios only the option related to contributions from Member States according to the size of their populations has been considered. More details can be found in the Annex.

### **Conclusions**

27. The Coordination Facility can continue its activities from the fourth year onwards if contributions are provided weighted according to the population in each individual Member State. For this purpose, the Member States have been divided into three different groups, each with a different voluntary assessed contribution. It must be emphasized that with the indicated contributions the continuity of the Coordination Facility can be guaranteed, but that Member States are free to fund any contribution they consider appropriate.

**Scenarios**

28. It is expected that also for the second year the total eligible costs for the Coordination Facility are less than EUR 700 000 (one of the reasons is that the Technical Expert has only started work as from 1 November 2016). Estimated eligible costs for the second year are EUR 500 000.
29. It is considered that from the third year onwards the total eligible costs for the Coordination Facility are estimated at EUR 700 000 per annum.
30. It is expected that after the first three years –in which period the funding is still guaranteed by the European Union, France, Germany and the Netherlands- all EU Member States will contribute to the Coordination Facility.
31. In the case contributions from EU Member States are necessary to cover the total eligible costs for the Coordination Facility only the option of contributions from Member States according to their population has been considered.

**1<sup>st</sup> year**

32. The European Union undertook to finance a maximum amount of EUR 350 000. The governments of France, Germany and the Netherlands provided together also an amount of EUR 350 000.
33. In the first year the total costs of the EU Minor Uses Coordination Facility are EUR 165 000. The EU will only finance 50% of the eligible costs which is equal to EUR 67 500. From the contributions of the three funding Member States EUR 252 500 will remain.

**2<sup>nd</sup> year**

34. The European Union undertook to finance a maximum amount of EUR 350 000. The governments of France, Germany and the Netherlands provided together also an amount of EUR 350 000.
35. It is expected that for the second year the total eligible costs for the Coordination Facility will be EUR 500 000.
36. The EU will only finance 50% of the eligible costs which is equal to EUR 250 000. From the contributions of the three funding Member States EUR 100 000 will remain.

**3<sup>rd</sup> year**

37. It is foreseen that the European Union will undertake to finance a maximum amount of EUR 350 000. The governments of France, Germany and the Netherlands will provide together also an amount of EUR 350 000.
38. It is considered that from the third year onwards the total eligible costs for the Coordination Facility will reach the initially estimated costs of EUR 700 000 per annum.

#### 4<sup>th</sup> year

39. The total eligible costs for the Coordination Facility are estimated at EUR 700 000.
40. In the case the funds remaining from the funding by France, Germany and the Netherlands for the first three years are EUR 352 500 contributions from all EU Member States up to EUR 347 500 are necessary to match EUR 700 000.
41. Following the option with contributions from Member States according to their population, Member States should contribute 50% of the indicative amounts in the table.

#### 5<sup>th</sup> year - 10<sup>th</sup> year

42. The total eligible costs for the Coordination Facility are estimated at EUR 700 000.
43. In the case there are no funds remaining from the funding by EU, France, Germany and the Netherlands for the first three years, contributions from all EU Member States are necessary to match EUR 700 000.
44. Following the option with contributions from Member States according to their population, Member States should contribute 100% of the indicative amounts in the table.

#### Table

##### voluntary assessed contributions

Group	Member State	Annual contribution	Total
Group 1	DE, FR, UK, IT, ES, PL	EUR 50 000	EUR 300 000
Group 2	RO, NL, BE, EL, CZ, PT, HU, SE, AT, BG, DK, FI, SK	EUR 25 000	EUR 325 000
Group 3	IE, HR, LT, SI, LV, EE, CY, LU, MT	EUR 10 000	EUR 90 000
<b>Total per annum</b>			<b>EUR 715 000</b>

EU Member State	population	(%)	EU Member State	population	(%)
DE Germany	81,174,000	15.97	AT Austria	8,584,926	1.69
FR France	66,352,469	13.06	BG Bulgaria	7,202,198	1.42
UK United Kingdom	64,767,115	12.74	DK Denmark	5,659,715	1.11
IT Italy	60,795,612	11.96	FI Finland	5,471,753	1.08
ES Spain	46,439,864	9.14	SK Slovakia	5,421,349	1.07
PL Poland	38,005,614	7.48	IE Ireland	4,625,885	0.91
RO Romania	19,861,408	3.91	HR Croatia	4,225,316	0.83
NL Netherlands	16,900,726	3.33	LT Lithuania	2,921,262	0.57
BE Belgium	11,258,434	2.22	SI Slovenia	2,062,874	0.41
EL Greece	10,812,467	2.13	LV Latvia	1,986,096	0.39
CZ Czech	10,538,275	2.07	EE Estonia	1,313,271	0.26
PT Portugal	10,374,822	2.04	CY Cyprus	847,008	0.17
HU Hungary	9,849,000	1.94	LU Luxemburg	562,958	0.11
SE Sweden	9,747,355	1.92	MT Malta	429,344	0.08