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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on protective measures against pests of plants

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1. PROBLEM DEFINITION

Background

Plant health is a key factor for sustainable and competitive agriculture, horticulture and forestry. Healthy seeds and propagating material are required for profitable crops and ensuring jobs, plant innovation and food security. In the case of trees and shrubs, protecting plant health is essential for the preservation of the Union's forests, landscape and public and private green. As a rule, organisms (insects, fungi, nematodes, bacteria, viruses) that are injurious to plants (pests of plants) co-evolved with host plant species on their own continent, where they cause mild damage and can be managed by good agricultural practices such as crop diversification, rotation, resistant plant varieties and the use of plant protection products (pesticides). However, these approaches are often insufficient to address pests and diseases from other continents, against which European plants and trees usually lack genetic resistance (no co-evolution) and for which no natural enemies occur in Europe. When introduced into Europe, such pests and diseases cause severe economic damage and reduce the growth of agriculture: they jump to previously unaffected and even entirely new host species, spread fast across countries, and cause lasting yield reduction and permanently increased costs for production and control. The often severe economic losses undermine the profitability and competitiveness of agriculture and forestry and put additional burden on Member State (MS) expenditures. In addition, the establishment of new pests and diseases often elicits trade bans from third countries, causing further damage (economic, jobs) to EU exports.

Therefore, the first objective of the EU plant health regime (PHR) is to protect European agriculture and forestry by preventing the entry and spread of non-native harmful organisms (pests and pathogenic micro-organisms). The main tool hereby is Council Directive 2000/29/EC, which also reflects international trade agreements in this area. The PHR secures safe trade by the establishment of EU import requirements and intra-EU movement conditions for plants and plant products. Outbreaks of the listed organisms have to be eradicated or, if that is impossible, contained to protect the rest of the EU territory. A second objective of the regime is to ensure the availability and use of healthy plant material at the beginning of the chain of plant production by preventing the spread of harmful organisms with seeds

and planting material. This objective is shared with the EU regime for plant reproductive (planting) material. Healthy planting material is critical for organisms (e.g. viruses) against which no pesticides are available. Where available, pesticide use is mainly restricted to agriculture, horticulture (applications in forestry are very limited) and gardens and may bring along environmental and human health risks.

In the absence of the PHR, the Union's agriculture, horticulture and forestry would suffer severe economic damage (outlined in Annex VII). A range of internationally regulated pests threatens the cultivation of e.g. wheat (EU export value to third countries EUR 9 billion), potato (EU production value EUR 9 billion) and tomato (production value EUR 9-12 billion). For example, regulated pests of tomato may cause up to 70% production losses and may trigger trade bans. Citrus production in the EU (EUR 4 billion) would suffer severe damage if citrus canker would reach the Union, a pest recently introduced into the US which subsequently spent EUR 800 mio on compensation and control costs. Pine wood nematode outbreaks in Portugal since 1999 are under strict, albeit costly control as spread of the pest across southern Europe would result in 50-90% mortality of coniferous forest (valued at EUR 39 to 49 billion). Outbreaks of the mountain pine beetle, which currently kills 80% of 16 mio hectare pine forest in western Canada, would threaten EU pines which amount to 20% of the EU productive forest area. In general, the cost:benefit balance of the PHR is estimated to be at least 1:500.

The EU PHR is unique in that it is an open regime: movements of plants and plant products into and within the EU are allowed on condition that specific restrictions and requirements are respected (e.g. provenance from a pest free area or appropriate treatment). The high volumes of imports from other continents (Annex VI) nevertheless imply a high probability of future outbreaks of alien harmful organisms. The PHR is therefore indispensable both for protecting the health, economy and competitiveness of the EU plant production sector as well as for maintaining the Union's open trade policy.

Furthermore, the Commission on 3 May 2011 announced in its 'EU Biodiversity strategy to 2020' the integration of additional biodiversity concerns into the plant and animal health regimes and the development of a dedicated legislative instrument to fill policy gaps in combating invasive alien species (organisms that are introduced accidentally or deliberately into the EU where they are not native). The current review of the PHR aims to reinforce the Union's protection against invasive pests and pathogens, while where possible contributing to wider biodiversity goals.

The review of the PHR is part of a package of four reviews relating to the health of plants, health of animals, quality of planting material and official control of food and feed. Certain aspects of the official control Regulation (882/2004) already apply to the plant health sector. The Regulation in future will fully cover the PHR. The present impact assessment addresses the changes in the traditional "pillars" of the PHR, also if specific provisions (e.g. fees, import) will be absorbed by that Regulation. This is essential since the PHR review concerns the functioning of the regime as a whole. Links exist to the plant reproductive material regime as concerns the certification of seed and propagating material for the absence of harmful organisms. Changes to improve the coherence between the two regimes are addressed in the present impact assessment.

Problem identification

Since its creation in 1977, the PHR successfully protected the EU against the introduction and spread of many pests (e.g. potato and citrus pests). The situation has however changed due to the ongoing globalisation of trade, resulting in ever increasing imports from new parts of the world. This has led to a sharply increased influx of new harmful organisms, especially in the last decade. The problems are being exacerbated by climate change, which allows new pests to establish and thrive that previously did not survive in the EU as well as higher vulnerability of EU crops and forests to alien pests. The EU is thus confronted with an increased risk of entry of pests, increased opportunities for their establishment and spread, and increased vulnerability of agricultural and natural ecosystems (including forests). The enlargement of the EU has moreover resulted in a wider diversity of climates, agricultural cropping systems, forest types, landscapes and natural habitats, often differing in sensitivity or resilience to harmful organisms which leads to even more significant and wider impacts at EU level.

The evaluation of the PHR (2010) has shown that the regime has to adapt in order to be able to fully address these increased risks. Major outbreaks in the past decade of dangerous import-related harmful organisms affecting forestry (e.g. pine wood nematode, citrus longhorn beetle, red palm weevil) have raised societal and political awareness of the costs and impacts of inadequate protection. The main problems identified relate to insufficient focus on prevention in relation to increased imports of high-risk commodities, the need for prioritising harmful organisms at EU level across all 27 MS, the need for better instruments for controlling the presence and natural spread of pests in case they eventually reach the Union territory, and a need for modernising and upgrading the instruments concerning intra-EU movements (plant passports and protected zones), and a need to foresee additional resources. The science base of the regime (research, laboratories) also needs to be reinforced. These problems should be addressed to reinforce the positive cost-benefit balance of the current regime in the long term. Failure of regulatory action against outbreaks would undermine the credibility of those actions, discourage investments in the regime and stimulate MS to give priority to short-term national interests above EU priorities (vicious circle). This would damage the EU economy as a whole.

Furthermore, expectations of society on governance have changed. The current regime defines obligations to stakeholders, obliges them to pay fees for mandatory controls, but involves them only to a limited extent in the policy development and implementation. This is no longer seen as appropriate; a new balance needs to be struck as concerns costs and responsibility sharing (partnership development). With the Better Regulation (SMART) agenda, and exacerbated by the current financial crisis, there is a strong need to increase effectiveness and reduce unnecessary costs and administrative burden. A need for modernisation of the regime furthermore exists in terms of incentives for compliance.

When the regime was created, agricultural productivity and food security were the global objectives of the Common Agricultural Policy (CAP). A need for "greening" of the CAP has since emerged and objectives relating to the natural environment have gained importance. This impacts on the intervention logic, also in terms of financing, of the PHR, which is moving from a private good regime for agriculture to

a mixed public/private good regime for agriculture, forestry, natural environment and landscape.

A need also exists for a framework to regulate invasive species. As announced in the Commission's Biodiversity Strategy, it should be investigated in how far invasive species could be included in the scope of the plant and animal health regimes in order to optimise the use of resources and infrastructures, while avoiding duplication of requirements under the future general invasive alien species legislation.

Finally, the current text of the Plant Health Directive, the product of 34 years of amendments to the text of 1977, is highly complex and needs simplification. Misunderstandings and differences in interpretation of the Directive are an important cause of non-compliances and, therefore, failure to achieve the objectives of the regime.

How would the problem evolve if no action was taken?

The increasing influx of harmful organisms new to the EU would cause new epidemics in EU agriculture and forestry. The losses from new plant pests would affect the economic viability of agriculture and forestry, undermining food security and damaging the landscape and natural environment. Eradication and containment would fail due to lack of resources and erosion of confidence in the regime. There would be growing opposition from private sector to carry the costs of the regime, given its lack of effectiveness and the limited sharing of costs and responsibilities between authorities and operators. As a consequence of ongoing outbreaks and spread of dangerous pests, exports of plant materials to third countries would decline due to recurrent trade bans. As can be seen in Annex VII and VIII, the negative impact could range up to billions of Euros per year. The impact on forests could be disastrous: some common conifer and deciduous tree species might disappear, as happened before in Europe and elsewhere to other once common tree species.

2. ANALYSIS OF SUBSIDIARITY

The PHR is based on TFEU Article 43 on the Common Agricultural Policy. In the framework of the current review, it is considered to widen the legal basis to also include TFEU Articles 114 (internal market) and 191 (environment).

Regulating plant health at EU level allows for coordinated and in the long run cheaper action on EU priorities, making it more effective and less expensive than actions by individual MS. For example, border controls for differing national lists of harmful organisms would be highly inefficient and ineffective, given the free movement of commodities on the single EU internal market after import. Furthermore, plant pests are mobile by themselves and cross-border effects will occur not only through intra-EU movement of commodities but also via natural spread. Inevitably therefore pests and diseases of EU significance need to be addressed jointly. Inaction in one MS may however result in spread to others. Third country trade partners might also implement restrictions on imports from the EU as a whole if an outbreak in one of the MS is not properly eradicated. The membership of the EU (not only of the individual MS) to the International Plant Protection Convention and the WTO Sanitary and Phytosanitary Agreement further implies the

EU responsibility to maintain an adequate legal framework ensuring international plant health standards.

The specific added value of the EU co-financing of the PHR is that it provides incentives to MS who put in place eradication and surveillance actions which are in the long-term interest of the Union as a whole. Large-scale eradication actions by MS for outbreaks could be difficult without EU support in view of the large costs incurred by the individual MS to the benefit of the EU, even if the overall cost/benefit for the Union as a whole would be clearly positive. This requires solidarity between MS in sharing the costs and burden. The current example of the pine wood nematode outbreaks in Portugal demonstrates that EU plant health co-financing budget is crucial to implement the eradication and containment measures which cause damage to Portuguese forestry, however are essential to protect forestry in the other 26 MS.

3. POLICY OBJECTIVES

The overall objectives of the revision are to ensure a future PHR which:

- Supports the Union's agricultural policy (TFEU Art. 43) and environment policy (TFEU Art. 191) by protective measures against harmful organisms of plants, with prevention at the source as important principle.
- Allows a smooth functioning of the Union's internal market with fair competition (TFEU Art. 114, while respecting the need for a high level of protection of health and the environment, based on scientific facts).
- Contributes to the harmonious development of world trade (TFEU Art. 206, by adopting legislation which complies with the WTO-SPS Agreement).

The intermediate objectives of the revision are:

- To ensure that the EU territory remains free from harmful organisms that are not yet present in the Union.
- To ensure that the Union areas affected by priority organisms do not increase.
- To modernise the regime in terms of governance and incentives.
- To ensure adequate support for the regime.

The specific objectives of the revision are:

- (1) *To define EU priorities* (recognition of priority harmful organisms for the Union territory as a whole; easier transfer of posteriority organisms to the plant reproductive material regime).
- (2) *To improve prevention at import* (increased protection against high-risk trade imported into the EU and passenger luggage associated risks; increased preparedness and surveillance for outbreaks of new and priority organisms).

- (3) *To improve eradication and containment capacities* (upgraded instrumentation and incentivised action).
- (4) *To restore and modernise the regime for intra-EU movements* (restored reliability and credibility; rebalanced responsibilities of competent authorities and private sector; reduced administrative burden; a level playing field).
- (5) *Improved support for the regime* (Union co-financing of costs incurred for public good interests; full cost recovery from operators for controls by competent authorities (these relate to private good interests); robust diagnostic and scientific support; public awareness of the relevance of the regime and public support).

4. POLICY OPTIONS

Four options were developed to improve the regime. In all options, horizontal aspects in common with other Union food chain legislation are transferred to Regulation (882/2004) on official controls. The present assessment addresses the changes in the existing pillars of the PHR, whether or not specific provisions (e.g. certification requirements, plant passport fees, import requirements) will be absorbed by that Regulation. The options are:

Option 1: Improve only the legal form and clarity of the regime. The legislation would be converted from a Directive into a Regulation, and simplified and clarified. The status quo is maintained in terms of substance.

Option 2: Prioritise, modernise and step up prevention. Additional to Option 1, prioritisation would be improved by transforming the Directive's current Annexes I and II, which list regulated pests according to technical features irrespective of their priority for the Union, into Annexes, of future implementing acts under the Regulation, based on intervention logic and priority. The plant passport and protected zone systems would be modernised (responsibility sharing with operators) and upgraded (plant passport scope, format, mandatory cost-recovery based plant passport fees as already exist for import, rules for outbreaks in protected zones). The coherence between the PHR and plant reproductive material regimes would be improved to increase effectiveness and reduce costs for operators. Prevention would be reinforced by introducing a new category of high-risk plant materials that are not authorised for import until completion of a risk analysis, and by removing exemptions for passenger luggage (to be subject to low frequency controls to minimise the cost impacts; see Annex IX).

Option 3: Prioritise, modernise, step up prevention and reinforce actions against outbreaks. Additional to Option 2, obligations would be introduced for surveillance and contingency planning. In analogy with the arrangements in the animal health regime, EU co-financing would be made available for surveillance for new harmful organisms and priority organisms and for financial compensation of direct losses of operators for those priority organisms. The legal instruments for eradication and containment would be further developed. The exclusion of natural spread related measures would be removed.

Option 4: Prioritise, modernise, step up prevention, reinforce actions against outbreaks and expand the scope to invasive plants. Additional to Option 3, the regime would also cover invasive plants, in terms of legal provisions for measures and EU co-financing. Invasive plants (other than parasitic plants) are not covered in Options 1, 2 and 3.

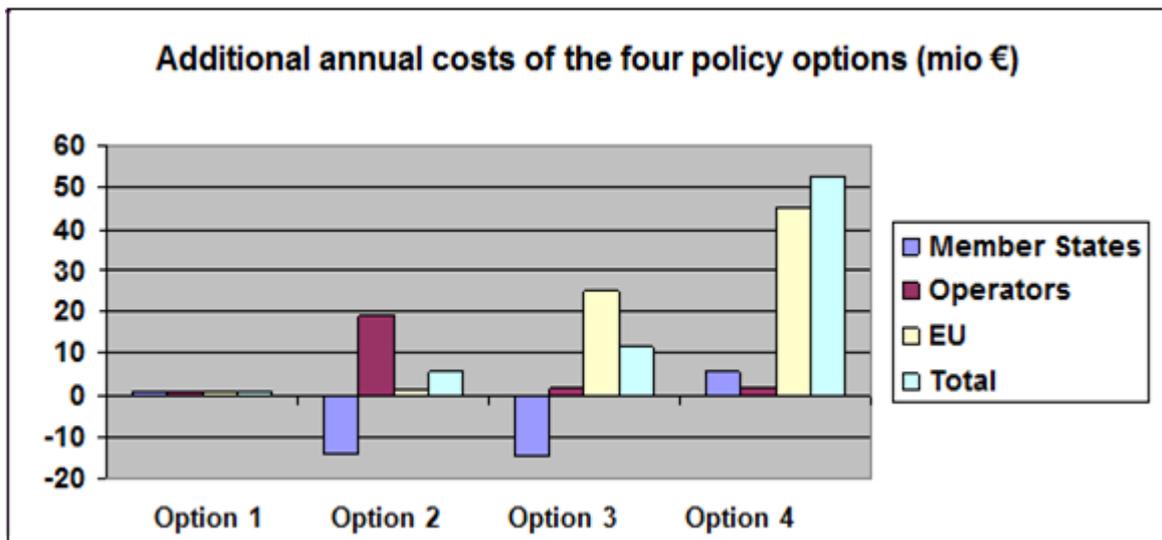
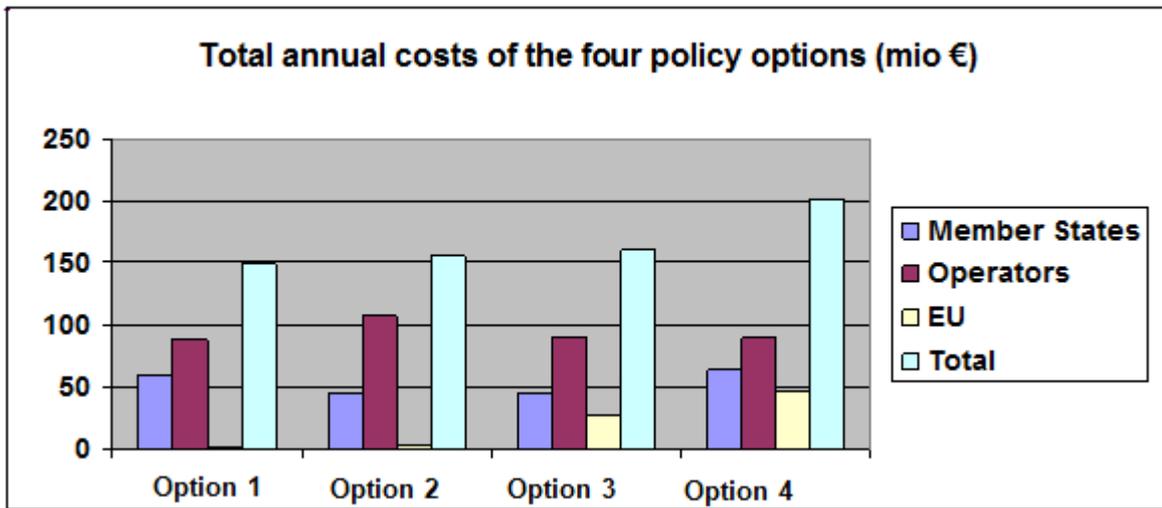
5. ASSESSMENT OF IMPACTS

Each option was assessed for its total costs compared to the baseline scenario and its economic, social and environmental impacts. According to the evaluation report, the baseline costs of the regime incurred in the reference year 2008 were EUR 59 mio for the Competent Authorities, EUR 88 mio for the operators and EUR 2 mio for the EU budget, the total costs of the regime being EUR 149 mio. These figures include the costs of official controls (incurred by the competent authorities but partly recovered from the operators through fees¹) and the costs of surveillance, eradication and containment measures. It should be noted that the baseline figure of EUR 2 mio EU budget is based on the official figure for 2008. Given the EUR 10-20 mio higher level of claims for 2010 and 2011, annual MS and EU expenditures will currently be EUR 10-20 mio higher.

The costs of the policy options differed substantially. Option 1 had no cost impacts. Option 2 resulted in significantly reduced costs for MS and significantly increased costs for operators (due to full cost recovery for controls), while the costs for the EU and the total costs of the regime remained largely unaltered. Option 3 resulted in significantly decreased costs for MS (due to full cost recovery for controls), unaltered costs for operators (due to EU co-financing of losses from eradication activities equalling the cost increase from full cost recovery for controls), and higher EU co-financing costs, but only slight overall costs increases for the regime. Option 4 resulted in nearly unaltered overall costs for MS and operators, but very significant cost increases for the EU and for the regime as a whole (due to the costs for surveillance and eradication of invasive plants).

Overall compliance costs (including administrative burden and fees)	Competent Authorities	Operators	EU budget	Total
Baseline scenario:				
-- Prior to levying of fees	€ 96 mio	€ 51 mio	€ 2 mio	€ 149 mio
-- After levying of fees	€ 59 mio	€ 88 mio	€ 2 mio	€ 149 mio
Option 1	€ 59 mio	€ 88 mio	€ 2 mio	€ 149 mio
Option 2	€ 45 mio	€ 106.8 mio	€ 3 mio	€ 154.8 mio
Option 3	€ 44.3 mio	€ 89.8 mio	€ 26.7 mio	€ 160.8 mio
Option 4	€ 64.7 mio	€ 89.8 mio	€ 47.1 mio	€ 201.6 mio

¹ The PHR obliges MS to levy fees for import controls. It does not require fees for plant passport controls and registration of operators, for which fees are levied in some but not all MS.



The assessment of the economic, social and environmental impacts of the regime was that Option 1 had neutral to very slightly positive impacts, Option 2 had slightly positive environmental impacts but negative economic impacts, while Options 3 and 4 had significantly positive economic, social and environmental impacts (although the overall costs of the regime would increase, the benefits would increase even more):

Areas	Impacts			
	Option 1	Option 2	Option 3	Option 4
<i>Economic impacts</i>				
Reduction of cost/burden to operators	0	--	0	0
Productivity, profitability, competitiveness	0	-	+++	+++
<i>Social impacts</i>				
Employment	0	-	++	++
Food security and safety	0	+	++	++

<i>Environmental impacts</i>				
Sustainability	+	+	+++	+++
Biodiversity and ecosystems conservation	0	+	+	+++
Health of forests, landscape, public and private green	+	+	+++	+++

In order to measure its usefulness, each option was also rated against the initial objectives of the review to examine which option best met the aims of the review:

		Option 1	Option 2	Option 3	Option 4
General objectives	Ensuring that the regime effectively protects the Union against harmful organisms of EU priority	0	+	+++	+++
	Modernising the regime as concerns incentives, costs and responsibilities, including the removal of competition distortion and the reduction of burden	0	+	+++	+++ (also invasive plants)
Specific objectives	Definition of EU priorities				
	-- Recognition of priority pests	0	+++	+++	+++
	-- Improved ability to smoothly declassify harmful organisms	0	+++	+++	+++
	Improved prevention at import				
	-- Increased protection against high-risk trade	0	++	++	+++
	-- Increased preparedness and surveillance	0	++	+++	++
	Strengthened eradication and containment capacities				
	-- Upgraded instruments	0	+	+++	++
	-- Incentivised notification, eradication and containment of outbreaks of priority pests	0	0	+++	++
	Restoration and modernisation of the regime for intra-EU movements				
-- Restored credibility of plant passports and protected zones	0	+++	+++	+++	
-- Rebalanced MS/operator responsibilities, reduced burden/costs, level playing field	0	+	+++	+++	
Improved support for the regime					
-- Full cost recovery for controls of operators and Union co-financing for public interest	0	++	+++	+++	
-- Good diagnostic and scientific support	N.A.	N.A.	N.A.	N.A.	
-- Public awareness and support	0	+	++	++	

Magnitude of impact: ++ strongly positive; + positive; -- strongly negative; - negative; 0 none. N.A.: not applicable (to be addressed by the revised Regulation 882/2004 and through the Horizon 2020 programme).

6. COMPARISON OF OPTIONS

Option 1 did not meet the objectives of the review.

Option 2 improved the regime in so far as possible without additional EU engagement, by responsabilising operators (including full cost recovery) and strengthening prevention. Given the current financial crisis, Option 2 might be the default candidate for the future PHR. The assessment however revealed that its cost-effectiveness is poor.

Stricter import provisions should help to reduce the influx of regulated harmful organisms into the Union. The high volumes of imports from other continents where those pests are widespread nevertheless imply that sooner or later some regulated organisms will slip through and cause outbreaks, unless the open approach of the EU concerning import of plant material is given up (which option was discarded from the start, also politically, because of the damage it would cause to the Union's economy). These outbreaks need to be timely detected and effectively addressed if the open EU approach is to be maintained. The quintessence of Option 2, avoiding further EU engagement, implies that the necessary additional expenditures for surveillance and early action against such outbreaks can be generated only partially, through the increased cost recovery related to intra-EU movements of plant material. This would help only in some MS (those with incomplete cost recovery at present). It would increase the burden for operators (stricter import provisions, temporary suspension of high-risk trade) without offering reinforced long-term protection against harmful organisms from third countries, as incentives for early notification by operators would not be provided and in many MS budget for surveillance and early action would remain insufficient. This is a risk since harmful organisms do not respect MS borders.

The main advantage of Option 2 is the modernisation and rebalancing of the role and responsibilities of operators versus MS competent authorities (as well as better arrangements between the PHR and planting material regimes and a more level playing field). While this was one of the general objectives of the review, the other general objective (improved prevention and early action) would only be partly met. The harmful organism influx into the EU would at best be slowed down and the damage would continue to increase. Option 2 supposes that MS and operators are best placed to deal with plant health problems, which conflicts with the outcome of the regime's evaluation and with the preference of most stakeholders and MS to move to stronger EU engagement. It neglects market failure and the existence of significant public good aspects, and rather reflects the original PHR logic that the regime is about agriculture and movements in trade.

Option 3 differed from Option 2 in the increased EU co-financing for surveillance and outbreak eradication. This proved to result in a series of synergies which seem critical to ensure a better functioning of the PHR as concerns prevention and early detection of and action against outbreaks, necessary to achieve the desired socio-economic and environmental benefits.

EU financial support for surveillance for new and priority pests would help to timely detect and eradicate outbreaks, more than in Option 2 where it is questionable whether MS will have the resources to meet new obligations to carry out intensified surveys. Eradication actions would also likely be implemented more robustly. EU co-financing of compensation by MS to growers for direct losses from eradication of priority organisms would remove disincentives to hide outbreaks. By making any compensations conditional to demonstrated adherence to good biosecurity practices and timely notification of outbreaks, an incentive for prevention would be introduced that is absent from Option 2. Supporting operators as concerns their direct losses from outbreaks would encourage them to become a partner in the EU plant health regime, as they have asked to be. As long as operators do not receive 100% compensation at national level (normally not the case), it is unlikely that EU co-financing of operator losses would act as a perverse incentive for recklessness.

Moreover, the eligibility for EU co-financing would be restricted to the direct value losses, consequential losses remaining for the grower; these may be insured or covered under mutual funds under the Common Agricultural Policy. EU co-financing of direct losses is likely to stimulate the necessary development of national mutual funds. The legal proposal of the Commission on support for rural development (communicated on 12 October 2011) foresees support for financial contributions to farmers for insurances and mutual funds providing compensation for damages, including those caused by outbreaks of regulated harmful organisms of plants.

Option 3 balances costs and benefits for all parties involved. Other than in Option 2, costs for operators remain stable and MS costs decrease, while the economic and environmental benefits are much higher. This however requires increased EU expenditures. This is justified to address the market failures related to plant health, in particular lack of support for public good objectives. By accepting EU responsibility for environmental protection also financially, the entire regime can function better. There are moreover economies of scale at EU level. It should be noted that the overall costs of Option 3 are just slightly higher than in Option 2, while the benefits are much higher. With limited investments in early detection and eradication, large savings can be made as concerns eventual losses from outbreaks and curative measures against outbreaks in agriculture and the natural environment. The improved cost/benefit ratio is due to a redistribution of costs of operators, MS and the Union. This allows introducing incentives and creating synergies. Option 3 converts MS "subsidies" on fees into compliance incentives (compensation for losses from eradication measures). It thus responsabilises the operators for bio-security and covers part of their risks, but only for EU priority organisms and conditional to compliance with the EU legislation.

Option 4 adds to Option 3 that invasive plants (other than parasitic plants) are also covered. This would result in additional benefits to the environment, however with potentially high costs to the MS and the EU. As long as invasive plants are not yet present in the EU, the costs of including them in the regime would be minimal. Once outbreaks occur, the costs for surveys and eradication measures would increase significantly, to the order of magnitude of forest pest outbreaks. Large-scale outbreaks could lead to a higher level of costs than incurred for the plant health regime within its current scope. Under the SPS Agreement, it is not allowed to prohibit import of invasive plants from third countries without equal domestic measures. Regulating invasive plants thus brings along the risk of unexpected high costs for the EU budget. In so far as the budget is limited, the coverage of invasive plants would be detrimental to the needs of the regime in its current form, unless a different intervention logic is applied for invasive plants (but then it is questionable to include them in the PHR). By lifting out invasive plants from the new invasive alien species policy, Option 4 might in due course result in policy inconsistencies with the overall invasive alien species policy objectives, due to inappropriateness of a stamping-out approach in natural habitats of environmental importance. The management of IAS plants may require accepting limited local release for gardening, where release has to be categorically prohibited for harmful organisms. The main tools for ensuring safe international movement of plants, the phytosanitary certificate and the plant passport, are of no use for regulating the movement of IAS plants. The management of IAS plants thus likely requires a legal instrument of its own.

Preferred option

In the light of the assessment above, it is considered that **Option 3** provides the best way forward to achieve the objectives with the best cost-benefit level and an optimal balance of inputs from MS, operators and Union. Option 3 should have a significant positive impact on profitability and economic growth of the sectors involved; it was also the closest reflection of the outcome of the stakeholder and MS consultation. The EU budget necessary to implement Option 3 has been secured in the Commission proposal for the Multi-Annual Financial Framework (MFF) for 2014-2020.

The concerns on invasive alien species can be resolved by creating the possibility in Regulation 882/2004 for MS to utilise Border Control Posts for official controls on import of IAS plants and animals (similar to current arrangements for the implementation of CITES). This will allow MS to utilise the synergies of plant (and animal) health controls and IAS plants controls at the border. Territorial surveillance and eradication provisions will be set up in dedicated invasive species legislation, in line with the set-up for sectoral plant and animal health legislation.

7. MONITORING AND EVALUATION

The review of the EU plant health regime first of all aims to improve its effectiveness. Most objectives concern improved measures against the entry into, and establishment and spread of harmful organisms within the EU. Others target the modernisation of the regime's functioning and governance, by more efficient use of scarce resources, rebalancing responsibilities and costs between competent authorities and private operators, reducing administrative burden and ensuring a level playing field.

The following progress indicators could be used as regards the objectives of the review (regardless of whether the legal provisions are positioned in the new plant health Regulation or the future Regulation on official controls):

- Number of regulated harmful organisms that are present / not present in the Union.
- Total areas in the Union affected by priority organisms.
- Numbers of import inspections and tests carried out by the MS.
- Numbers of surveillance inspections and tests carried out by the MS for organisms not known to occur in the EU and for harmful organisms listed as EU priority.
- Numbers of eradicated / non-eradicated outbreaks in the EU territory of harmful organisms listed as EU priority.
- Elapsed time from the detection of regulated harmful organisms to their notification;

- Elapsed time from the detection of the presence of priority organisms to their eradication.
- Interceptions by MS of listed regulated harmful organisms in consignments from other MS (in absolute numbers and in percentages of the trade volume).
- Numbers of eradicated / non-eradicated outbreaks in protected zones.
- Degree to which operators are satisfied with the regime's functioning and cost level.
- Percentages of cost recovery by MS for import and plant passport inspections.
- Number of national and EU reference laboratories.
- Degree to which citizens are aware of the existence of the regime and support it.

Despite foreseen methodological difficulties, work is foreseen also on development of parameters on avoided losses, which may then serve as more direct measure of regime efficiency.

The indicators listed above are a part of the existing general reporting obligations under Regulation 882/2004 and Directive 2000/29/EC, albeit without reference to the above specific indicators. The legislation will contain provisions for the Member States to annually collect the data pertinent to the above-mentioned indicators in so far as they relate to concrete parameters linked to official activities. The measurement of the degree to which operators are content with the functioning and cost level of the regime, and the degree to which citizens are aware of the regime and support it, are a new element. Those measurements should not be carried out annually, but will be a part of the recurrent future evaluation of the regime, along with the evolution of the above-mentioned indicators and the financial expenditures.