

**EURO COOP RESPONSE TO DG SANCO CONSULTATIVE DOCUMENT ON
THE FEASIBILITY AND ADVISABILITY OF PRESENTING A LEGISLATIVE
PROPOSAL ENABLING THE EUROPEAN FOOD SAFETY AUTHORITY TO
RECEIVE FEES FOR PROCESSING AUTHORISATION FILES**

EXECUTIVE SUMMARY

Euro Coop considers that the proposal to establish a system of fees for EFSA is neither advisable, nor feasible for the following reasons:

- Euro Coop sees Food Safety as a responsibility for EU Authorities and it is not the industry's role to compensate for the lapse in EFSA's budget
- A fee system would deteriorate EFSA's independence, or to the least the public perception of its independence, while consumer trust is at the very heart of the European Food Safety process
- A fee system would benefit big players and discriminate against SMEs with a risk of curbing innovation
- A fee system does not ensure a gain of efficiency
- The options presented for identifying those liable to pay fees are either unfair (option 1) or unmanageable in practice (option 2)

INTRODUCTION

Since its creation in 1957, the prime focus of Euro Coop, the European Association of Consumer Cooperatives has been to represent, promote and defend consumers' interests at European level. Euro Coop is well placed to express consumers' expectations and concerns, as it is one of the longest-established European consumer organisations. It currently represents more than 3200 local or regional cooperatives, membership of which accounts to over 22 million consumers across 18 European countries. Furthermore, Food Policy is a priority area for Euro Coop, who has always been truly dedicated to improving food quality and safety for the health and well-being of its consumer-members.

As a key player of the food chain, Euro Coop welcomes the opportunity to comment on the consultative document on the possibility for the European Food Safety Authority (EFSA) to charge the Food Industry fees for examining authorisations. Indeed, we would like to stress that, as part of a constructive stakeholder dialogue around food safety, we feel it is essential to involve to an extensive degree consumer representatives in all aspects and at all stages of EFSA's work.

ADVISABILITY OF ESTABLISHING A FEE SYSTEM

Ensuring the safety of European food supply is a complex yet fundamental mission to which Euro Coop has always been committed. From the start, Euro Coop has advocated for the establishment of an independent Authority responsible for providing independent scientific advice and clear communication on existing and emerging risks.

Euro Coop shares the concerns expressed in the document that current budgetary constraints might affect the quality of EFSA's work. It is a concern that certainly has to be addressed but charging food operators is not the only option and in our opinion, is not the right way forward.

CONSUMER HEALTH: A PUBLIC RESPONSIBILITY

The question of whether to charge food operators as a way to increase funding is an issue of utmost importance. It should be regarded as a matter of principle and should not be subject to pragmatic considerations.

Consumer Health is a public good and Euro Coop believes that the onus is on Public Authorities to safeguard it. The European Union has set itself the objective to ensure its citizens a high level of consumer protection. Therefore sufficient staff and finance have to be allocated so that its mission can be carried through.

Although Euro Coop acknowledges that, with its current resources, EFSA cannot work to its full potential, it believes that it should not be for the food operators to bridge the gap. We are thus convinced that it is up to the EU to make sure that EFSA has the necessary money and expertise to meet the forthcoming challenges.

Indeed in coming years, the Authority will have to face expanding responsibilities due to new requirements for the European food market imposed by the EU Legislator (authorisation for claims, GMOs etc.). The problem is all the more regrettable than it could have been anticipated. Euro Coop considers that it is inconsistent to add responsibilities without providing the Authority more financial support. We have continually advised that the effectiveness of the Authority depends on adequate resources.

For these reasons, Euro Coop urges to find funding alternatives and calls on the EU to expand EFSA's budget.

A RISK OF REDUCED INDEPENDENCE

Euro Coop is concerned that making the EFSA rely on company funding would increase Industry influence and thus diminish the Authority's independence and objectivity. Collecting funds directly from food manufacturers would result in an unethical alliance between an EU public Authority and the Industry which Euro Coop disapproves of.

The arguments put forward in the consultation document do not alleviate our concerns. Even if effective independence could be guaranteed, there would still be a perception issue. The establishment of a fee system would indeed generate controversy and have a damaging effect on EFSA's image. It would put its reputation at risk by spreading suspicion amongst consumers that EFSA is dominated by economic interests.

Euro Coop reminds that the EFSA was set up following a number of food scares, notably in order to restore consumer confidence in the food chain. EFSA has since earned a solid reputation of scientific excellence in controlling the safety of the food supply and independently assessing food hazards. If consumers feel that the approval system is flawed and do not have the absolute certainty that the EFSA is operating in a fully transparent, independent and accountable manner, its efforts to build trust in its work will be seriously jeopardized.

Euro Coop feels that EFSA must continue to be funded by the European budget, if it wants to keep acting as a legitimate and credible consumer protection Agency.

A SIGNIFICANT STRAIN ON SMALL BUSINESSES

Euro Coop warns of the dangerous adverse effects on innovation that a system of fees could bring about.

Given the examples of costs detailed in the consultation document, it is obvious that only large multinationals can readily afford substantial fees for filing applications. Fees would represent a sizeable burden for smaller companies and would discourage those with potentially innovative new products, but who cannot afford the cost, to place their products on the market.

The unintended consequence of a fee system may be to weaken innovative small companies by putting them at a competitive disadvantage and ultimately restrict the food market to the detriment of the consumer.

Euro coop calls for special attention to be paid to size and financial capacities of businesses and strongly supports setting up a system of exemption or derogation for small and medium-size enterprises. On this specific point, the document remains rather vague and Euro Coop would welcome further details on the practicalities of such a mechanism.

NO GUARANTEE OF IMPROVED EFFICIENCY

Businesses as well as consumers would no doubt benefit from quicker product approvals, but setting up a fee system would not necessarily make procedures more efficient. The claim that it is likely to improve timeliness of opinions is contentious because there are many other potential sources of inefficiency. The review of an application is only a small component in the lengthy approval process; many other parameters, due to both the EFSA and applicants, can affect approval time.

Therefore, Euro Coop cannot subscribe to the assertion developed in the document since the latter does not provide any evidence or guarantee that establishing a fee system would in turn accelerate application review.

To address the efficiency problem, other areas could be further explored, i.e. productivity, recruitment, organisational measures, negotiating procedures etc.

OPTIONS FOR IDENTIFYING THOSE LIABLE TO PAY FEES

The consultation document asks for opinions on who should be liable to pay fees. Although Euro Coop strongly opposes the establishments of a fee system, it wishes to express its views, if the Commission were to opt for such a system.

OPTION 1

The principle underpinning the two options envisaged seems to be that applicants should pay whenever an authorisation results in an economic benefit.

In our opinion, the first option consisting of making all applicants liable to pay fees does not fit this criterion. Euro Coop does not agree with the assumption (p9) that all applicants necessarily aim to derive a profit from their authorisation request. Indeed, authorisations are made obligatory by EU legislation and very often, when companies apply, it is not so much to gain a particular benefit as to abide by the law. The consultation document describes option 1 as the 'simplest approach'; Euro Coop views it as simplistic and unfair.

OPTION 2

The second option, i.e. to charge applicants only if it is established that they gain a specific economic interest, would be more suitable and is preferred. Nevertheless Euro Coop fears that it would be impracticable.

The consultation document fails to explain how to identify if an applicant draws a benefit and who could be responsible for deciding. There is a possibility of differentiating between marketing authorisations granted to a specific person by an individual decision and generic authorisations granted by positive Community lists. But as the document itself suggests, referring to the legal instrument is potentially misleading, since generic authorisations do not exclude the existence of an individual beneficiary.

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