TOWARDS A COMMON FOOD POLICY
FOR THE EUROPEAN UNION
THE POLICY REFORM AND REALIGNMENT THAT IS REQUIRED
TO BUILD SUSTAINABLE FOOD SYSTEMS IN EUROPE
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I welcome this IPES-Food report, ‘Towards a Common Food Policy for the European Union’. The three years of research and broad-based consultation on which it is based provide for a comprehensive analysis of why such a policy is needed, and also for concrete ideas to be put forward as to how the change in policy could involve the participation of all relevant actors at the European, national, regional, and local level. Much of the report corresponds to my own assessment of the agri-food nexus in the European Union.

Current EU agri-food policies are not sustainable. On all three counts, economic, social, and environmental, the current trends are going in the wrong direction. To understand the present reality, a historical review is helpful. Agriculture has been and remains a key element of the European construction. In the wake of World War II, European nations experienced food shortages and famine, and were less than 50% self-sufficient in food. The European Economic Community was therefore built on ambitious commitments towards increasing food production and securing farm incomes in line with overall income developments.

The EU opted for an approach seeking to guarantee farm income by fixing commodity prices at levels well above world markets. The US farm policy followed a diametrically opposed path, helping US farmers with direct income support to sell their products at highly-competitive (low) prices. This helped to establish the US as one of the leading commodity exporters in the world. The EU’s high-price policy, effectively paid for by the consumer, required substantial border protection, but proved highly efficient in making Europe self-sufficient in food production.

Eventually Europe became more than self-sufficient in a range of key commodities and introduced export refunds to be able to dispose of surplus production in world markets. This set the EU against the US in world markets and disrupted the growth prospects for many other nations, developed and developing. It also favoured, in the EU and the US, the emergence of large specialised farms, because the respective subsidies went essentially to those that produced the most. In 1995, the World Trade Organisation forced both the EU and the US to review their farm policies, by forcing reductions in domestic and export support and imposing less border protection, but the respective reforms fundamentally maintained the bias in favour of large holdings.

The social and environmental impacts of these policies are visible today. In Europe, millions of farms have disappeared, weakening rural structures and changing entire landscapes. The disappearance of hedgerows, the use of pesticides and fertilisers, and the emergence of large-scale monocultures, have dramatically reduced biodiversity in agricultural zones. Intensive animal husbandry has contributed substantially to nitrate pollution of surface waters and surrounding seas. Not to mention the substantial contribution to climate change made by these forms of industrial agriculture. The present report rightly highlights these impacts.
There is some recent hope: in the last ten years, the only agricultural sector that has expanded in land use, number of farms, and employment, is organic. But this growth starts from a very small base, remaining well below 10% of the respective totals. The trend appears to show that reducing pesticide and fertiliser use, and avoiding over-mechanisation, can lead to higher farm incomes. In some cases, pesticide reductions have even contributed to higher yields, because even wind-pollinated crops benefit from additional insect pollination.

There also seems to be a slow change coming from consumer behaviour. There is growing concern with chemical residues in food, the limited nutritional value of mass-produced food, and a general awareness of the negative health effects of diets relying heavily on sugar, salt, and meat. I am convinced that the two trends will reinforce one another in the years to come.

But these changes are not supported by today’s agri-food policies: the lion’s share of EU support still goes to 20% of large holdings. The latest reform proposals by the EU Commission continue to distribute the bulk of support through Pillar 1, i.e. direct income support based mainly on the size of the farm. A much bigger shift towards Pillar 2, i.e. support for ‘Rural Development’, would be necessary. Support should be linked to sustainable farming, i.e. farming that maintains rural activity and contributes to protecting the environment, from biodiversity to soil, water, and air. The ‘polluter pays’ principle should be applied to agriculture, including where climate change is concerned. The maintenance of green fields, wetlands, and forests, as well as environmentally sound farming practices, should be encouraged financially. Branding for sustainable farming, including animal welfare, should be strictly monitored for reliable and clear consumer information.

All of this will be achieved only if governance itself changes: away from the present silo approaches in national ministries, the European Commission’s Directorate-Generals (DGs) and European Parliament Committees. The Commission’s broad public consultation on the reform of the Common Agricultural Policy was a good starting point, taken up in large numbers by EU citizens.

I support the call made in the present report for a more integrated, holistic approach in moving forward the much-needed changes in the way in which we produce our food, with renewed attention to guaranteeing the safety and quality of diets in Europe.

Karl Falkenberg, a former trade negotiator and Director for Environment within the European Commission, was Senior Advisor to the European Political Strategy Centre (EPSC) dealing with Sustainable Development until 2018. The views expressed in this foreword are written in his personal capacity and should not be attributed either to the European Commission or to the EPSC.
This report is not the product of a group of experts getting together in a conference room and designing a blueprint for reforming food systems in the EU. Experts were involved, of course, and the latest scientific evidence is brought to bear. But they were only one constituency. The Common Food Policy vision is in fact the outcome of three years of discussions involving a wide range of actors from a variety of backgrounds, bringing different types of knowledge to the table. These actors contributed to the process because they shared three convictions. Firstly, the current trajectory of food systems in Europe is unsustainable and must be changed. Secondly, the EU has a major role to play in effecting change, but local experimentation matters more than ever. And thirdly, there exists a crisis of confidence in the European project, yet a bold new initiative on food can rebuild trust and reconnect European citizens to “Brussels”.

Over three years, these actors came together to co-construct solutions. Five ‘Policy Labs’ were convened in Brussels, each of which sought to connect policy areas and constituencies that are usually disconnected from one another: agriculture was connected with health, for instance, or trade with development and the environment; alternative food systems developing at the local level were linked to EU-level policies; food environments were discussed against the background of growing inequality and poverty in the EU, a situation which results in ‘low-cost’ food options and food aid becoming a seemingly inevitable part of the food landscape. ‘Local Labs’ took place in various European cities, to understand the concerns and hopes of local actors, and sometimes to support their initiatives. During the first semester of 2018, policy proposals were prepared in working groups, involving civil society organizations, farming groups, and scientific experts. On 29-30 May 2018, the EU Food and Farming Forum (EU3F) was convened in Brussels, bringing together around 250 actors to review these proposals, amending many, rejecting some, adding a few others. Subsequently, IPES-Food worked to capture the consensus and fit the reform proposals into a coherent and comprehensive vision for building sustainable food systems in Europe.

This report, and the Common Food Policy blueprint it contains, is the outcome of this process. Four key conclusions emerge.

Firstly, in the absence of an umbrella strategy cutting across different policy areas, a series of synergies are missed, and a number of conflicting objectives emerge. At best, various sectoral policies are not as mutually supportive as they could be, and at worst, they cancel each other out. Agriculture, environment, health, trade, development cooperation, research and innovation: these policy areas are handled by separate ‘DGs’ in the European Commission and different committees in the European Parliament – yet they all influence how we produce and consume food, and what the future of our food systems will look like. The absence of a food policy to align these different policies with one another, and to shape food systems for sustainability, comes at a huge cost.
Secondly, social innovations abound in food systems. They include short food chains and community-supported agriculture; new ways of reducing waste; various types of urban agriculture; an inventive use of public procurement schemes; or new forms of sharing food within local communities. Cities and regions are emerging as major actors in these innovations, and new alliances are being formed between public entities, local entrepreneurs, and civil society groups. Yet, there is a gap between policies developed at national and EU level, and those social, often citizens-led innovations: rather than encourage and reward local experimentation, top-down policies tend to homogenize, in the name of efficiency gains from economies of scale and standardization, or undistorted competition. It is urgent that the EU puts itself in the service of supporting diversity rather than uniformity. The shift towards relocalisation and reterritorialisation of food systems must be seen not as a threat, but as an opportunity for fairer and more sustainable food systems: the EU can enable such transitions, accelerate collective learning, support networks of local actors, and ensure that the best innovations are more widely shared.

Thirdly, change shall only be possible if it takes place simultaneously across a range of sectors, and if it is carefully coordinated within an overall strategy. The Common Food Policy is based on pathway thinking. It recognizes, for instance, that as long as trade policies favour social and environmental dumping, it shall be difficult to convince EU farmers to shift to more sustainable practices or to pay higher wages. It recognizes that changes in production must go hand-in-hand with changes in consumption. It acknowledges that unless conventional farming is made to internalize its costs to society (its ‘externalities’), agroecological farming shall find it difficult to emerge beyond the niche market it currently occupies. This vision also recognizes that ‘low-cost’ solutions shall remain attractive, and exert downward pressure on the whole system, so long as social policies fail to protect the right of all people to have access to healthy diets.

Fourthly, finally, governance reform is inevitable, and must be undertaken in a way that restores democracy and accountability to food systems. A multi-year strategy for food systems in Europe requires careful steering, ensuring coordinated change across sectors. Time-bound objectives should be set, indicators should allow progress to be measured, and corrective measures should be taken if the targets are missed. It is by increasing accountability and participation that the veto of incumbents with little interest in change can be most effectively circumvented, and the impacts of a Common Food Policy can be regularly assessed, revised, and improved. This is why the establishment of an EU Food Policy Council, a demand made by the European Economic and Social Committee and reiterated in this report, shall be such a crucial step towards fulfilling the Common Food Policy vision.

Over the course of three years of consultations, we have gained a better understanding of the problems, and we have developed a clear vision for the future. This report makes proposals as to how to get there – how to move from the diagnosis to the cure. I am grateful to all those who contributed to this process: members of the EU institutions of course, including representatives of various DGs of the European Commission, MEPs from different political groups, and members of the European Economic and Social Committee and of the Committee of Regions; a wide range of civil society groups and social movements; producers’ organisations and representatives of the private sector; and scientific experts. This report is not ours: it is yours.

Olivier De Schutter
Co-chair, International Panel of Experts on Sustainable Food Systems (IPES-Food)
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ABOUT IPES-FOOD
INTRODUCTION
This report makes the case for a Common Food Policy for the European Union. It maps out a single, time-bound vision for reforming European food systems under the umbrella of a Common Food Policy: a policy setting a direction of travel for the whole food system, bringing together the various sectoral policies that affect food production, processing, distribution, and consumption, and refocusing all actions on the transition to sustainability.

In doing so, it tackles a question that has been insufficiently addressed to date: how ambitious food system reforms can be successfully adopted and implemented by the EU in a context of major power imbalances, vested interests, limited public resources, and growing euroscepticism. The report addresses this question by putting forward a comprehensive package of reforms that is carefully sequenced over the short-, medium- and long-term, and mutually reinforcing across five policy clusters. Governance reforms underpin the whole vision. The most ambitious reforms would become viable on the basis of reclaiming decision-making processes from powerful lobbies, bringing new actors around the table, shaping policies in more democratic ways, and allowing new priorities and new coalitions of interest to emerge. In other words, a Common Food Policy can achieve what the CAP, as a Common Agricultural Policy, cannot.

A Common Food Policy does not mean transferring new powers to the EU. The main purpose of an integrated food policy is to coordinate and align actions across different policy areas and levels of governance. This means reasserting, but not expanding, the EU’s essential role in protecting citizens’ health and delivering sustainability. Indeed, the cross-cutting, cross-border challenges in food systems can only be met with renewed leadership at EU level – with a Common Food Policy to guide the transition to sustainable food systems, and with sectoral policies that protect the single market and uphold the values of financial solidarity and equitable development across Europe and around the world. Under this new integrated framework, EU-level policies would be put in the service of supporting the grassroots initiatives and territorial-scale transitions that are already reshaping food systems around Europe. This is in line with public expectation for the EU to take action in areas of concern to their daily lives – but to do so with respect to the diversity around Europe.

The Common Food Policy vision is underpinned by a coherent vision of public money for public goods. Under this framework, no money would be spent that undermines or fails to support the broader direction of travel: towards socially and environmentally sustainable food systems. A food policy would reduce the total costs and inefficiencies of existing policies, and it would prioritize sustainable practices that do not generate hidden costs (or ‘externalities’). It would therefore pay for itself. The long-term vision is one in which it pays to produce healthy and sustainable food: in other words, the incentives (political, economic, fiscal) have been realigned such that the true costs of food production are reflected in food prices, and all citizens are able to access sustainable and healthy diets.

The Common Food Policy vision outlined in this report is not simply the view of scientific experts. It draws on the collective intelligence of more than 400 farmers, food entrepreneurs, civil society activists, scientists, and policymakers, consulted throughout a three-year process of research and reflection (see Box 1). The report also builds on the findings of major multi-stakeholder scientific assessments, the latest advice of the EU’s in-house scientific bodies, and reform ideas that have already been endorsed by the European Parliament, the European Economic and Social Committee, the Committee of the Regions, and broad civil society coalitions. The Common Food Policy vision therefore seeks to capture the growing consensus on what needs to be done to build sustainable food systems.
The report starts by recapping the sustainability challenges facing the EU’s food and farming systems (Section 1). It then identifies shortcomings in current food systems governance that prevent these challenges being sufficiently addressed, and the potential for remedying these problems under an integrated food policy (Section 2). The report then maps out a new governance architecture for food systems, as the first building block of a Common Food Policy (Section 3). In the following section, proposals are made for reforming, redesigning, and realigning policies under five key objectives, constituting five paradigm shifts that must occur in parallel in order to build sustainable food systems in Europe (Section 4). Finally, conclusions are drawn and next steps are identified in terms of bringing the Common Food Policy vision to fruition (Section 5).

**BOX 1**

**A THREE-YEAR PROCESS OF RESEARCH AND REFLECTION**

This report is the culmination of a three-year process of research and reflection launched by IPES-Food in order to co-develop a Common Food Policy vision for the EU. The process was launched in April 2016 and included: five multi-stakeholder Policy Labs in Brussels to address clusters of policies affecting food systems (June 2016-December 2017); four Local Labs in cities around Europe where integrated food policies are taking shape (July 2017-April 2018); a collaborative work stage with 30 partner organizations to co-develop an initial set of policy proposals (January 2018-May 2018); and the EU Food and Farming Forum (EU3F) on 29-30 May 2018, where 250 food system actors from across Europe came together to debate and refine these proposals using collective intelligence methods.

All stages of the process have involved a wide range of food system actors, including: civil society groups and social movements focused on food and farming, health, environment, development, consumer protection, and food poverty; farmers’ organizations; scientific researchers and think tanks; representatives of small and large companies in the food distribution and retail sector; and a variety of policymakers, including MEPs from multiple party groups and committees, members of various departments of the European Commission, members of the European Economic and Social Committee (EESC), as well as officials from national ministries and local authorities. The report seeks to capture the objectives and priorities expressed by a wide range of actors throughout the process. It includes specific proposals that arose from this collective intelligence exercise.
TOWARDS A COMMON FOOD POLICY: A THREE-YEAR PROCESS OF RESEARCH AND REFLECTION

**KICK-OFF MEETING: HOW TO CO-DEVELOP AN EU COMMON FOOD POLICY?**
- NGOs • Food Movements • Civil Society • EU Institutions • National Policy-makers • Private sector • Farmers • Academia
- 5/4/16

**POLICY LABS**
- Agriculture-Food-Health Nexus 27/06/2016
- Food environments 7/12/16
- Alternative food systems 29/3/17
- Trade-Development-Environment Nexus 2/5/17
- Access to healthy diets for low income households 8/11/17

**LOCAL LABS**
- Turin 13/7/17
- Montpellier 22-23/11/17
- Milan 30-31/1/18
- Freiburg 25-26/4/18

**CREATION OF 6 WORKSTREAMS**

**EU FOOD AND FARMING FORUM**
- 29-30/5/18

**COMMON FOOD POLICY TAKEN UP BY EU INSTITUTIONS**
- 7/2/19

**PUBLICATION OF FINAL COMMON FOOD POLICY PROPOSALS**
- 7/2/19

**COLLABORATIVE WORK PHASE WITH 30+ PARTNERS**
- 5/4/16
- 7/2/19
1. SUSTAINABILITY CHALLENGES: WHY DO WE NEED A FUNDAMENTAL CHANGE OF DIRECTION IN EU FOOD AND FARMING SYSTEMS?
EU food and farming systems require a fundamental change of direction in light of the severe, interconnected, and systemic challenges they face:

**Environmental impacts.** Europe loses 970 million tonnes of soil every year, with more than 11% of the EU’s territory affected by moderate to high soil erosion.1 Pesticides and nitrogen-based fertilizers are driving unprecedented impacts on plant and insect life. This includes biodiversity loss, which jeopardises a range of environmental services, including the pollination of many food crops, threatening future yields and costing some 3% of global GDP each year.2 Globally, food and farming systems contribute up to 30% of greenhouse gas (GHG) emissions.3 As much as 31% of the land required to meet EU food demand is located outside Europe.4 The EU imports some 22 million tons of soya-based animal feed every year,5 including from South American countries where deforestation (responsible for 20% of global CO2 emissions6), evictions, pesticide poisoning, and rights abuses have been alleged in intensive export cropping zones.7 EU imports have been estimated to account for almost one quarter of the global trade in soy, beef, leather, and palm oil resulting from illegal forest clearance in the tropics.8 Less than half of EU fish and seafood consumption is met by EU production, meaning that Europe’s impact on global marine resources is also huge.9 In other words, the EU is increasingly outsourcing the environmental footprint of its food systems. These impacts are exacerbated by the fact that around 20% of the food produced in the EU is lost or wasted, costing €143 billion per year in terms of wasted resources and environmental impact.10

**Health impacts.** The environmental impacts of food and farming systems threaten human health through a variety of pathways. For example, agriculture is responsible for some 90% of EU ammonia emissions – a major contributor to the air pollution that kills 400,000 Europeans each year.11 Antimicrobial resistance and exposure to endocrine disrupting chemicals (EDCs) via foods, food packaging, and agricultural contamination of water sources also generate major health externalities.12 Pesticide concentrations in groundwater exceed quality standards in several Member States.13 Food systems are also driving health impacts through changing diets. Over 50% of the European population is overweight and more than 20% are obese.14 Unhealthy diet is the leading risk factor for disease and mortality in Europe, and affects poorer population groups the most severely.15 Unhealthy diets are responsible for 49% of the burden of cardiovascular disease – the leading cause of death in the EU.15 Chronic diseases – often diet-related – account for 70%-80% of healthcare costs in the EU.16

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Access to healthy and sufficient diets remains out of reach for millions. Today, one in four Europeans are at risk of poverty or social exclusion. In 2016, some 43 million people, or 9.1% of the EU population, were unable to afford a quality meal every second day. Globally, nearly 800 million people still suffer from hunger, while two billion are afflicted by micronutrient deficiencies.

**Socio-economic impacts.** Poor working conditions and livelihood pressures continue to occur across global food systems, in a context of rapid consolidation and major power imbalances. Consolidation within and across the commercial inputs, farm machinery, processing, and food retail sectors is advancing at unprecedented rates on the back of recent mega-mergers. 70% of the global agrochemical industry is now in the hands of only three companies, and up to 90% of the global grain trade is controlled by four multinationals. In 2011, the five largest food retailers in thirteen EU Member States had a combined market share of over 60%. In this context, dominant food industry players have been able to drive down prices and working conditions in supply chains – affecting seasonal migrant labourers, food retail staff, and self-employed delivery workers alike. Farmers in particular are paying a high price: input costs rose by 40% between 2000 and 2010. Yet, the share of EU food chain value going to agriculture dropped from 31% in 1995 to 24% in 2005, and has more recently been estimated at around 21%. In this context, the viability of farming (particularly for smallholders) has been severely challenged. From 2003 to 2013, more than 1 in 4 farms disappeared from the European landscape.

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18 Ibid.
22 Ibid.
Some 3% of farms now account for 52% of EU farmland, and 20% of farms receive 80% of payments under the CAP. Meanwhile, more than 100,000 hectares of EU farmland is lost to urban and/or industrial development every year. Rural landscapes could be set for further upheaval as the farming population ages: in 2013, almost half of farm holders were aged over 55 and one quarter were over 65. The erosion of traditional food cultures and the emergence of fast-paced urban lifestyles has also transformed food preparation and consumption habits, allowing people to lose touch with how food is produced and concepts such as the seasonality of fruits and vegetables. People are losing trust in the modern food systems on which they increasingly rely. A recent survey found that only 35% of EU citizens trusted supermarkets and only 38% trusted food manufacturers for information about food risks.

A fundamental change of direction is therefore required in order to put food systems onto a sustainable course. As stated by 150 NGOs in 2017, the current system is working for the few not the many. The spiralling social and environmental impacts stand to affect the quality of life of all citizens. The nature of the challenge requires comprehensive public policy-driven responses. According to the EU’s Standing Committee on Agricultural Research (SCAR): “the precautionary principle to avoid disruptions and ‘tipping points’ calls for an immediate change in policy”. The various policies affecting food systems must be urgently reformed in order to address climate change, halt biodiversity loss, curb obesity, and make farming viable for the next generation.

2. WHY IS A NEW GOVERNANCE FRAMEWORK REQUIRED TO ADDRESS THE CHALLENGES IN FOOD SYSTEMS? THE CASE FOR A COMMON FOOD POLICY
Current responses – whether from public policies or from the private sector – are failing to adequately address the severe and interconnected challenges in food systems. These shortcomings reflect deep-rooted problems in the governance of EU food systems.

Some progress has been made to address specific challenges at specific points in the chain, but it has come at the expense of worsening outcomes in other areas. For example, while some progress has been made in reducing synthetic inputs, total pesticide usage continues to increase in several countries. Total EU use of mineral nitrogen and phosphate fertilisers – a leading cause of eutrophication – increased by 6% between 2012 and 2015. Meanwhile, reliance on imported feed continues to grow, offsetting the benefits of less GHG-intensive agriculture in the EU. Average farm incomes are now on an upward trend across the EU, but this has come at the cost of many smaller-scale farms going out of business or being consolidated into larger holdings. The income trend-line also masks major variation between and within Member States: in 2016, around 30% of French farmers had an income below €350 per month, less than one third of the minimum wage.

Often, the prevailing solutions have deferred the underlying problems – and the crippling costs they generate – onto future generations and other regions of the world. This is particularly visible in regard to food security. Current food systems have succeeded in keeping food prices relatively low in historical terms, and in delivering a fairly stable and abundant supply of food commodities. Maintaining sufficient global production and flows of key foodstuffs is essential: according to the FAO, 66 countries are currently incapable of meeting their domestic food needs, and this number is likely to increase in the face of climate change. However, high agricultural productivity in the global North has not, to date, provided a sufficient basis for eradicating food insecurity in the EU or globally, let alone ensuring healthy diets for all. Furthermore, the quest for ever-increasing productivity is now threatening future production, with yields starting to plateau in key regions. According to the RISE Foundation: ‘The most serious threat to EU (and global) food security are potentially unsustainable production systems which undermine biodiversity (for example pollinators), degrade soil and water quality and emit climate-damaging greenhouse gases from which agriculture is a potentially serious victim’.

42 A meta-analysis of yield developments around the world from 1961-2008 found that in 24-39% of areas growing maize, rice, wheat and soybean, yields either failed to improve, stagnated after initial gains, or collapsed. Only slightly more than half of all global rice and wheat areas (57% and 56% respectively) are still experiencing yield increases. (D.K. Ray, N. Ramankutty, N.D. Mueller, P.C. West, and J.A. Foley, “Recent patterns of crop yield growth and stagnation,” Nat. Commun. 3, no.1293 (2012), doi:10.1038/ ncomms2296.)
In other words, prevailing solutions have failed to reconcile the multiple aspects of sustainability (economic, social, and environmental), and have often traded them off against each other. They have relied on and reinforced a highly specialized, industrialized, financialized, standardized, and export-oriented model of agriculture and food production – a model which systematically generates negative impacts and hidden costs (‘externalities’). Faith has been placed in technology-led, market-led, and industry-led change, based on the ability of large companies with extensive supply chains to reach large numbers of people. Yet, the current incentives for conserving resources, promoting biodiversity, sequestering carbon, and protecting public health are clearly insufficient to redirect innovation pathways.\(^{44}\)

This reflects fundamental shortcomings in food system governance: urgent priorities and spiralling human and economic costs are simply failing to translate into effective policy responses. Food has generally been considered as a commodity, rather than as a social-ecological system requiring democratic governance in the collective interest.\(^{45}\) Changes are therefore required in the way that policies are made and priorities are set. The innovations that are most urgently required are social, organizational, and governance-based – and without them, much-needed technological innovations will not reach their full potential.

The need to adopt a new, integrated governance approach for food systems has been increasingly recognized across EU institutions and policy circles. In particular, the limitations of the Common Agricultural Policy (CAP) – even in an ambitious reform scenario – have been widely acknowledged. In 2016, the European Economic and Social Committee (EESC) called for a comprehensive food policy at EU level to “build upon, stimulate and develop common governance at all levels – local, regional, national, and European”.\(^{46}\) These calls were reiterated by the Committee of the Regions in 2017.\(^{47}\) The European Parliament has also made the case for fundamental policy integration, with particular emphasis on the EU’s global commitments, calling on the European Commission to develop an “overarching Sustainable Development Strategy encompassing all relevant internal and external policy areas,” including a timeline up to 2030.\(^{48}\) The EU’s Standing Committee on Agricultural Research (SCAR) has identified integration across policy areas and governance levels as “prerequisites for a timely transition to sustainable and equitable food systems.”\(^{49}\) The OECD has highlighted the need for countries around the world to adopt integrated approaches to agricultural policy in lieu of “marginal fine tuning of existing policies”.\(^{50}\) Similar arguments have been made by a range of other expert bodies and political institutions (see Box 2), while steps are already being taken towards integrated food policies at the national level (see Box 3).

\(^{44}\) “Studies […] and high-level policy advice suggest that powerful actors in the food chain like retailers, food processors and input providers, compete strongly with each other but do not yet take enough responsibility to internalise the sustainability aspects that are manifest with small-scale actors such as farmers and consumers.” (European Commission Food 2030 Expert Group, *Recipe for change: An agenda for a climate-smart and sustainable food system for a healthy Europe*, Report of the EC FOOD 2030 Independent Expert Group (Luxembourg: Publication Office of the European Union, 2018).)


\(^{46}\) European Economic and Social Committee (EESC), *Civil society’s contribution to the development of a comprehensive food policy in the EU*, Own-initiative opinion (NAT/711), 2017, para. 1.5.


\(^{49}\) Freibauer et al., *Sustainable food consumption and production in a resource-constrained world.*

A cross-party group of MEPs in the Sustainable Food Steering Group (now Sustainable Food Systems Group) came together in 2015 to call for the European Commission to address sustainable food systems holistically, including dietary implications of agricultural policies, and to request the publication of a pending communication provisionally entitled ‘Building a Sustainable European Food System’.

In 2017, the European Economic and Social Committee adopted an opinion on ‘Civil society’s contribution to the development of a comprehensive food policy in the EU’, calling for the interdependence of food production and consumption to be recognized, recommending the adoption of a comprehensive food policy extending beyond agriculture, and targeting a sustainable, resilient, healthy, fair, and climate-friendly food system. This built on the 2016 EESC opinion ‘More sustainable food systems’, which urged the EU to transition towards sustainable food systems through the adoption of a comprehensive food policy, integrated with a broad-based bioeconomy strategy.

In 2017, the European Committee of the Regions adopted an opinion, ‘Towards a Sustainable EU Food Policy’, underscoring the need to develop an EU food policy that addresses food production and nutrition in a comprehensive manner, establishing links across different policy areas, and creating jobs and growth in Europe’s regions and cities.

In 2015, the European Commission’s Joint Research Centre (JRC) recommended the creation of a cross-sectoral taskforce for food and the environment, in order to develop a Common Food Systems Policy and break the silo effect surrounding the CAP; similarly, the Commission’s Scientific Advice Mechanism (SAM) has endorsed the “establishment of a shared, comprehensive and long-term EU vision for food production”, and in a report on ‘Food from the Oceans’, has recommended a “cross-policy sustainable food systems framework”.

The European Environment Agency (EEA) has underlined the need for interconnected food systems approaches to create synergies between agriculture, fisheries, environmental protection, etc. – synergies that are currently missing because they are addressed in separate governance frameworks.

In 2011, the 3rd foresight exercise of the EU’s Standing Committee on Agriculture Research (SCAR) stated that “coherence between food, energy, environmental and health policies and across all levels of governance are prerequisites for a timely transition to sustainable and equitable food systems”; the 4th SCAR foresight report in 2015 reiterated the call for system-based approaches and coherent policies for governing food systems and the bioeconomy.

In July 2016, ‘A European Vision for Sustainability’ – a European Political Strategy Centre paper led by Karl Falkenberg, senior adviser for sustainability to European Commission President Jean-Claude Juncker - identified the alignment of agriculture, health and environmental objectives as a key aspect of the wholesale shift required to put the European economy onto sustainable footing.

The European Commission’s reflections on future EU Research and Innovation policies for food and nutrition security - ‘Food 2030’ - are underpinned by a view that delivering accessible, healthy, and sustainable food and diets for all means “adopting a food systems approach underpinned by sustainability, linking land and sea, and encompassing the entire ‘food value chain’”.

In order to meet the SDGs and the EU’s commitment to ‘policy coherence for development’ stipulated in article 208 of the Treaty on the Functioning of the European Union, the Multi-Stakeholder Platform on the Implementation of the SDGs in the EU has highlighted the need to “break out from institutional and policy silos”.

The focus on governance of cross-cutting policy problems has been an important feature of the European Commission’s Lisbon and Europe 2020 strategies, both of which emphasize the need for horizontal integration. This is reflected in the EU’s commitment to ‘policy coherence for development’ stipulated in article 208 of the Treaty on the Functioning of the European Union (see Section 4.5).
In line with the growing consensus, this report lays out a vision for integrated food systems governance in the shape of a Common Food Policy at EU level: a policy setting a direction of travel for the whole food system, bringing together the various sectoral policies that affect food production, processing, distribution, and consumption, and refocusing all actions on the transition to sustainability.

Below we identify four key reasons why a Common Food Policy is required to build sustainable food systems in Europe. In each case, we identify the current governance failings that are holding EU policies back from addressing the sustainability challenges in food systems, and how they could be resolved under an integrated food policy framework.

1. INTEGRATION ACROSS POLICY AREAS:
   A COMMON FOOD POLICY IS NEEDED TO PUT AN END TO CONFLICTING OBJECTIVES AND COSTLY INEFFICIENCIES.

The policies affecting food systems in Europe – agriculture, trade, food safety, environment, development, research, education, fiscal and social policies, market regulation, competition, and many others – have developed in an ad hoc fashion over many years. As a result, objectives and policy tools have multiplied in confusing and inefficient ways; gaps, inconsistencies, and contradictions between policies are the rule, not the exception. Ambitious anti-obesity strategies coexist with agri-trade policies that make junk food cheap and abundant. The CAP offers premiums for young farmers, alongside a farm subsidy model that drives up land prices and undermines access to land. The EU imposes strict environmental standards, while the advisory services farmers would need to meet them are increasingly ill-equipped to support transition. The EU has made bold commitments to ‘policy coherence for development’ and to address climate change under the Paris Agreement, while promoting increased exports in the high-emitting meat and dairy sectors via new trade agreements. These and many other gaps and contradictions between policy areas are discussed in detail under the respective chapters in Section 4.

In the absence of an overarching vision and governance framework for food systems, narrowly-defined efficiency and competitiveness gains tend to be prioritized to the detriment of sustainability and public health. Market competitiveness has taken precedence over sustainability goals in the EU’s agri-trade policies; it has been the main justification for the market support measures deployed for decades under the CAP and subsequently for direct payments to farmers, as well as underpinning EU competition law. New technologies have been widely embraced on the basis of modernizing agriculture and delivering short-term cost savings, without deliberate consideration of the broader risks and benefits across food systems. In particular, social and cultural risks have been ignored, including: increased consolidation of power in the hands of agribusiness and the food industry;
increased dependence of food producers on expensive technologies; and reduced employment and deskilling as a result of robotics and automation.\textsuperscript{57}

Mechanisms are lacking to reconcile the trade-offs and contradictions between competing policy goals.\textsuperscript{58,59} Though the European Commission has some of the basic capacities to deal with complex issues, they are not systematically deployed.\textsuperscript{60} Units tend to avoid reflexive cooperation in fear of losing a policy to another unit or DG.\textsuperscript{61,62} A lack of political will and leadership, as well as capacities and resources, result in poor integration across sectors.\textsuperscript{63,64} These problems are compounded by the inherent complexities of governing a European Union which is increasingly diverse, and where strong majorities or even unanimity across Member States is required. In policy negotiations, Member State officials frequently experience feeling “tied to a mandate” from their national governments, and thus unable to reconcile conflicting values or interests across Member States.\textsuperscript{65}

As a result, crucial priorities fall through the cracks and highly damaging trends are allowed to continue. A Common Food Policy would put an end to these costly inefficiencies by changing the way that policies are made: it would be designed to bring different policies into coherence, establish common objectives, and avoid trade-offs and hidden costs (or ‘externalities’). In other words, it would bring major benefits to people and the planet, and would ultimately pay for itself.

\textsuperscript{57} “Just as tractors and pesticides revolutionised production in the 1950s, modern techniques could completely redesign the food system and avoid negative environmental impacts. But such technologies do have negative aspects too, such as the impact on employment, or ethical and data ownership implications. We need a societal debate from the start to ensure responsible innovation in this area.” (European Commission Food 2030 Expert Group, Recipe for change.)

\textsuperscript{58} Candel, “Putting food on the table”.


\textsuperscript{61} Candel, “Putting food on the table.”


\textsuperscript{65} Ibid.
2. INTEGRATION ACROSS GOVERNANCE LEVELS:
A COMMON FOOD POLICY IS REQUIRED TO HARNESS GRASSROOTS EXPERIMENTATION AND ALIGN ACTIONS AT EU, NATIONAL, AND LOCAL LEVELS.

Social innovation and experimentation is emerging rapidly at the local level, from community-supported agriculture schemes and farmers’ markets to the creation of local food policy councils and urban food policies. These initiatives are highly promising in terms of reducing environmental impacts and reclaiming value for small-scale farmers and food businesses; they also help to reconnect food system actors (e.g. producers and consumers, citizens and local policymakers) in a way that restores democracy, accountability, and trust in food systems.66

However, EU and national policies are ill-equipped to encourage this type of experimentation. For example, local food system initiatives tend to be small-scale and/or urban-based, often making them ineligible for CAP funding. Where supportive EU policy frameworks do exist (e.g. flexibilities in public procurement and food safety rules to support small-scale farmers), the opportunities are under-communicated, ineffectively implemented at the national and local levels,67 or subordinated to competing priorities such as boosting competitiveness in conventional markets. Supporting local experimentation, promoting social innovation, and building sustainable food systems at the territorial scale remain à la carte options rather than obligations for Member States.68

Though opportunities exist for local and regional actors to share best practices with one another, far fewer are created for EU policymakers to learn from them and shape EU-level policies and programmes to further support these initiatives on the ground.

Building sustainable food systems is therefore contingent on a deliberate shift towards effective multi-level governance. Rather than focusing primarily on regulating markets and supporting farmers through standardized EU-wide policy tools, the EU must find ways to encourage local food initiatives, which are increasingly circumventing conventional markets and supply chains. Supporting experimentation in all of its diverse forms, through complementary actions at EU, national, and local levels, would be a priority of a Common Food Policy – not an after-thought, and not just a question of legal compatibility.

68 Galli et al., A transition towards sustainable food systems in Europe.
In 2015, the Dutch government brought food policy onto the agenda of the EU Agriculture Council, and held national consultations on developing a comprehensive food policy, based on recommendations from a government-commissioned report by the Netherlands Scientific Council for Government Policy.

The French Government adopted a ‘Food Law’ in 2018, following a public consultation on food systems (États Généraux de l’Alimentation). The law establishes comprehensive objectives for achieving sustainable food systems, including ambitious targets for the provision of organic food in public canteens, reduction of plastic use, more robust legislation on animal welfare, and the separation of pesticide sales from farm advisory services.

In 2016 the Swedish Government passed a bill setting a national food strategy to underpin the country’s efforts to meet the SDGs. The Food Strategy lays out a comprehensive framework to develop a competitive and sustainable food supply chain by 2030, including safeguarding access to local and regional plant varieties, improving access to productive land and water resources, and increasing national organic food production and procurement.

In 2014, the Scottish Government published its national food and drink policy, ‘Becoming a Good Food Nation’. The policy is backed by a series of progressive and integrated reforms, including a reduction of GHG emissions by 80% by 2050, robust support for SMEs to access public procurement contracts, and provisions in Scotland’s Community Empowerment bill to improve local food growing and allotment initiatives. A UK-wide civil society process involving 150 organizations has also developed a comprehensive vision for sustainable food and farming systems in a post-Brexit context: a ‘People’s Food Policy’.

3. GOVERNANCE FOR TRANSITION:
AN INTEGRATED FOOD POLICY CAN OVERCOME SHORT-TERM THINKING AND PATH DEPENDENCIES IN A WAY THAT SECTORAL POLICIES CANNOT.

Integrating policies across the food system is a prerequisite for tackling urgent global challenges. According to the latest IPCC assessment, global GHG emissions must reach net zero around 2050 in order to limit global warming to 1.5 degrees and avoid the severest impacts. Agriculture and the other sectors exempted from emissions trading schemes must be net carbon neutral by 2030, meaning that farming is likely to have to deliver major cuts – and could itself be required to become carbon neutral. Urgent action is also required to address


70 Under the EU Effort Sharing Regulation and the Land Use, Land Use Change and Forestry (LULUCF) decision, from 2030 onwards the agricultural sector cannot emit more GHG emissions than it sequesters per year. Member States have binding annual greenhouse gas emission targets for 2021-2030 for those sectors of the economy that fall outside the scope of the EU Emissions Trading System (EU ETS), including transport, buildings, agriculture, among others. For the periods from 2021 to 2025 and from 2026 to 2030, each Member State must ensure that emissions do not exceed removals, calculated as the sum of total emissions and total removals on its territory in all of the land. (European Parliament and Council of the European Union, Regulation of the European Parliament and of the Council on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013, COM/2016/0482 final, 2013; European Union and Council of the European Union, Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU, SWD/2016/0247 final, 2018.)
biodiversity loss, global hunger, poverty, and the many further challenges identified in the UN Sustainable Development Goals (SDGs). These are not just agronomic challenges. While agriculture and land-use change account for the largest share of food system emissions, broader technological pathways (affecting breeding, energy, transport, etc.) and consumer trends have paved the way for today’s GHG-intensive production systems.\textsuperscript{71} In order to support the emergence of climate-resilient and economically-resilient production models in Europe and around the world, fundamental changes are required across the whole food system – from research policies and supply chain infrastructures to retail practices and trade agreements.

However, current policies have proven slow to adapt to these new challenges, and are locked into the paradigms of the past. Food systems remain focused on providing cheap and abundant calories via mass production of staple commodities, even though this ‘low-cost’ model is generating ever more costly impacts – from the environmental fallout of intensive agriculture to the spread of unhealthy diets and obesity.\textsuperscript{72,73}

Current policies and imperatives have co-evolved and reinforced one another over time. Economic incentives (e.g. subsidies, taxes), technological choices, investments in infrastructure, regulatory frameworks, and hurried lifestyles that prioritize convenience – as well as powerful lobbies who benefit from the status quo – are all converging to lock current systems in place. Technological innovations that can be adopted without questioning the logic of current systems – solutions that reinforce rather than challenging the large-scale, monoculture-based production model – continue to be prioritized. The status quo is further entrenched by short-term political cycles,\textsuperscript{74} which put a premium on short-term fixes and allow the costs of inaction to be passed onto the next generation.

A different type of policy – a governance framework for transition – is needed to overcome these path dependencies. Only an integrated policy with a long-term vision and a mandate to address the whole system can drive the coordinated shifts that are required across food production, processing, distribution, and consumption (i.e. overcoming the systemic lock-ins).\textsuperscript{75} A Common Food Policy, designed with these goals in mind, would allow short- and long-term objectives to be clearly distinguished, trade-offs to be weighted, the long-term costs and benefits (or ‘externalities’) to be captured, accountability to be allocated, and the effectiveness of reforms to be regularly assessed against the agreed objectives. This kind of integrated, pathway thinking was invoked by the European Parliament when it called on the European Commission to map out a timeline up to 2030 with steps towards an overarching Sustainable Development Strategy (see above). Developing a long-term Common Food Policy vision also goes hand in hand with realizing the right to food,\textsuperscript{76} which requires the adoption of a strategy integrating policy approaches, allocating responsibilities and improving coordination between different governance levels, and allowing participation and accountability.\textsuperscript{76}

\textsuperscript{71} T. Garnett, “Where are the best opportunities for reducing greenhouse gas emissions in the food system (including the food chain)?” Food policy 36 (2011): S23-S32.
\textsuperscript{74} Short-term thinking is one of the ‘eight lock-ins’ of industrial agriculture described in IPES-Food, From uniformity to diversity: a paradigm shift from industrial agriculture to diversified agroecological systems (Brussels: IPES-Food, 2016).
\textsuperscript{75} Freibauer et al., Sustainable food consumption and production in a resource-constrained world.
\textsuperscript{76} This would be in line with the recommendations of the Committee on Economic, Social and Cultural Rights (General Comment No. 12 (1999): The right to food (E/C.12/1999/5), para. 21) and with Guideline 3 of the Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security, unanimously adopted in 2004 by the Member States of the FAO.
Regulatory capture by powerful interests has become a persistent problem in food systems. Powerful actors from the agribusiness and agri-food industries have succeeded in setting the terms of debate. For example, the need for the EU to deliver sufficient calories to ‘feed the world’ has been underlined as the most urgent challenge in food systems, thus making productivity-enhancing technologies, greater economies of scale, and improved food safety through standardization, look like the obvious ‘solutions’ to be prioritized. In parallel, the dominant framing of debates has allowed the connections between environmental and human health risks – which both trace back to industrial food and farming practices – to be systematically ignored. Despite increasing recognition of its potential to address multiple food system challenges, agroecology has been treated as a set of discrete technologies rather than as a systemic alternative.

The more fragmented food system governance has become, the more easily dominant actors have been able to bring their power to bear in the respective EU policy silos (CAP, food safety, trade, etc.). The dominant position of agribusiness and agricultural stakeholders, the European Commission’s DG Agriculture and the European Parliament’s Agriculture Committee have been identified as key factors in preventing environmental problems being adequately addressed in the CAP. The ability of agribusiness to capture CAP reform processes has grown in the wake of fractures between farmers and environmental groups. Similarly, issues of food access, nutrition, poverty and social exclusion still represent major blind spots: the dominance of agricultural and agribusiness stakeholders has been identified as a factor in stalling action on healthy diets as well as EU and global food insecurity.

In parallel, private actors have established their own forms of food chain-wide governance. Integration along the food chain or ‘value chain’ has been stimulated through proliferating private standards and certification schemes, at times leaving public governance lagging behind, and giving multinational agri-food companies the power to set their own food safety and market standards.

4. DEMOCRATIC DECISION-MAKING:
A COMMON FOOD POLICY CAN REVIVE PUBLIC PARTICIPATION IN POLICYMAKING, RECONNECT CITIZENS TO THE EUROPEAN PROJECT, AND RECLAIM PUBLIC POLICIES FOR THE PUBLIC GOOD.
These schemes have integrated social and environmental objectives, but only insofar as they align with the economic interests of private companies, and often in ways that exclude small-scale suppliers. The capture of the public agenda and the growth of private standards converge, ultimately, to strengthen the dominance of the most powerful incumbents of food systems, and to reinforce the paradigms and policy silos described above.

The gap has grown between the mandate policymakers assume themselves to have, and the boundaries that citizens are keen to reassert when given the chance. This has been exemplified recently by the public reaction against the renewal of glyphosate-based pesticides, and the trade negotiations taken forward by the European Commission (particularly ‘TTIP’ with the US and ‘CETA’ with Canada). In both cases, concerns were raised that the precautionary principle and the protection of public health were being sidelined in the name of short-term economic interests. The formal mechanisms for public participation in policy design are clearly falling short and remain tokenistic. The parameters of CAP reform, for instance, are established behind closed doors in negotiations over the EU budget, without a genuine possibility for civil society to engage. Major challenges remain in terms of building governance structures that allow for equal representation of all actors affected by food systems. The EU and its flagship policies continue to be plagued by a sense of ‘democratic deficit’.

Moving towards integrated food policies can remedy the democratic deficit in food systems and rebalance power. By shifting the focus from agriculture (and other sectoral policy areas) to food, a wider range of stakeholders can be meaningfully involved in designing and assessing policies. This will allow power relations and path dependencies to be challenged, decision-making processes to be reclaimed from powerful lobbies, and new priorities and coalitions of interest to emerge. In particular, it will pave the way for powerful alliances to be built between all of those with an interest in moving away from the current low-cost, high-externality model, and making it pay to produce healthy, sustainable food. This includes farmers, sustainable food businesses, consumer and health groups, development and anti-poverty campaigners, environmental agencies, school officials, locally-based civil society movements, and policymakers seeking to resolve complex and costly problems at various levels of governance.

This shift can draw on EU treaty provisions for participatory and deliberative democracy (Article 11 of the Treaty on the Functioning of the European Union). It can build on the role of the European Economic and Social Committee (EESC) as a promoter of civic dialogue and participatory democracy, and on the role of the Committee of Regions in linking EU-level action and local authorities. In its call for a comprehensive food policy, the EESC insists that such a policy could not only improve inter-sectoral coherence, but also “restore the value of food and promote a long-term shift from food productivism and consumerism to food citizenship”.

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90 IPES-Food, Too big to feed.
91 Galli et al., A transition towards sustainable food systems in Europe.
92 While perceptions of the EU have been slowly rebounding, 71% of people feel their voice does not count at EU level. (Pew Research Centre, “A Fragile Rebound for EU Image on Eve of European Parliament Elections,” 2014, http://www.pewglobal.org/2014/05/12/a-fragile-rebound-for-eu-image-on-eve-of-european-parliament-elections/.)
94 A food policy designed as a ‘transition policy’ can tackle power issues head-on; it can “acknowledge the existence of resistances to change and ‘systemic lock-ins’ that constrain the current pathway of evolution of the food system to sustainability. […] A transition policy should affect system activities, challenge the identities, the practices, the interests and the values of a multiplicity of actors and administrative bodies.” (Galli et al., A transition towards sustainable food systems in Europe.)
95 European Economic and Social Committee, Civil society’s contribution to the development of a comprehensive food policy in the EU.
FIGURE 3

HOW A COMMON FOOD POLICY HELPS MEET THE SDGs

- Ensuring access to land, water & healthy soils
- Rebuilding climate-resilient, healthy agro-ecosystems
- Promoting sufficient, healthy & sustainable diets for all
- Building fairer, shorter & cleaner supply chains
- Putting trade in the service of sustainable development
3.

**GOVERNANCE REFORMS: THE FIRST BUILDING BLOCK OF A COMMON FOOD POLICY**
The previous sections have demonstrated that a fundamental change of direction is required in EU food systems, but cannot be achieved simply by renewing efforts to reform existing policies. The first building block of a Common Food Policy is therefore to reform the EU’s governance architecture in a way that allows institutional silos to be overcome, new priorities to emerge, and synergies to be maximized between all of those working towards sustainable food systems. In Section 3.1, recent steps towards policy integration at EU level, including in the latest CAP reform proposals, are reviewed – steps which offer useful precedents to build on, but leave many questions unanswered. In Section 3.2, new mechanisms are put forward to remedy those shortcomings and to hardwire systemic thinking and widespread participation into all policies affecting food systems. These proposals are designed to work alongside and pave the way for wide-ranging reforms under the five policy clusters in Section 4.

3.1 SEEDS OF EXISTING POLICY INTEGRATION IN THE CAP AND BEYOND

The new governance architecture of a Common Food Policy can build on seeds of policy integration in existing EU policy tools. For example, the Inter-Service Steering Group (ISSG) on EU organic policy offers a concrete example of steps to build deeper coordination and inter-sectoral collaboration within the European Commission, and comprises Commission staff from a variety of DGs.\(^{96}\) CAP decision-making processes are also evolving. In July 2018, the European Parliament took the unprecedented step of making the Environment Committee an ‘associate committee’ to the Agriculture Committee – and allowing it to take amendments directly to plenary – in addressing the environmental components of the post-2020 CAP.\(^ {97}\)

Meanwhile, EU research policies have been increasingly aligned with the CAP and broader food system objectives. Agricultural research under the current Horizon 2020 programme is shared in the European Commission between DG Research and DG Agriculture; the ‘Food 2030’ process has framed future research around holistic food system challenges and made the case for further integration (see Section 4.2). Strategies to reduce the packaging and waste burden of food supply chains – including four different legislative proposals – have been adopted under the 2015 Circular Economy Package (see Section 4.4). There have also been steps to integrate agriculture, trade and development policies, in line with the EU’s commitment to ‘Policy Coherence for Development’. Cross-sectoral thinking and integrated action was observed in particular in the wake of the 2007-2008 food price crisis, as the EU moved to rethink its food security strategy.\(^ {98}\) However, major tensions remain between EU agri-trade and sustainable development imperatives (see Section 4.5).

Furthermore, some EU frameworks already include the long-term planning and multi-level governance components that are essential to build sustainable food systems. For example, an integrated, time-bound approach is built into the multi-annual Rural Development Plans that must be defined at national or regional level. Furthermore, competencies are shared between local, regional, national and EU-level institutions for the allocation and disbursement of Rural Development funds,\(^{99}\) with in-built mechanisms for public participation, consultation, and leadership. While these opportunities have not always been taken up, some Member States...


\(^{97}\) This was achieved by activating the Associated committee procedure within the Rules of Procedure of the European Parliament. (European Parliament, “Towards the Common Agricultural Policy beyond 2020: comparing the reform package with the current regulations,” Briefing for the AGRI Committee, 2018.)

\(^{98}\) Candel and Biesbroek, “Policy integration in the EU governance of global food security.”

\(^{99}\) Mittermayer, “Does Europe need a Food policy?”
have devised comprehensive Rural Development Plans that accelerate the implementation of other pieces of legislation, and build a degree of ownership among citizen groups (for more see Section 4.4).

The European Commission’s 2018 CAP reform proposals seek to build on these precedents of policy integration. On paper, the proposals boast the ambitious, wide-ranging objectives of an integrated food policy. Concrete steps are envisaged to increase the internal coherence of the CAP via Strategic Plans at the national level (which cover both pillars) and to enhance synergies between CAP and research policies.

However, like the EU’s commitment to Policy Coherence for Development, this call to action is not backed up with the tools to make it a reality. Member states are requested to report on the internal coherence of the proposed CAP Strategic Plan and its relationship to other relevant instruments as part of the ex ante evaluation of CAP Strategic Plans; the need for synergies with climate, environment, food safety, and other policy areas is reiterated. However, the requisite actions are not specified, and Member States are provided with little indication of what will be expected in terms of the degree and breadth of policy integration. For example, the proposals say little about how CAP can be aligned with downstream or demand-side policies affecting distribution, retail, consumption, and waste. In particular, it remains unclear how Member States can meaningfully respond to new objectives such as ‘meeting societal demands on food and health’ with a set of policy instruments that remains limited to agricultural subsidies, contractual payments to farmers (under Rural Development), and agricultural market measures. In effect, Member States are encouraged to achieve at domestic level what EU-level policies fail to achieve themselves. Far from building fruitful synergies between governance levels, the proposed reforms could simply result in further renationalizing the CAP, and launching a race to the bottom between Member States (for more on the environmental implications of the CAP proposals, see Section 4.2).

The Table below summarizes the differences between a fully integrated food policy approach (i.e. the Common Food Policy vision outlined below) and a business as usual approach where food system governance is largely entrusted to the CAP.

100 For example, agri-environment-climate measures have often been deployed with reference to the EU Biodiversity Plan, the Water Framework Directive and other pieces of environmental legislation. (European Network on Rural Development, “RDP analysis: Support to environment & climate change,” 2015, https://enrd.ec.europa.eu/sites/enrd/files/rdp_analysis_m10-1.pdf)

101 “Synergies with the Research Framework Program (FP) will be secured in the FP9 cluster on ‘Food and Natural Resources’ whose objective is to make agriculture and food systems fully safe, sustainable, resilient, circular, diverse and innovative. The CAP will forge even stronger links to EU Research and Innovation policy by introducing bioeconomy as a priority for the CAP.” (European Commission, Proposal for a Regulation of the European Parliament and of the Council establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council, COM/2018/392 final - 2018/0216 (COD), 2018.)

102 The EU School Fruit, Vegetable and Milk Scheme, housed within the CAP, is one of the only measures to explicitly link agricultural policy with dietary goals. However, it remains marginal in budgetary terms, and does not appear to be set for major expansion.
## UNLOCKING TRANSITION TO SUSTAINABLE FOOD SYSTEMS: CAP REFORM VS FOOD POLICY

<table>
<thead>
<tr>
<th>Who shapes policies?</th>
<th>BUSINESS AS USUAL SECTORAL APPROACH (CAP)</th>
<th>INTEGRATED FOOD POLICY APPROACH (COMMON FOOD POLICY)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Dominant role of DG Agri, ComAgri, Agriculture Council &amp; agribusiness stakeholders; tensions between farmers (as incumbents) / environment, health, anti-poverty, consumer groups &amp; among these groups (as consulted stakeholders)</td>
<td>Agriculture, health, environment, anti-poverty, development actors, etc. on equal footing as co-designers of food policy.</td>
</tr>
<tr>
<td>Bridging policy areas</td>
<td>Food system-wide objectives with the tools &amp; resources of an agricultural policy; basic requirements for policy alignment at national level</td>
<td>Food system-wide objectives with full range of tools &amp; resources; hard inter-sectoral conditionalities (e.g. CAP payments conditional on national progress on healthy diets - see Section 4.3)</td>
</tr>
<tr>
<td>Bridging governance levels</td>
<td>Standardized EU-wide policy tools &amp; limited funding for local initiatives (simplification &amp; compatibility)</td>
<td>Deliberate multi-level governance with learning mechanisms &amp; increased support for local experimentation (managing complexity &amp; building complementarity)</td>
</tr>
<tr>
<td>Food security &amp; food prices</td>
<td>Focus on delivering cheap calories via mass production/trade (LOW-COST FOOD SYSTEM)</td>
<td>Focus on reducing hidden costs (e.g. climate/health externalities), sharing costs equitably along the chain &amp; making it pay to produce sustainable, healthy food (TRUE-COST FOOD SYSTEM)</td>
</tr>
<tr>
<td>Innovation paradigm</td>
<td>Focus on technological product innovation with universal applications (e.g. precision agriculture, climate-smart agriculture)</td>
<td>Focus on social, technological, organizational, process-based and system-wide innovations (e.g. agroecology)</td>
</tr>
<tr>
<td>Resilience paradigm</td>
<td>Reliance on risk management tools &amp; ongoing income support</td>
<td>Building long-term resilience via agroecology, diversification &amp; value-based chains.</td>
</tr>
</tbody>
</table>

**GOVERNANCE REFORMS: THE FIRST BUILDING BLOCK OF A COMMON FOOD POLICY**
3.2 A NEW GOVERNANCE ARCHITECTURE FOR SUSTAINABLE FOOD SYSTEMS

Under an integrated food policy, the objectives, resources, and tools for meeting ambitious system-wide goals would be put in place and meaningfully aligned, building on the spirit but not the mechanisms of the 2018 CAP reform proposals. This requires concrete changes in the way that policies are made and priorities are set, i.e. a new governance architecture for sustainable food systems.

The first step would be formal adoption of a Common Food Policy itself, with a similar status to other strategic or comprehensive policy packages such as the Circular Economy package. As such, the Common Food Policy would be positioned to oversee, harmonize, and provide strategic direction for various sectoral policies affecting food systems (e.g. CAP, trade, environment). Given the sheer number of EU and national-level policies affecting food systems, it would be crucial to set key objectives for a Common Food Policy and to cluster policies under these goals; the five objectives outlined in Section 4 of this report, and the policy reforms grouped under them, represent a first attempt to do so with the requisite breadth and ambition.

Roles and responsibilities within EU institutions would need to be redefined accordingly. The Common Food Policy should be spearheaded by a European Commission Vice-President for Sustainable Food Systems, which would become a new overarching position similar to the ‘jobs and growth’ portfolio. In the European Parliament, a formal intergroup on Food, with cross-party and cross-sectoral involvement, should be formed, providing a key interface with the European Commission in devising and delivering the Common Food Policy. Within the European Commission, the new Vice President for Food could oversee the efforts of various Commissioners and the respective Directorate Generals or ‘DGs’ (Agriculture, Environment, Health, Development, etc.) in designing and implementing policies in line with the objectives of a Common Food Policy. The European Political Strategy Centre (EPSC) should join these efforts, developing a ‘Sustainable Food Taskforce’ to set a long-term vision for the EC. Working in coordination with other EU institutional bodies and the EU Food Policy Council (see below), the Taskforce should also serve to elaborate the steps to develop and implement an integrated food policy. Leadership could be established via the appointment of a Head of Food in each Commission DG. These officials would meet regularly to break down sectoral silos, share developments being made in various DGs as they relate to an overall food policy, and establish where further complementarities are needed. In other words, boundary-spanning structures are required to bridge the mandates of different departments in EU institutions, building on existing precedents of inter-sectoral collaboration and policy integration, in particular the example of the ISSG on organic policy.

103 Falkenberg, “Sustainability Now!”
FIGURE 4
REALIGNING POLICY TOOLS ACROSS MULTIPLE SECTORS UNDER A COMMON FOOD POLICY

GOVERNANCE REFORMS: THE FIRST BUILDING BLOCK OF A COMMON FOOD POLICY
However, governance reforms should not be limited to improving the functioning of representative democracy and the existing institutions. New mechanisms are also required to inject direct democracy into food system decision-making and priority-setting, to ensure representation of diverse food system stakeholders, and to ensure that the Common Food Policy does not simply mimic the bureaucratic structures of existing top-down policies. A Common Food Policy must involve food system stakeholders at multiple stages of the policy process, from initial design to implementation and monitoring. This could be achieved via the creation of a European Food Policy Council, which could be established under the auspices of the EESC in line with its commitment to “organise and develop a space for civil society to get involved and actively participate in this process, building on the momentum created by the EESC’s expert hearings on food issues.”

A participatory mechanism of this nature would build on the EESC’s role in bridging EU-level decision-making and citizen involvement. Citizens must also be able to influence the technological pathways and innovation paradigms underpinning those policies, for example through a participatory process for assessing technological innovations, allowing the precautionary principle to be reasserted and consistently applied in regard to food and farming systems.

Furthermore, steps are required to make effective multi-level governance a reality, i.e. to interface between the emerging civil society-led structures and formal legislative processes at EU and national levels. This could take the shape of a new mechanism for systematic coordination, practice sharing, and learning at EU level on local and territorial food initiatives, including urban and regional food policies. Crucially, this must occur alongside fundamental shifts in the focus and modalities of EU funding tools to prioritize bottom-up and territorial-scale food system innovation (see Section 4.4). These steps must ultimately build the capacity of civil society, and accelerate the scaling out of governance models that have proven successful.

A strong emphasis on accountability and progress monitoring is also required, i.e. a multi-year strategy comprising benchmarks, progress indicators (including structural, process, and outcome indicators), and clear allocation of responsibilities across different Commission DGs, across different EU institutions, between the institutions and the Member States, and with local levels of governance. In other words, a Sustainable Food Scoreboard/Action Plan to track progress in the implementation of a Common Food Policy is required, building on the proposals in this report and introducing precise timelines and indicators.

A governance architecture of this nature should provide for the multiple dimensions of sustainability to be placed at centre stage, and no longer subordinated to market competitiveness goals. Systematic recourse would be made to high-leverage solutions. Policy processes would be hardwired to respond to the needs and aspirations of broader groups: key decisions rippling out across food systems would no longer be taken by agricultural stakeholders alone.

104 European Economic and Social Committee, “Civil society’s contribution to the development of a comprehensive food policy in the EU.”
105 “Just as tractors and pesticides revolutionised production in the 1950s, modern techniques could completely redesign the food system and avoid negative environmental impacts. But such technologies do have negative aspects too, such as the impact on employment, or ethical and data ownership implications. We need a societal debate from the start to ensure responsible innovation in this area.” (European Commission Food 2030 Expert Group, Recipe for change.)
### BUILDING A NEW GOVERNANCE ARCHITECTURE FOR SUSTAINABLE FOOD SYSTEMS - SUMMARY OF PROPOSALS

<table>
<thead>
<tr>
<th>SHORT-TERM POLICY PROPOSALS</th>
<th>MEDIUM- TO LONG-TERM POLICY PROPOSALS</th>
</tr>
</thead>
<tbody>
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<td>Create position of European Commission Vice President for Sustainable Food Systems</td>
<td>Devise a Sustainable Food Scoreboard/Action Plan to track progress in the implementation of a Common Food Policy</td>
</tr>
<tr>
<td>Designate a Head of Food in every Commission DG to ensure inter-sectoral cooperation</td>
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<tr>
<td>Develop a Sustainable Food Taskforce under the European Political Strategy Centre (EPSC)</td>
<td>Introduce participatory process for assessing technological innovations</td>
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<tr>
<td>Create a Formal Intergroup on Food in the European Parliament</td>
<td>Introduce mechanism for systematic coordination, practice sharing &amp; learning at EU level on local/territorial food initiatives (incl. urban &amp; regional food policies)</td>
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4.

THE FIVE OBJECTIVES OF A COMMON FOOD POLICY
A new governance architecture is imperative for building sustainable food systems in Europe. However, it is only one piece of the puzzle: the governance reforms outlined above are designed to unlock and accelerate policy reform and realignment all across food systems. Below, the challenge is broken down into five key objectives for a Common Food Policy, representing five paradigm shifts that must occur in parallel in order to build sustainable food systems in Europe:

1. **ENSURING ACCESS TO LAND, WATER AND HEALTHY SOILS**
2. **REBUILDING CLIMATE-RESILIENT, HEALTHY AGRO-ECOSYSTEMS**
3. **PROMOTING SUFFICIENT, HEALTHY AND SUSTAINABLE DIETS FOR ALL**
4. **BUILDING FAIRER, SHORTER AND CLEANER SUPPLY CHAINS**
5. **PUTTING TRADE IN THE SERVICE OF SUSTAINABLE DEVELOPMENT**

**FIGURE 5**

THE OBJECTIVES OF A COMMON FOOD POLICY: FIVE PARADIGM SHIFTS
For each objective, we describe: i) why action is crucial in this area; ii) the ‘state of play’: how current policies are addressing this problem and where the gaps, conflicting objectives, and missing synergies currently lie; and iii) the way forward: how various policies should be reformed and realigned in order to meet this objective, as part of a broader Common Food Policy vision.

The five objectives overlap in terms of the policy areas they mobilize and the challenges they address. Issues that are typically dealt with in isolation have been deliberately thrown together (e.g. poverty and healthy diets; land and soil), on a timeline that combines short-term with medium- to long-term actions. This logic requires conflicting objectives to be addressed head-on and synergies to be found. It puts a premium on systemic approaches, and closes the door to solutions that come with hidden costs. Unlike the short-term ‘fixes’ that currently prevail, the short-term reform proposals below are designed to pave the way for – rather than continuously defer – the fundamental shifts that must occur in the longer term.
Actions under the five objectives are designed to be mutually reinforcing. For example, the shift towards agroecological production systems – a key pillar of the Common Food Policy vision – cannot be undertaken by farmers alone, in light of the many factors locking in the industrial food and farming model.\textsuperscript{106} Therefore, in addition to an agroecology premium for farmers (under Objective 2), the Common Food Policy vision includes parallel steps to secure access to land for sustainable food production (under Objective 1), and to support the emergence of markets that cover the costs of producing healthy and sustainable food (under Objectives 3 and 4). Shifting towards a new livestock paradigm, addressing chemical exposures, and capturing externalities, also emerge as cross-cutting imperatives, and are addressed with mutually-reinforcing steps under the five objectives.

Furthermore, a coherent intervention logic is invoked across the Common Food Policy, with recourse to common mechanisms for accelerating action at the relevant levels and locking in progress. For example, reforms under various objectives – from the creation of independent farm advisory services (under Objective 2) to the development of national Healthy Diet Plans (under Objective 3) – are conditions to be met in order to continue to unlock CAP payments, which would themselves be subject to a new rationale. In other words, the Common Food Policy vision would ensure that large sums of EU funding only flow into food systems that are seeing the relevant scope and scale of change.

The five objectives, and the policies discussed under each, are by no means exhaustive. Some issues have been insufficiently addressed through the Common Food Policy process and would require further attention, including: sustainable fisheries and aquaculture management, seeds, agri-tourism, and job creation.

\textsuperscript{106} The ‘eight lock-ins’ of industrial agriculture are described in IPES-Food, \textit{From uniformity to diversity}. 

\textbf{THE FIVE OBJECTIVES OF A COMMON FOOD POLICY}
OBJECTIVE 1:
ENSURING ACCESS TO LAND, WATER AND HEALTHY SOILS

The resource base for EU agriculture is being critically threatened by land degradation, soil erosion, and water contamination and over-extraction, as a result of industrial agriculture and the loss of farmland to urban/industrial development. Access to land for sustainable food production is therefore crucial, but is being undermined by biofuel incentives, urban sprawl, speculative land acquisitions, the failure to protect soils, and a farm subsidy model that drives up land prices. The EU should create an EU Land Observatory to monitor land markets, promote rights of first refusal for young agroecological farmers, allocate CAP payments based on a range of criteria (not just farm size), and move towards comprehensive protection of natural resources under a Land and Soil Directive.
## OBJECTIVE 1: ENSURING ACCESS TO LAND, WATER AND HEALTHY SOILS

### GAPS & DISCONNECTS IN CURRENT POLICIES

<table>
<thead>
<tr>
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</tr>
</thead>
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<tr>
<td>Fragmented environmental governance &amp; low prioritization of soil. The implementation of EU environmental policies (Water Framework Directive, Nitrates Directive) is undermined by policy frameworks promoting large-scale commodity production (incl. CAP, pesticide approval process &amp; biofuel incentives under the Renewable Energy Directive), unsustainable land development strategies, &amp; enforcement gaps (e.g. monitoring of pesticide residues in soil is not required at the EU level). This reflects deeper environmental governance issues, notably the failure to follow through on the polluter-pays principle, &amp; the disconnection between soil and land governance.</td>
<td>Reform CAP P1 conditionality to include specific clauses of Water Framework, Nitrates &amp; Sustainable Use of Pesticides Directives and include trees as Landscape Features. Phase out all biofuel incentives in Renewable Energy Directive. Establish a European Water Data Centre supporting monitoring in the Member States. Task European Soil Data Centre with monitoring pesticide residues. Make access to EU Structural Funds conditional on sustainable land use under integrated territorial food system planning (see Objective 4). Promote agroecological soil management via independent Farm Advisory Services (FAS) (see Objective 2).</td>
</tr>
</tbody>
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### SHORT-TERM POLICY PROPOSALS

<table>
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<td>Develop agencies for land development &amp; rural settlement in all Member States as a condition for unlocking CAP funds, incl. right of first refusal for agroecological producers (based on EU-wide indicators - see Objective 2) &amp; priority for young farmers.</td>
</tr>
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<td>Adopt EU Soil &amp; Land Directive to reconcile sustainable land development with healthy soils, &amp; coordinate with the Water Framework Directive; integrate new soil management requirements into CAP conditionality. Designate areas as permanent farmland for food production under an EU framework.</td>
</tr>
</tbody>
</table>

### Policies in play: CAP P1 & P2, ENVIRONMENTAL REGS (WATER FRAMEWORK & NITRATES DIRECTIVES), NATIONAL LAND POLICIES, VGGT, COHESION (STRUCTURAL FUNDS), RENEWABLE ENERGY DIRECTIVE, PESTICIDE APPROVALS, EXTENSION
Healthy soils and clean water are the basis of food production. The degradation of ecosystems described in Section 1 is a major threat to the availability of these productive resources, and consequently a threat to food security.

Europe is one of the most intensively used continents on the globe, with the highest share of land used for settlement, production systems, and infrastructure.107 While the agricultural sector remains one of the main land users in Europe, utilised agricultural area has declined over recent decades and is expected to fall even further by 2030.108 Almost half of land take in recent years – primarily for urban development – has come at the expense of arable farmland and permanent crops, with farms also consolidating into larger holdings.109

These trends have contributed to rising land prices across Europe, diminishing opportunities for new farming entrants to access land110 – an imperative widely-recognized as crucial for the future of Europe’s agriculture and rural regions. New entrants – the majority of whom are younger than the average age farmer and seeking to operate smaller farms – continue to face a number of barriers to entry, including high land prices and leasing rates, competition for land from established farmers and landholders, and access to information, among other obstacles.111 Furthermore, the European Parliament has recently highlighted land grabbing as a major concern within the EU as well as around the globe (see Section 4.5).112,113

Meanwhile, intensive and unsustainable land management practices are driving severe soil degradation. Loss of soil functions is a major concern and is expected to accelerate over the coming years.114 Soil erosion affects 25% of agricultural land in the EU and increased by some 20% between 2000 and 2010.115 Around 45% of the mineral soils in Europe have low or very low organic carbon content (0–2% organic carbon), while soil contamination affects up to three million sites. Soil biodiversity is reduced by intensive agriculture, making soils less efficient and more sensitive to weather events such as extreme drought and rainfall.116 83% of EU soils contain one or more pesticides residues; 58% contain mixtures.117 Diffuse pollution by agrochemicals has become a major soil

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111 EIP-AGRI Focus Group, New entrants into Farming: lessons to foster innovation and entrepreneurship (Brussels: European Commission, 2016).
112 According to data from various sources, in Romania up to 10% of agricultural land is now in the hands of investors from third countries and a further 20-30% is controlled by investors from the EU. In Hungary, one million hectares of land was acquired in secret deals using capital primarily from EU Member States. (EESC, Land grabbing in Europefamily farming, Own-initiative opinion (NAT/632), 2015. See also, S. Key, Land grabbing and land concentration in Europe (Amsterdam: Transnational Institute, 2016)).
113 European Parliament, Resolution of 27 April 2017 on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers, 2016/2141(INI), 2016.
threat, and presents major human health risks. Significant areas of EU farmland are facing salinisation and desertification, with 32-36% of European subsoils highly susceptible to compaction. Land and soil degradation have major implications for climate change (see Section 4.2), while undermining efforts to meet a variety of SDGs.

Simultaneously, Europe’s freshwaters are under threat from water pollution, water abstractions, droughts, and floods. Major physical modifications to land (drainage, soil erosion, and floodplain changes) and to water bodies (water channelling and damming) affect morphology and water flow. Agriculture affects both the quantity and the quality of water available for other uses. 66% of renewable water resources in Europe go to agriculture, rising to 80% in some regions. The total irrigated area in southern Europe increased by 12% between 2002 and 2014, but total harvested agricultural production decreased by 36% in the same period in this region. 15-25 % of the total European territory lies in river basins with water scarcity issues. In the EU, 38% of water bodies are significantly under pressure from agricultural pollution, particularly nitrogen. Furthermore, the European agricultural sector is responsible for over 90% of ammonia emissions, which contribute to acid deposition and eutrophication, as well as air pollution. With climate change and a rising global population, pressure on freshwater availability will keep increasing. Between 1960 and 2010, Europe lost 24% of renewable water resources per capita.

**STATE OF PLAY: HOW ARE CURRENT POLICIES ADDRESSING THE PROBLEM AND WHERE ARE THE GAPS?**

A wide range of EU and national policies – including environment, mobility, urban planning, and agriculture – have implications for water, land, and soils. Over recent years, the EU has taken steps to build more comprehensive governance of natural resources. In 2000, the Water Framework Directive (WFD) introduced a more holistic approach to ecosystem-based management, focusing on the multiple relationships between the many different causes of pollution and their impacts across river basins. In 2006, the Commission adopted a Soil Thematic Strategy with the objective to protect soils across the EU.
In 2007, the Commission presented a proposal for a Soil Framework Directive, including specific requirements to integrate soil issues into the wider environmental acquis and CAP conditionalities, as well as national legislation. In May 2014, however, the Commission withdrew its proposal due to opposition from several Member States.

While land is mostly governed at the national level, some steps have been taken to build common approaches to sustainable land management at EU level. In 2004, the European Council and Parliament endorsed the EU Land Policy Guidelines prepared by a Task Force of Member States and Commission experts. These guidelines underlined the importance of setting a coherent land policy and linking it to the right to food.

Despite these efforts, land, water, and soil governance remains incomplete and fragmented, allowing a range of contradictions to continue unaddressed:

- **Support for young farmers is undermined by broader trends in land markets and a failure to adequately monitor them.** While young farmers are encouraged to enter the farming sector through additional support under the CAP’s direct payments scheme, the wider impacts of CAP subsidies undermine access to land for new entrants, particularly those looking to farm at a smaller scale. Having direct subsidies channelled per hectare of farmland favours large farms, while also fuelling an increase in land prices. According to the European Parliament study centre, each euro of CAP direct payments leads to a €0.06 to €0.94 increase in land rents. Furthermore, while ‘land grabs’ in the global South have now gained attention, little has been done to crack down on speculative land acquisitions in the EU, prompting the European Parliament to call for urgent steps to monitor and curb land concentration and speculation in Europe. In fact, land trends represent a major blind spot in EU data coverage, making it difficult to assess the extent of land access problems and to take the requisite actions. The evolution of the agricultural land market – particularly the artificialization of agricultural land – still remains poorly documented, with major discrepancies between Member States. Differences continue to be observed between agricultural land (National Land Registries) and Utilized agricultural area (based on CAP declarations), reflecting the failure to agree a single EU-wide definition of agricultural land.

134 Frelih-Larsen et al., Updated Inventory and Assessment of Soil Protection Policy Instruments in EU Member States.
136 The failure to adopt the directive was largely due to concerns about subsidiarity, with some Member States maintaining that soil was not a matter to be negotiated at the European level. Others felt that the cost of the directive would be too high, and that the burden of implementation would be too heavy. (EASAC, Opportunities for soil sustainability in Europe.)
138 National authorities have to set aside up to 2% of their total allocation of direct payment funding in order to offer young farmers a bonus of 25% (maximum) on their direct payments in their first five years of working in the sector. Current CAP post-2020 proposals suggest complementing measures with financial support under rural development and measures facilitating access to land and land transfers. Current CAP Pillar 2 measures in support of young farmers include knowledge transfer and information; advisory services and relief services; support for investments in physical assets; business start-up aid for young farmers (Measure 6.1); and cooperation.
140 European Parliament, European Parliament resolution of 27 April 2017 on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers, 2016/2141(INI), 2017.
• **EU policies continue to promote extractive modes of commodity production that undermine sustainable soil and water management.** CAP incentives are poorly aligned with sustainable land and resource use. For example, the *area-based payment logic* for direct payments incentivizes large-scale monoculture-based production models, and increasingly homogenous landscapes. Meanwhile, *commodity-linked (‘coupled’) CAP payments* subsidize thirsty crops (e.g. cereals, oilseeds, sugar beet), leading to higher groundwater extraction rates, and therefore clashing with the goals of the Water Framework Directive. Despite the benefits of tree planting for soil regeneration, the *CAP direct payments system* disincentivizes the presence of trees on arable land\(^{142}\) and permanent pastures\(^{143}\). Despite driving negative environmental/land impacts in the EU, and driving damaging land use shifts around the world,\(^{144,145}\) EU biofuel production continues to be promoted under the Renewable Energy Directive,\(^{146}\) although some of the most damaging incentives are due to be phased out.

• **Soil governance remains disconnected from the land policies on which it ultimately depends.** The failure to adopt an EU Soil Directive has left soil governance highly fragmented and subject to low prioritization. In particular, *land development and access policies* – mostly decided at the national level – remain disconnected from soil management, despite healthy soil being contingent on sustainable land uses: ‘cementification’ (i.e. various forms of land development and encroachment on farmland) not only shrinks the total amount of available agricultural land, but also affects soil quality through artificialization, water and soil contamination, and ecosystem disruption. Where land has been subject to protections from unsustainable development, soils have not been explicitly protected, meaning that soil functionality can still be lost.\(^{147}\) Some of the richest soils and most valuable natural areas have been jeopardized by competing land uses and conflicting policy signals. For example, grants for managing peatland habitats under nature protection schemes (e.g. Natura 2000, LIFE) are in conflict with the support offered to drainage systems that degrade peatlands under EU Cohesion Policy/Structural Funds. Moreover, in the absence of an EU regulatory framework for soils, the value of these soils has not been fully recognized.\(^{148}\) Furthermore, the monitoring of pesticide residues in soil is not required at EU level, in contrast to the water monitoring regulated by the EU Water Framework Directive.\(^{149}\)

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142 Maximum tree density in agricultural parcels is set at 100 trees/ha (excluding parcels with fruit trees such as orchards) under Commission Regulation No 640/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system and conditions for refusal or withdrawal of payments and administrative penalties applicable to direct payments, rural development support and cross compliance. The Omnibus mid-term CAP adjustment launched at the end of 2017 has helped to improve the eligibility of agroforestry within the current CAP, as the new concept of permanent grassland is more in line with agroforestry implementation: “Land which can be grazed, where grasses and other herbaceous forage are not predominant or are absent, and where the grazing practices are neither traditional in character nor important for the conservation of biotopes and habitats, may nevertheless have relevant grazing value in certain areas. Member States should be allowed to consider those areas as permanent grassland in the whole or in part of their territory.” (European Union and the Council of the European Union, PE-CONS 56/17, 2017.)

143 For permanent pastures, Member States can use the same tree density limit as is applied for arable land, or apply an alternative ‘pro-rata system’, where there is no specific limit for tree density. However, the pro-rata system applies progressive ‘reduction coefficients’ that diminish the eligibility of parcels containing trees or other landscape features.


147 Freilich-Larsen et al., Updated Inventory and Assessment of Soil Protection Policy Instruments in EU Member States.

148 EASAC, Opportunities for soil sustainability in Europe.

149 Silva et al., “Pesticide residues in European agricultural soils.”
THE WAY FORWARD

Land, soil, and water are strictly interrelated. Sustainable food production requires access to land, healthy soils, and clean water at the same time. In turn, agricultural practices that improve soil health not only provide fertile land for food production, but also play a key role in supplying clean water and building resilience to floods and droughts. Water infiltration through soil traps pollutants and prevents them from leaching into groundwater. Moreover, non-degraded soil captures and stores water, making it available for absorption by crops, and therefore minimizing surface evaporation and maximizing water use efficiency and productivity.150 Maintaining cultivated land, healthy soils, and access to clean water is thus essential not only to guarantee food production but also for the resilience of the whole ecosystem. In other words, it is essential for realizing the SDGs and meeting the Paris Agreement on climate change.

It is therefore essential to reconnect the various policies affecting these resources, and to ensure that they are underpinned by common and coherent objectives for sustainable land, soil, and water resources management – as concluded in a major assessment of soil protection instruments commissioned by DG Environment.151 In particular, policies would need to converge on a coherent vision for the evolution of land markets, whereby access to land for sustainable food production is prioritized.

151 Frelih-Larsen et al., Updated Inventory and Assessment of Soil Protection Policy Instruments in EU Member States.
A Common Food Policy would require, as an absolute precondition, that land is made available for agroecological farming, which has a pivotal role to play in ensuring sustainable land, soil, and water management (see Section 4.2).

Reforming the CAP payments mechanism is a first crucial step to achieving these goals. The following changes are essential in order to shift the balance of incentives in favour of new entrants and sustainable modes of production: i) shifting from an area-based payment logic to composite criteria\textsuperscript{152} (labour intensity, farm size, regional specificities, etc.) with mandatory redistribution to small-scale farms;\textsuperscript{153} ii) capping payments to individual farms; iii) providing a positive definition of an active farmer at EU level;\textsuperscript{154} and iv) introducing a minimum percentage (instead of a ceiling) for payments to young farmers. Further steps would be required under CAP Pillar 2 to address the array of barriers to new entrants in agriculture, including increased support for national and regional initiatives which enable land access (e.g. starter farms, land trusts, incubators, land matching); in the long-term, all support measures to farmers would be managed under a single-pillar CAP, ensuring full coherence between tools to support new entrants (see Section 4.2).

Further action is required to secure equitable access to land in Europe. Firstly, EU Member States should implement the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) unanimously endorsed by the Committee on World Food Security, as recommended by the EESC in its own-initiative opinion on land grabbing in the EU.\textsuperscript{155}

Blind spots in regard to how land markets are evolving must also be addressed. In line with the demands of various EU institutions including the European Parliament, an EU Land Observatory should be established. This would mark an important first step towards assessing current land pressures and formulating the relevant solutions (see Box 3). Working closely with the new Land Observatory, the European Soil Data Centre (ESDAC) should be tasked with monitoring pesticide residues in soils, as well as assessing the amount of carbon stored in European soils and setting targets for soil carbon absorption in line with IPCC recommendations and SDG requirements. The value of ESDAC will be further enhanced by increasing the accessibility of its data, which combines the findings of scientific research and EU monitoring schemes. A European Water Data Centre should also be established to support monitoring in the Member States.

\textsuperscript{152} Various proposals have been made for adjusting payment criteria to better target income support. See for example proposals for criteria based on a normative calculation of farm labour and a maximum compensation ceiling per unit of labour in R.A. jongeneel, Research for AGRI Committee – The CAP support beyond 2020: assessing the future structure of direct payments and the rural developments interventions in the light of the EU agricultural and environmental challenges (Brussels: European Parliament, Policy Department for Structural and Cohesion Policies, 2018).

\textsuperscript{153} The Committee of the Regions, in response to EC CAP proposals, has called for a mandatory redistributive payment covering a minimum of 30% of first pillar funds. (Committee of Regions, Opinion CAP reform – 132\textsuperscript{nd} plenary session, NAT-VI/034, 2018.

\textsuperscript{154} Several calls have been made for the EU to define common criteria for the definition of active farmers by the Member States, an element missing from the latest CAP reform proposals. A positive definition would include the notion of work on a farm and distinguish clearly between farmers who are eligible for CAP support and those who are not. See for example Committee of Regions, Opinion CAP reform.

\textsuperscript{155} EESC, Land grabbing in Europe/family farming.
GETTING A FULL PICTURE OF LAND USE VIA A EUROPEAN LAND OBSERVATORY

Calls for a European Land Observatory have been made by a number of actors, including the 2017 Noichl report of the European Parliament on the state of farmland concentration in the EU.1 A European Land Observatory would help to ensure land accessibility and healthy soils by coordinating the collection of information and data on farmland concentration and tenure across the EU. Establishing such a structure at the EU level would help to overcome inconsistencies between Member States and ensure greater coordination between national authorities, as a basis for discussion and potential reform in regard to land policies. In order to function effectively, the Observatory should include delegates from Member States, who would report regularly to the European Parliament and make recommendations for possible actions and reforms; the Observatory should also involve wide participation of farmers and civil society. The Observatory would also need to liaise closely with the European Soil Data Centre (ESDAC) – which would be tasked with enhanced soil monitoring (see above) – in order to bring together data on soil quality and land accessibility, and provide a full picture of the EU resource base. Specifically, the European Land Observatory could carry out the following tasks:

- Providing comprehensive data on how assets are being managed and on the social, environmental, and economic benefits they are producing;
- Recording purchase prices and rents, and the market behaviour of owners and tenants;
- Observing the loss of farmland following changes in land use, trends in soil fertility and land erosion; collecting information on land acquisitions, and helping to detect threats to land accessibility;
- Setting up an open source database including information on both land-owners and land users; establishing a transparent European land registry;
- Developing a common definition of agricultural land; monitoring all relevant policy areas to assess whether they promote or counteract the concentration of agricultural land in the EU;
- With the participation of farmers, farmer organisations and other relevant civil-society actors, launching a consultation procedure to assess the current administration of farmland and its alignment with the VGGT.

1 European Parliament, Report on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers, 2016/2141(INI), 2017.

In order to facilitate access to land for sustainable food production, a **right of first refusal (pre-emption right) on land** should also be promoted with a focus on agroecological producers (see Section 4.2). Pre-emption rights would contribute to the attainment of CAP objectives regarding small and medium-sized farms, new entrants and young farmers, and could include specific provisions for women farmers. This policy tool would help to overcome structural barriers to accessing land (e.g. high land prices, high taxation on farms being sold out of the family), while having positive knock-on effects for sustainable soil and water management. It would also provide a framework for preventing private land acquisitions that could exacerbate land concentration and unsustainable soil management. Provisions could also be considered for making unused land available for agricultural purposes. While there is no legal basis on which EU initiatives can be adopted to this effect, CAP payments could be made conditional on taking comprehensive steps to facilitate land access for sustainable food production under national land policies.
In the longer term, this could be expanded into a requirement for Member States to develop agencies for land development and rural settlement, drawing on the French experience in establishing SAFER. These agencies would be tasked with encouraging the creation of new farms and helping young farmers to enter the sector. They should support sustainable soil and water management by applying environmental conditionality on new contracts (sale and rents). They would be expected to communicate information to the EU Land Observatory (see above) on land prices and changes in agricultural land ownership, thus ensuring the transparency of the rural land market.

In order to further secure land for sustainable food production in the longer term, specific zones could be permanently designated as farmland for food production. These zones, to be kept in the best ecological condition, could be identified by the EU Land Observatory. This would help to protect farmland from urban sprawl and other land use changes. An EU framework would need to be developed for designating land in this way, drawing on the precedent of Natura 2000. These steps to protect farmland should be accompanied by a full phase-out of biofuel incentives in the Renewable Energy Directive, which cannot be justified in a context of high competition for land and natural resources.

The various EU policies affecting urban development should also be aligned with sustainable land and soil imperatives. EU support for urban development schemes – under Cohesion Policy/Structural Funds, Rural Development and the Sustainable Urban Mobility Plan – could be made conditional on including provisions for sustainable urbanization and land use, with regard to agricultural land access, and sustainable soil and water management. This could include requirements to develop urban and peri-urban agriculture and to integrate urban development into holistic territorial food system planning (see Section 4.4).

Ultimately, protecting land, water, and soils requires a higher baseline of environmental regulations in the CAP. More ambitious compulsory soil and water management rules are required in CAP Pillar 1 conditionality (‘cross compliance’), building on elements of the 2018 CAP reform proposals (see Box 4) and including references to specific clauses of the Water Framework, Nitrates, and Sustainable Use of Pesticides Directives. Agroforestry should also be included in ‘extended conditionality’ to ensure that high value trees in or around fields are classed as Landscape Features under the Good Agricultural and Environmental Conditions (‘GAECs’). These measures would be ushered in as part of a new agroecological paradigm under the CAP, including incentives for extensive livestock and protein crops, support payments for agroforestry, and the promotion of agroecological soil management via independent Farm Advisory Services (see Section 4.2).

These policy proposals should converge over the medium term in a Framework Directive on Land and Soil. The directive should include recommendations and guiding principles on land governance based on the VGGT, as well as encouraging all Member States to implement instruments to regulate land markets and achieve sustainable soil management, building on successful precedents around the EU. Ultimately, the land and soil directive should be integrated with the Water Framework Directive, in order to build a comprehensive policy overseeing the protection of productive resources.

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156 The SAFER agencies have a portal (vigifoncier.fr), to which notaries provide information, to monitor sales of agricultural land in urban and peri-urban areas in real time.
157 The CAP already requires Member States to define minimum soil protection standards at national or local level as a condition of receipt of Pillar 1 direct payments. This standard should be raised in accordance with the agroecological indicators described in Section 4.2 in order to ensure more effective protection, particularly of soil organic matter.
158 Specific thresholds established in these Directives should be stated in cross-compliance rules and farmers be required to respect them. CAP legislation should set out clearly and in specific terms each conditionality obligation Member States will have to respect.
4.2

OBJECTIVE 2: REBUILDING CLIMATE-RESILIENT, HEALTHY AGRO-ECOSYSTEMS

Industrial livestock production and chemical-intensive monocropping are driving high GHG emissions, soil degradation, air pollution, water contamination, and biodiversity loss – undermining critical ecosystem services. High-tech, capital-intensive, digitization-based innovations end up reinforcing existing production models, leading to trade-offs between different environmental impacts, or between environmental and social sustainability. CAP, Research, Innovation, and Extension policies must be urgently reoriented towards low-input, diversified agroecological systems. This means introducing an EU-wide ‘agroecology premium’ as a new rationale for CAP payments, incentivizing nitrogen-fixing legumes, pastures and agroforestry, putting independent farm advisory services in place, promoting farmer-to-farmer knowledge sharing, and ultimately phasing out the routine use of chemical inputs.
### OBJECTIVE 2: REBUILDING CLIMATE-RESILIENT, HEALTHY AGRO-ECOSYSTEMS

#### GAPS & DISCONNECTS IN CURRENT POLICIES

<table>
<thead>
<tr>
<th>Insufficient climate ambition</th>
<th>Failure to address livestock impacts &amp; reintegrate production systems</th>
<th>Reliance on techno-fixes</th>
<th>Reliance on industry for knowledge, inputs &amp; advice</th>
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<tbody>
<tr>
<td>The prevailing 'income support' logic in the CAP means that highly-polluting forms of agriculture continue to be subsidized (incl. intensive livestock - see below), while CAP environmental schemes &amp; conditionalities are widely seen as ineffective. The latest CAP reform proposals risk exacerbating these problems &amp; launching a race to the bottom by granting Member States the freedom to design their CAP interventions, while failing to establish clear EU-wide sustainability indicators.</td>
<td>Intensive livestock production has severe environmental impacts (GHGs, air &amp; water pollution, AMR, deforestation via feed imports), requiring urgent steps to reduce livestock density &amp; reduce dependencies on imported protein feed. There have been insufficient attempts to spark these shifts by diversifying production systems, i.e. re-integrating crops/livestock &amp; food/feed production on a territorial scale, despite the many co-benefits (incl. rural revitalization &amp; job creation).</td>
<td>High-tech innovations ('precision agriculture') are being promoted under EU research, agriculture &amp; extension policies. These 'techno-fixes' bring efficiencies, but also reinforce production models (large-scale, intensive monocultures &amp; feedlots) which ultimately rely on management practices that are environmentally unsustainable (e.g. chemical inputs rather than system redesign/IPM) &amp; socially unsustainable (i.e. expensive inputs/equipment that reduce employment &amp; increase farmer reliance on agribusiness firms).</td>
<td>With state support declining, ag. research &amp; innovation pathways have increasingly been shaped by private actors who also sell tech packages to farmers, and focused on improving the quality of farm inputs (e.g. seeds, chemical inputs, pharmaceuticals, &amp; machinery). The divestment &amp; privatization of farm advisory services (FAS) has also left major gaps in regard to sustainable land and soil management, leading to poor implementation of EU environmental regulations.</td>
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#### SHORT-TERM POLICY PROPOSALS

<table>
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<tr>
<th>Insufficient climate ambition</th>
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<tr>
<td>Dedicate at least 50% of EU CAP funding to Rural Development (P2) &amp; introduce ‘agroecology premium’ under P2. Eligibility based on: i) EU-level roster of practices ('output indicators') incl. crop rotation, diversification, zero synthetic inputs, integrated pest management (IPM), on-farm feed production (i.e. beyond P1 conditionalities); ii) working with agroecological extension services; and/or iii) simple proxies (community-supported agriculture (CSAs), participatory guarantee schemes (PGS), Organic 3.0)</td>
<td>Reserve CAP coupled payments for nitrogen-fixing leguminous crops, permanent grasslands/pastures, fruit &amp; vegetable production, &amp; trees (agro-forestry)</td>
<td>Increase P1 conditionality following REFIT of environmental regulations (see Objective 1)</td>
<td>Prioritize farmer-led, action-research on agroecology under FP9</td>
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#### MEDIUM- TO LONG-TERM POLICY PROPOSALS

<table>
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<tr>
<th>Insufficient climate ambition</th>
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<th>Reliance on techno-fixes</th>
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<tr>
<td>Reserve all CAP payments for public goods provision under single pillar (merging of cross-compliance &amp; updated agroecological indicators)</td>
<td>Phase out all coupled payments</td>
<td>Phase out routine use of chemical inputs (see also Objectives 1 &amp; 3)</td>
<td>Deliberately assess innovations in line with precautionary principle &amp; multiple aspects of sustainability</td>
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### OBJECTIVES

**OBJECTIVE 2: REBUILDING CLIMATE-RESILIENT, HEALTHY AGRO-ECOSYSTEMS**

**POLICY PROPOSALS**

- **SHORT-TERM POLICY PROPOSALS**
  - Reserve CAP coupled payments for nitrogen-fixing leguminous crops, permanent grasslands/pastures, fruit & vegetable production, & trees (agro-forestry)
  - Increase P1 conditionality following REFIT of environmental regulations (see Objective 1)
  - Make CAP funding conditional on setting national antibiotic use reduction targets & enhanced enforcement of the Veterinary Medicines & Medicated Feed Regulations
  - Prioritize farmer-led, action-research on agroecology under FP9
  - Integrate digital innovations (precision ag.) into agroecological systems based on open source & horizontal exchange; encourage shared ownership of equipment/data via cooperatives
  - Further develop & update agroecological output indicators & performance indicators under European Environment Agency (EEA) & Joint Research Centre (JRC), & in liaison with FAO

- **MEDIUM- TO LONG-TERM POLICY PROPOSALS**
  - Reserve all CAP payments for public goods provision under single pillar (merging of cross-compliance & updated agroecological indicators)
  - Phase out all coupled payments
  - Phase out routine use of chemical inputs (see also Objectives 1 & 3)
  - Deliberately assess innovations in line with precautionary principle & multiple aspects of sustainability
  - Support open-source data systems & include users in design of ag. equipment

### POLICIES IN PLAY

- **CAP P1 & P2, ENVIRONMENTAL REGS, CLIMATE CHANGE/EFFORT SHARING, TRADE, COHESION, RESEARCH & INNOVATION, EXTENSION, COMPETITION**
Highly specialized, industrialized, and chemical-intensive production systems are critically undermining the capacity of ecosystems to control soil erosion, store carbon, purify and provide water, and improve air quality — services that are critical for human and planetary health.\(^{159}\)

Over decades, EU crop and livestock production have been increasingly disconnected, while crop production has specialized in cereals to the detriment of permanent and temporary grasslands, protein crops and oilseeds.\(^{160}\) This has led to increasing mobilization of synthetic inputs,\(^{161}\) as well as reliance on irrigation in water-scarce intensive cropping areas.\(^{162}\) Fertilizer over-use is driving eutrophication.\(^{163}\) Meanwhile, pesticides are a major contributor to the rapid erosion of biodiversity. A study of protected areas in Germany found that more than 75% of flying insects have disappeared in 25 years.\(^{164}\) Global pollinator loss, which severely jeopardizes crop yields, has been estimated to cost €190 to €310 billion per year.\(^{165}\) In the last 100 years, some 75% of global plant genetic diversity has been lost, as a consequence of abandoning multiple local crops in favour of genetically uniform, high-yielding varieties.\(^{166}\) Europe is well off course on commitments to halt the loss of biodiversity and the degradation of ecosystem services.\(^{167}\)

Farming is also a major driver of climate change. The agricultural sector produces about 10% of the EU's total GHG emissions, excluding land use, land-use change, and forestry (LULUCF).\(^{168}\) GHG reductions in the EU farming sector are now plateauing, and without renewed effort, agriculture will start to lag behind other sectors.\(^{169}\) Soil is estimated to contain about 2,500 billion tonnes of carbon to one metre depth, making it the second largest carbon pool on the planet and an essential stake in the fight against climate change.\(^{170,171}\) Many European peatlands — representing important carbon reservoirs — have been degraded by peat extraction and agricultural encroachment, resulting in substantial carbon and nitrogen emissions.\(^{172}\)

Unsustainable trends are particularly apparent in the livestock sector. EU animal production is responsible for most agricultural emissions of methane and nitrous oxide — more powerful GHGs than CO\(_2\) — and is projected to account for 72% of those emissions by 2030.\(^{173}\)

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161 Total pesticide usage continues to increase in several countries For example, Germany almost doubled the sales of insecticide from 2011 to 2016 (875,344 to 15,463,481 kg). France increased by 30% the sales of fungicides and bactericides in the same period (24,523,611 to 31,909,808 kg). (Eurostat, “Sales of pesticides in the EU,” 2018, https://ec.europa.eu/eurostat/web/products-eurostat-news/-/IDON-20181015-1.)


169 Buckwell et al., CAP - Thinking Out of the Box.


171 EASAC, Opportunities for soil sustainability in Europe (Halle: German National Academy of Sciences, 2018).


Furthermore, the EU livestock sector consumes more antibiotics than the human medical sector, and is contributing to the spread of antimicrobial resistance, which accounts for 33,000 deaths per year in the EU. Herd sizes have grown beyond the absorption capacity of ecosystems, driving localized nitrogen emissions. EU poultry production grew by 5.1% between 2015-2016 and by nearly 20% since 2010, on the back of low feed prices and increasing export demand. Pig meat production is also growing: nearly 30 million pigs are now being farmed in Spain alone. Meanwhile, France has 19 million head of bovines. While as much as 58% of EU grain production is now destined for animal feed, protein-rich feed imports into the EU (particularly soymeal) still increased by more than 150% from 1980-2010; these imports come at a major environmental and social cost (see Section 1).

In other words, EU farming systems are exacerbating climate change and are systematically undermining the ecosystems on which they rely. Humanity has gone furthest beyond ‘planetary boundaries’ in the domains most closely linked to agriculture – loss of genetic diversity and the disturbance of phosphorous and nitrogen cycles. A fundamental redesign is required in order to reintegrate agriculture with the environment and rebuild climate-resilient and healthy agroecosystems.

STATE OF PLAY: HOW ARE CURRENT POLICIES ADDRESSING THIS PROBLEM AND WHERE ARE THE GAPS?

Various EU policies help to shape food production models and their environmental impacts. These policies have been significantly reformed over recent years, and have been increasingly aligned with one another.

The current CAP contains a range of provisions for climate mitigation and environmental protection: the obligatory ‘cross-compliance’ standards for keeping land in Good Agricultural and Environmental Condition (GAEC); Pillar 1 green direct payments; and Pillar 2 Rural Development measures (for land management, investments, and advice and capacity building); and the Farm Advisory System (FAS). On the back of growing calls to make the CAP more public goods-focused and results-based, the European Commission has announced a strong focus on climate change and environmental protection in the future CAP (see Box 5). The environmental regulations that underpin CAP conditionality could also be subject to reform in the coming years. The European Commission’s 2019 work plan includes a review (‘REFIT evaluation’) of the Water Framework Directive (containing the Nitrates Directive), the Air Quality Directive, maximum residue levels for pesticides, and the authorisation procedures for plant protection products. Furthermore, rules to curb non-

176 EC Food 2030 Expert Group, Recipe for change.
178 Eurostat, “Agricultural production – animals.”
182 The statutory management requirements (SMRs) farmers must respect are based on various pieces of EU legislation on the environment, food safety, animal welfare, amongst others.
therapeutic antibiotic use were adopted in late 2018, including significant steps to ban the use of human reserve antibiotics and unprescribed animal antimicrobials in veterinary medicine."184

The 2018 CAP reform proposals reiterate the Commission’s calls for Member States to set up a Farm Advisory System (FAS), in order to facilitate the uptake of sustainable practices.185 According to the Commission, FAS should ideally be integrated with broader Agricultural Knowledge and Innovation Systems (AKIS).186 encompassing the interrelated services of farm advisors, researchers, farmer organizations, and other relevant stakeholders.187

Research and innovation (R&I) policies have also been reformed and reintegrated with agricultural policies in order to accelerate the uptake of innovations by farmers. Under the current EU R&I framework, Horizon 2020 (2014-2020), agricultural research is shared between DG Research and DG Agriculture. The ‘Food 2030’ process has framed future research around holistic food system challenges, the realization of the SDGs, and the need to build connections between a wide diversity of food system actors.188 EIP-AGRI, the European Innovation Partnership for ‘Agricultural Productivity and Sustainability’, pools different funding streams under CAP and H2020.189,190 The platform aims to bridge researchers, farmers, NGOs and advisory services and to link complementary types of knowledge – practical, entrepreneurial, scientific – to work together on practical, solution-oriented projects (e.g. Integrated Pest Management approaches).191

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186 AKIS is a set of agricultural organisations and/or persons, and the links and interactions between them, engaged in generation, transformation, transmission, storage, retrieval, integration, diffusion and utilisation of knowledge and information, with the purpose of working synergistically to support decision-making, problem-solving, and innovation in agriculture (N.G. Roling and P.G.H. Engel, The development of the concept of agricultural knowledge and information systems (AKIS): implications for extension (Rome: FAO, 1991)).
189 In addition to this programme, the European Commission has been active in supporting the implementation of the European Research Area and Innovation Union, both of which set out a framework that underpins European R&D programme alignment, leveraging of funds, sharing of resources and infrastructures, and access to data and knowledge.
HOW DO THE 2018 CAP REFORM PROPOSALS ADDRESS ENVIRONMENTAL SUSTAINABILITY?

The ‘greening’ measures introduced in the 2014 CAP reforms required farmers to adopt a standardized set of practices – diversification, maintenance of permanent grasslands, and the creation of ecological focus areas – in order to access their full direct payments. However, this approach has been widely criticized (see ‘State of Play’). In its 2018 CAP reform proposals, the European Commission proposes to subsume some of the greening measures into a set of updated baseline requirements (or ‘new conditionality’) that all farmers must meet to receive CAP payments. Crop rotation and nutrient management plans feature among the updated list of ‘GAECs’, as well as links with important directives (Statutory Management Requirements) including the Water Framework Directive and the Directive on the Sustainable Use of Pesticides. Secondly, Member States would be required to introduce Eco-schemes to reward and/or compensate participating farmers for delivering public goods via organic farming, enhanced management of permanent pastures, and other practices going beyond the baseline. Member States will decide the content of their eco-schemes, as well as how much money is spent on them. Thirdly, Member States would be required to draw up CAP Strategic Plans, indicating how they would meet nine EU-wide economic, environmental and social objectives – including climate mitigation and adaptation, efficient management of natural resources, protection of biodiversity, and the enhancement of ecosystem services. Member states would have significant flexibility to allocate CAP funding across the two pillars in line with how they intend to meet the EU objectives, and would select a limited set of indicators (drawn from a broader EU-level catalogue of output, result and impact indicators) in order to gauge progress in meeting the objectives – marking a shift towards a ‘performance-based’, ‘results-driven’ policy. Meanwhile, contractual, multi-annual environmental management schemes (e.g. premia for organic conversion, conservation agriculture, agroforestry schemes – currently termed Agri-Environment-Climate-Measures or AECMs) would continue under Pillar Two of the CAP; at least 30% of the total Rural Development (‘Pillar Two’) contribution to the CAP Strategic Plans would in fact be reserved for interventions addressing environmental- and climate-related objectives. However, total EU funding for CAP Pillar 2 looks set to be cut by around 25%, with Member States asked to make up the shortfall.

However, current policies – and the proposals for reforming them – leave many questions unanswered. While on paper the EU has called for deep policy integration (e.g. between research, innovation, and agricultural policies), the underlying paradigm remains unchanged, and therefore highly problematic in terms of meeting massive environmental sustainability challenges. And while bold environmental ambition has been tabled, the conditions for achieving these goals are being critically undermined. The following shortcomings are particularly acute:

- **CAP reform proposals fail to respond to the climate emergency, and risk launching a race to the bottom between Member States.** The prevailing ‘income support’ logic in the CAP means that highly-polluting forms of agriculture continue to be subsidized (including intensive livestock – see below). According to the European Court of Auditors, greening has led to improved practices on only 5% of EU farmland, and essentially remains ‘an income support scheme’.  

192 The European Commission CAP proposals reiterate that Pillar 2 payments are limited to those covering additional costs and income foregone resulting from commitments going beyond the baseline of mandatory standards and requirements established in Union and national law, as well as conditionality, as laid down in the CAP Strategic Plan.

The environmental performance of today’s CAP is undermined by lack of integrated assessment, leading to failure to identify and act on objectives and approaches that clash.\textsuperscript{194} The latest CAP reform proposals risk exacerbating these problems and launching a race to the bottom by granting Member States the freedom to design their CAP interventions, while failing to establish clear EU-wide sustainability indicators, as noted by the Court of Auditors.\textsuperscript{195} Furthermore, the proposals are based on unrealistic and unsubstantiated climate mitigation predictions,\textsuperscript{196} and fail to address concerns about how environmental performance can be reliably measured across the EU.\textsuperscript{197} Only limited guidance is given as to what might be funded by national Eco-schemes, while the proposals fail to guarantee any spending on biodiversity, and make it optional rather than mandatory for farm advisory systems (FAS) to advise on climate mitigation approaches (including agroecology).\textsuperscript{198} The proposals therefore open the door for environmental dumping (e.g., concentrating support measures in strategic sectors) or for limiting environmental ambitions for fear of losing competitiveness in the absence of a level playing field.\textsuperscript{199} The precedents are not encouraging: Member States have failed to take up opportunities to green their CAP portfolios in the past. For example, only 16.8% of total Rural Development spending for 2014-2020 has been earmarked for Agri-Environment-Climate-Measures (AECMs), compared to 30% allocated to physical investments and farm business developments;\textsuperscript{200} meanwhile, the vast majority of Member States continue to channel coupled payments to the high-emitting meat and dairy sectors.\textsuperscript{201}

- EU policies are failing to promote livestock shifts and sustainable food system planning on the territorial level. Intensive livestock production has severe environmental and health impacts (including GHGs, air and water pollution, antimicrobial resistance, and deforestation via feed imports). Steps are urgently needed to move towards a lower animal per hectare production process;\textsuperscript{202} to diversify production in a way that cycles nutrients, and reuses waste flows;\textsuperscript{203} and to reduce severe dependencies on imported feed. Despite some improvements driven by the Nitrates Directive, there are still regions of major concern for nitrate pollution, while little has been done to support grasslands in the face of competing land uses.\textsuperscript{204} Furthermore, there have been insufficient attempts to think on a territorial scale, i.e. to diversify production systems, reintegrate crops and livestock, combine food and feed production, and relocalize value-adding activities, despite the many co-benefits of such an approach (including rural revitalization and job creation). This reflects underlying shortcomings in regard to promoting territorial food system planning and complementarities between governance levels (see Section 4.4).

\textsuperscript{195} “While the case for EU environmental and climate change-related actions is strong, the data and the arguments used to support the needs assessment for farmers’ income are insufficient.” (ECA, Opinion No 7/2018 (pursuant to Article 122(1)(a) TFEU) concerning Commission proposals for regulations relating to the Common Agricultural Policy for the post-2020 period, COM(2018) 392, 393 and 394 final, 2018.
\textsuperscript{196} “We have already questioned the justification for the corresponding figure from the current period – 19.46% – and reported that it is not a prudent estimate. Hence, we find the estimated CAP contribution towards climate change objectives unrealistic.” (Ibid.)
\textsuperscript{197} Gathering and processing the relevant data in order to gauge how well farms are performing environmentally requires a level of administrative capacity that is lacking in many Member States, and will take considerable time to develop. See for example, Hart et al., The consequences of climate change for EU agriculture; E. Erjavec, “The CAP Communication: Paradigmatic change or empty rhetoric?” CAP Reform.eu, December 21, 2017, http://capreform.eu/the-cap-communication-paradigmatic-change-or-empty-rhetoric/
\textsuperscript{199} The Court of Auditors.
\textsuperscript{201} “Greater subsidiarity could help Member States define interventions better targeted towards their specific needs. However, as the Commission itself identified in its impact assessment, having variable eligibility criteria could also risk failing to guarantee a level playing field, the importance of which was a key message arising from the public consultation.” (ECA, Opinion No 7/2018).
\textsuperscript{203} Falkenberg, “Sustainability Now!”
\textsuperscript{204} “Climate change and the principle of the circular economy ask for a rethinking of the role of the animal sector in the food system, making use of waste streams and permanent grassland. This goal also includes recovering forgotten crops that can contribute to nutrition, resilience and the conservation of genetic diversity of seeds, cultivated plants and animals in the global food system.” (EC Food 2030 Expert Group, Recipe for Change.)

58 TOWARDS A COMMON FOOD POLICY FOR THE EUROPEAN UNION
The prevailing innovation paradigm relies on techno-fixes that entail trade-offs between different aspects of sustainability. High-tech, digital innovation (‘smart farming’ or ‘precision agriculture’) will be increasingly promoted under the CAP,205 as well as under the post-2020 EU research framework – FP9 or ‘Horizon Europe’ – where €10 billion has been earmarked for food, agriculture, rural development, and the bioeconomy, with a clear focus on digitization and precision agriculture.206 In implementing farm advisory systems (FAS), Member States have been encouraged to use big data and new technologies, and to accelerate the digitization of farm life.207 However, experience has shown that capital-intensive ‘techno-fixes’ reinforce the trends towards intensive, large-scale monoculture-based production, leading to trade-offs between different environmental impacts, or between environmental and socio-economic sustainability.208 For example, intensive (indoor) farm animal systems may be best-placed to implement methane capture technologies; yet these generate unmanageable levels of manure waste, contribute to the disappearance of permanent grasslands (with detrimental impacts for CO2 emissions and biodiversity), and impact animal welfare. And while they may reduce environmental impacts, precision technologies risk deepening socio-economic problems in the farming sector, for example by making farmers more reliant on agribusiness firms, more dependent on credit, and potentially reducing rural employment. Furthermore, the promotion of precision agriculture through CAP, research and extension policies focuses the debate on technological product-based innovation rather than process and social innovation,209 and entrenches a top-down, one-way model of knowledge transfer rather than promoting horizontal knowledge-sharing and participatory agroecological research.210 A vicious cycle has taken root: the failure to build knowledge on alternative modes of production leaves the EU hostage to short-term techno-fixes, in spite of their proven harm. This was demonstrated by the recent renewal of the glyphosate license, despite various studies proving the negative impact of glyphosate on soils and water211 and requirements to avoid these impacts under the EU legislative framework for the approval and use of pesticides.212 The 2018 CAP reform proposals fail to spell out how smart technologies can remain ‘open source’, how they can be reconciled with other forms of innovation, and ultimately how harmful chemicals can be phased out and replaced by sustainable practices.
With private companies playing an ever-greater role in research, innovation, and extension, farmers lack the independent advice they need to transition to sustainability. Agricultural research has been increasingly privatized since the 1980s. The drop in public investment is now manifesting in lower quality public R&D systems across the EU28. It is also allowing private actors to set the research agenda, with a focus on improving the quality of farm inputs (e.g. seeds, chemical inputs, pharmaceuticals, and machinery), based on assumptions of large-scale, highly-specialized, input-intensive and capital-intensive production. Private-led extension services have also become the norm, sparking major conflicts of interest: private companies not only provide extension services to farmers, but also sell them technology packages. The extent of state involvement in Farm Advisory Systems (FAS) also varies around Europe, where state-led services continue to be delivered, farmers tend to associate them with the burden of farm inspections (i.e. CAP cross-compliance), undermining their effectiveness and accelerating the shift towards private sector providers.

The withdrawal of the public sector has led to the breakdown of communities of knowledge between farmers, extension agents, suppliers, research institutes, and other actors. The privatization and defunding of advisory services has also left major gaps in regard to sustainable land and soil management, leading to poor and uneven implementation of EU environmental regulations. For example, despite Integrated Pest Management (IPM) being a cornerstone of the Sustainable Use of Pesticides Directive, IPM has not been systematically applied. Meanwhile, implementation of the Nitrates Directive has been generally poor, with advice lacking on the adoption of sustainable practices allowing for reduced fertilizer usage. According to the European Academies’ Science Advisory Council (EASAC), achieving sustainable soil management requires the strengthening of independent advisory and extension services, and new modes of knowledge dissemination.

216 See Goulet et al., “Émergence des conseillers privés: De nouvelles interrogations pour la recherche”; Labarthe et al., “Privatisation du conseil et évolution de la qualité des preuves produites pour les agriculteurs”.
217 Agricultural research outputs are often ‘scale-positive’ in that they are geared towards and more readily available to large-scale farmers who have better access to information, resources, and credit. See for example, E. Tollens, J.D.T. Tavernier, “World food security and agriculture in a globalizing world: Challenges and ethics,” Ethical Perspectives 13 (2006): 93-117.
218 The Council Regulation 73/2009 establish that the Farm Advisory System must include the overall organisation of both public and private operators that deliver farm advisory services to a farmer in a Member State. Most Member States have established a system for the accreditation of FAS operating bodies and a system for certification of advisors.
222 Goulet et al., “Émergence des conseillers privés: De nouvelles interrogations pour la recherche.”
226 EASAC, Opportunities for soil sustainability in Europe.
In order to build climate-resilient and healthy agro-ecosystems, the various policies shaping agricultural pathways – CAP, research, and extension policies – must be re-integrated around a new paradigm: namely, a shift towards agroecology. The benefits of agroecology have been recognized by a range of institutional, scientific, and civil society actors (see Box 6). A growing body of studies, assessments, and symposia have documented the major potential of agroecological systems to address the systemic challenges in food systems and deliver multiple benefits to society.\textsuperscript{227} In particular, diversification of farms and farming landscapes has been identified as key to driving down the use of synthetic inputs and reviving natural synergies and ecosystem services.\textsuperscript{228} The economic benefits of agroecology are becoming increasingly apparent, in particular via reduced input costs and the provision of environmental services.\textsuperscript{229} Furthermore, agroecology is rooted in participatory, action-oriented research, and experimentation. This paves the way for knowledge-intensive (rather than capital-intensive), locally-adapted innovations to be developed by and shared between small and medium-scale producers, allowing farmers to meet new and evolving challenges such as adapting to climate change, natural resource scarcity, and new pests and disease threats.

\textsuperscript{227} For an overview, see IPES-Food, From Uniformity to Diversity.
\textsuperscript{229} A recent French study found that income could be increased by €200/hectare while halving nitrate and herbicide use and allowing natural pollinators to flourish in a more diversified landscape. (D. Bourguet and T. Guillemaud, “The Hidden and External Costs of Pesticide Use,” Sustainable Agriculture Reviews 19 (2016): 35-120.)
Agroecology is the application of ecological science to the study, design, and management of food systems. It also represents a social movement promoting the transition to fair, just, and sovereign food systems. Diversified agroecological systems, as defined by IPES-Food, encompass wide-ranging practices underpinned by a clear set of principles and a clear direction of travel, i.e. diversifying farms and farming landscapes, replacing chemical inputs with organic materials and processes, optimizing biodiversity, and stimulating interactions between different species, as part of a holistic strategy to build long-term soil fertility, healthy agroecosystems, and secure and just livelihoods. There is overlap between agroecology and the foundational principles of organic agriculture.

Agroecology has been recognized by the IAASTD global agriculture assessment and by the FAO as key to building sustainable food systems in the medium- to long-term, in light of the systemic approach it employs and the emphasis it places on the economic, environmental, and social dimensions of sustainability. Its potential has also been underlined in a report prepared by the chief sustainability advisor to the European Commission president, which underlined that "agroecology brings back to farming the three dimensions of sustainable development". According to the 3rd SCAR report, agroecology is key to meeting the short-term priorities (i.e. developing low-input 'sustainable intensification' technologies) and the long-term imperatives (i.e. redesign of food and farming systems) of European food systems. Agroecology is already embedded in the CAP, and many are now calling for it to be further emphasised. The Rural Development regulation entrusts EIP-AGRI with promoting a resilient agricultural sector working towards agroecological production systems. In its December 2018 opinion on CAP reform, the Committee of the Regions called for agroecological and agro-forestry production methods to be made the priority of future research policy, and mainstreamed into Rural Development policy. Agroecological transition is identified as one of the main priorities for EU agriculture in a CAP 2020 position paper published by the French Government. The ‘Good Food, Good Farming, Now’ statement, signed in 2017 by 150 NGOs, argued that organic and agroecological agriculture represent credible alternatives, and should be front and centre in CAP reform.

Firstly, rebuilding climate-resilient and healthy agro-ecosystems cannot be achieved without a fundamental shift in the rationale for CAP payments, which must be refocused on rewarding public goods. Just as the continuation of fossil fuel subsidies undermines commitments to address climate change and promotes a renewable-based energy supply, the continued subsidisation of industrial agriculture undermines the transition to sustainable food systems – and can no longer be an acceptable use of public resources. Furthermore, strong standards must be defined at the EU level, rather than risking a race to the bottom between Member States.
Specifically, strong incentives for agroecology are required, building on the targeted nature of existing Pillar 2 programs. At least 50% of EU CAP funding should be dedicated to Rural Development, and primarily earmarked for an ‘Agroecology Premium’. Eligibility for the premium would be based on: i) an EU-level roster of practices (‘output indicators’) going beyond conditionality in CAP Pillar 1; ii) working with agroecology-focused advisory services; and/or iii) simple proxies such as Community Supported Agriculture, participatory guarantee schemes (PGS), and ‘Organic 3.0’. These criteria are described in more detail in Box 7.

Meanwhile, direct payments should continue to be offered under Pillar 1 of the CAP, but would be subject to a rising baseline of conditionality, particularly in regard to soil management (see Section 4.1), in line with the aspirations of the European Commission’s planned ‘refit’ exercise described above. While the scaling out of agroecology will demonstrate the general viability of farming without agrochemicals, regulatory reforms may ultimately be needed to accelerate the phase-out of routine uses of chemical inputs, which must constitute a long-term goal of a Common Food Policy. While steps need to be carefully sequenced, the food and farming sectors should be left in no doubt about the direction of travel, and therefore able to anticipate a steadily rising baseline of sustainability requirements. In the medium- to long-term, all CAP income support payments should be phased out, alongside remaining commodity-linked coupled payments (see below), in order to refocus all CAP payments on public goods provision under a single pillar.230

**BOX 7**

**THE AGROECOLOGY PREMIUM: A NEW RATIONALE FOR CAP PAYMENTS**

An agroecology premium under CAP Pillar 2 would provide a strong and simple support mechanism for the transition to agroecology. Eligibility for the premium would be based on farmers applying a set of agroecological practices going beyond Pillar 1 conditionality, such as: ambitious crop rotations and diversification (including the use of leguminous nitrogen-fixing crops and permanent soil cover); zero routine use of synthetic inputs, systematic use of Integrated Pest Management (IPM), and on-farm feed production for farms with a livestock component. The roster of practices would be defined and updated at EU level, under the supervision of existing EU agencies – including the European Environment Agency (EEA) and the Joint Research Centre (JRC) – in liaison with the FAO. The roster of practices could draw on the most ambitious approaches applied by Member States for eligibility and implementation of Pillar 2 agri-environment schemes, as well as taking inspiration from farmer-led efforts to develop informal agroecological definitions and certifications (see below).

The roster of practices would constitute what are typically referred to as ‘output indicators’ (corresponding to basic production standards and requirements) rather than ‘impact indicators’ to measure performance. While capacity for measuring impacts should be rapidly increased and deployed, building a performance-based system is highly complex and will take time to develop (see State of Play). Robust EU-wide agroecological output indicators are therefore considered here to provide a stronger guarantee of holistic sustainable approaches being adopted, as well as preventing the proliferation of divergent definitions, ambitions, and requirements at national level.

Member States would, nonetheless, be able to decide specific eligibility criteria for the Agroecology Premium in drawing up their Rural Development plans, for example deciding what combination(s) of practices guarantee access to the premium. Over time, farmers could also qualify for the agroecology premium on the basis of collaboration with Farm Advisory Systems to transition to agroecology, in line with the revamp of these services.

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230 Over time, the rising baseline of Pillar 1 cross-compliance would converge with the agroecological indicators used in Pillar 2, forming a new common baseline of standards for granting payments under a single pillar.
proposed below. In order to simplify administrative procedures and cater to the diversity of agroecological approaches, a set of simple proxies for agroecological farming could also be used to facilitate access the premium, including:

- **PARTICIPATORY GUARANTEE SCHEMES (PGS).** Membership of farmer-run PGS schemes offers an alternative to formal certification and is well-adapted to the diverse and locally-specific nature of agroecology, as well as to the need to empower farmers and reduce reliance on costly administrative procedures and brokers of market access. PGS schemes are exploring ways of guaranteeing agroecological methods, including with use of new technologies.¹

- **COMMUNITY SUPPORTED AGRICULTURE (CSA).** CSA schemes involve a commitment to diversified, seasonal, and generally organic production that is overseen by the consumer participants themselves. They also put price-setting in the hands of the farmer. These schemes, which are federated and self-regulated within regional and national networks of CSAs, offer a useful proxy for agroecology in terms of their aspiration to the triple bottom line of sustainability. The first comprehensive report on CSA initiatives in Europe points out that “the Nyéléni definition of agroecology fits CSA”.²

- **‘ORGANIC 3.0’.** While organic certification does not guarantee ambitious redesign and diversification of farming systems, and does not always guarantee fulfilment of the organic principles,³ it provides a baseline guarantee of more sustainable practices, particularly when practiced across the whole farm. Using organic as a proxy for agroecology will be increasingly viable as organic certification procedures evolve: the ‘Organic 3.0’ vision envisages convergence between organic and agroecology, the inclusion of social equity alongside environmental concerns, and a greater role for informal, participatory governance of organic.⁴

- **FARMS LOCATED IN PESTICIDE-FREE ZONES** or other territorial transition initiatives.


⁴ ibid.

While an increasingly agroecology-focused CAP would remove key incentives for highly-industrialized, intensive, and polluting modes of production, additional steps are required to accelerate shifts towards sustainable livestock management and to reduce EU feed import dependency. In the short-term, commodity-linked (coupled) CAP payments could be leveraged for this purpose. Rather than continue to channel these payments to the livestock sector, **coupled payments should be reserved for nitrogen-fixing leguminous crops, permanent grasslands and pastures, fruit and vegetable production, and trees (agro-forestry).**²³¹

²³¹ The current legislative framework (Chapter 1 of Title IV of European Parliament and Council Regulation (EU) No 1307/2013) only allows support to a closed list of 21 potentially eligible sectors (cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheep meat and goatmeat, beef and veal, olive oil, silk worms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice). While fruit trees are included, other species of trees should be added by amending the regulation (art 5552).
Furthermore, support for sustainable territorial livestock management schemes should be offered under Rural Development, as part of a broader shift towards territorial food system governance and sustainable regional development planning (see Section 4.4). In addition, national CAP payment envelopes should be made conditional on Member States setting antibiotic use reduction targets, and enhanced enforcement of the Veterinary Medicines & Medicated Feed Regulations – building on the recent adoption of EU actions to crack down on routine antibiotic use. In the longer term, livestock density limits (animals per hectare) could be introduced in line with the EU Organic Regulation.

Comprehensive approaches to reduce livestock feed dependency have been endorsed by the European Parliament in its 2018 proposals for an ‘EU Protein Plan’ and in a resolution on deforestation. Furthermore, experience to date has shown that the use of coupled payments within comprehensive protein strategies is effective in raising protein production. However, it is crucial to avoid simply replacing tropical feed monocultures with European monocultures of protein-rich grains in markets dominated by feed (e.g., soya) or energy (e.g., rapeseed). The proposal above, therefore, includes incentives for extensive and mixed systems (agroforestry), and seeks to encourage leguminous protein production for feed and food - given the dietary benefits - as well as cracking down on the most harmful forms of livestock production.

The new livestock paradigm would be embedded in a broader shift in EU food production and consumption as part of the overarching Common Food Policy vision. While grazing lands and pastures would still be largely used for extensive livestock production, the general reduction in intensive livestock and feed-grain production would free up land for other uses, including increased production of fruits and vegetables to help meet dietary requirements (see Section 4.3) without increasing the external footprint of EU food demand. Studies have demonstrated that enough resources are available in Europe to support sustainable diets, providing that livestock production is de-intensified and that food and feed competition is reduced – among other shifts.

The paradigm shift to agroecology also requires advisory systems to be fundamentally revamped. In order to secure progress on this front, Member States should be required – as a condition for unlocking CAP payments – to develop independent Farm Advisory Systems (FAS) based on separation of sales and advisory activities (including for seeds), minimum quality standards, and territorial coverage. Their services should cover economic, environmental, and social dimensions, and facilitate acquisition of the skills and knowledge to implement a transition to agroecology, including via farmer-to-farmer learning and exchange. Independent FAS should be registered at the EU level rather than by Member States.

In parallel, research and innovation policies should be refocused on participatory agroecological research, involving researchers and farmers, in line with the recommendations of the Committee of the Regions and the EU Standing Committee on Agriculture Research (SCAR). Technologies that are affordable and accessible for

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232 A DG Environment-commissioned feasibility study on anti-deforestation measures suggested the creation of Rural Development ‘Focus Areas’ based on reducing livestock protein feed requirements. (COWI, Ecolys and Milieu, Feasibility study on options to step up EU action against deforestation.)


235 There is evidence that more targeted approaches can succeed in rebalancing production and raising the production of diverse leguminous crops, including for human consumption. For example, under the French Plan for Protein Crops (2014-2020) the harvest of dry pulses and protein crops for the production of grain increased by 20% in France from 2014 to 2017, while the harvest of leguminous plants harvested green increased by 30% in the same period. Eurostat, Crop production in national humidity.


238 According to the Committee, approaches that represent building blocks towards low-input high-output systems, and integrate historical knowledge and agroecological principles that use nature’s capacity, should receive the highest priority for funding. (Freibauer et al., Sustainable food consumption and production in a resource-constrained world.)
a large number of farmers should be prioritized via EU policies: digitization-based innovations (i.e. precision agriculture) must be integrated into agroecological systems based on principles of open source access and horizontal exchange. In order to avert the risks of increasing corporate control over the farming sector, the EU should promote and support shared ownership of equipment and data via producer cooperatives, as well as mainstreaming farmer-to-farmer exchange to democratise the use of data and to transfer and share information among a farming community quickly. Furthermore, the EU should closely monitor and act against the consolidation of big data; under the Merger Regulation, the EU should block agribusiness mergers leading to over-consolidation of farm data.

Seed policies must also be adapted to the new agroecological paradigm. The EU marketing requirements for seed and plant propagating material should be aligned with facilitating the marketing of farmers’ breeds, open pollinated varieties, and locally adapted and robust varieties which are fertile and reproducible. These rules should not undermine the development and conservation of genetic diversity, which stands at the core of agroecological breeding, and should avoid undue administrative burden for on-farm seed breeders.

The EIP-AGRI innovation platform should also be refocused on participatory research for agroecology. Funds should be earmarked for collective learning procedures that have proven effective in fostering the co-creation of knowledge, and for building networks of advisory services and researchers involved in promoting sustainable innovation in agriculture. Furthermore, in combination with adapted Rural Development measures, EIP-Agric should support genetic diversity by revitalizing seed breeding methods that are underutilized by conventional agriculture, and fostering the free exchange of seeds.

In the longer-term, a shift is required from one-way knowledge transmission (from industry or researchers to farmers) to horizontal and bottom-up approaches. Multi-region EIP-AGRI Operational Groups could be developed to increase EU added value.239 The long-term goal should be to build an integrated EU-wide agricultural knowledge and innovation system (AKIS) focused on participatory agroecological research,240 linking national and regional AKISs through a hub for developing and exchanging best practices and experiences. The integrated EU AKIS would monitor the state of the transition of EU agriculture towards agroecology. By connecting AKIS systems to EIP-AGRI activities, they would better serve the purpose of speeding up innovation.241 Consideration should also be given to incentivising innovation-focused farmer-to-farmer exchange programmes between Member States and regions.242 As these approaches only work if they are embedded in the regional context, they could be developed in pilot regions (as encouraged by the LEADER programmes).243

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240 According to a recent evaluation study of the implementation of EIP-AGRI, by reducing fragmentation and improving knowledge flows, the EIP-AGRI provides a crucial opportunity to build coherent national / regional agricultural knowledge and innovation systems (AKISs). (Coffey International Development, Evaluation study of the implementation of the European Innovation Partnership for Agricultural Productivity and Sustainability, Study conducted on demand of the European Commission (Luxembourg: Publications Office of the European Union, 2016).)
241 Ibid.
242 Ibid.
243 Freibauer et al., Sustainable food consumption and production in a resource-constrained world.
As explained at the outset of Section 4, farmers cannot undertake the transition to agroecology on their own. Realignment of all production-side policies around agroecology would allow major progress to be made. But ultimately, this alignment must extend all along the chain: the steps mapped out in Sections 4.3 and 4.4 to reshape food retail and consumer demand are therefore an integral part of the agroecological vision. Likewise, the steps in this section to promote agroecology and move away from an area-based CAP payment logic, would benefit small-scale farmers and support the development of short supply chains (See Section 4.4); it would also reduce the incentives for over-production in highly subsidized sectors, thereby reducing the risks of dumping (see Section 4.5).
4.3

OBJECTIVE 3: PROMOTING SUFFICIENT, HEALTHY AND SUSTAINABLE DIETS FOR ALL

Unhealthy diets are driving an obesity epidemic and an explosion of NCDs: the leading cause of death in Europe. Improving diets requires a range of policies to be realigned - from urban planning to food taxes and marketing rules - to build food environments in which the healthy option is the easiest. Cheap calories can no longer be a substitute for social policies, which must be rebuilt and redesigned to tackle the root causes of poverty and promote access to healthy food for all. The EU must reform public procurement and VAT rules, and comprehensively restrict junk food marketing, in order to shift the incentives in favour of healthy and sustainable diets. Furthermore, the EU should require Member States to develop Healthy Diet Plans (covering public procurement, urban planning, fiscal and social policies, marketing, and nutrition education) as a condition for unlocking CAP payments.
### OBJECTIVE 3
**PROMOTING SUFFICIENT, HEALTHY AND SUSTAINABLE DIETS FOR ALL**

<table>
<thead>
<tr>
<th>GAPS &amp; DISCONNECTS IN CURRENT POLICIES</th>
<th>SHORT-TERM POLICY PROPOSALS</th>
<th>MEDIUM- TO LONG-TERM POLICY PROPOSALS</th>
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<tr>
<td>Failure to build healthy ‘food environments’. Diets are influenced by physical proximity to food retail outlets &amp; the broader ‘food environment’. However, policymakers have proven reluctant to take the requisite actions to reshape public spaces, built environments, lifestyles &amp; consumer habits to promote healthy diets. Private companies have been allowed to shape retail environments, nudge consumers towards unhealthy foods &amp; market junk food to children. The incentives for healthy foods are not strong enough.</td>
<td>Develop post-2020 EU Childhood Obesity Action Plan with progress monitoring &amp; annual updating of plans (incl. alignment with National Healthy Diet Plans - see below)</td>
<td>Establish EU directive on marketing of HFSS &amp; highly-processed foods incl. TV advertising bans; prohibition of HFSS product advertising on public transport; ban on HFSS products in public vending machines &amp; supermarket checkouts; no-HFSS perimeters around schools; &amp; digital marketing restrictions</td>
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<td></td>
<td>Develop &amp; implement National Healthy Diet Plans (‘Food Environment’ Plans) incl. fiscal policies, social policies, public procurement, zoning &amp; licensing, &amp; nutrition education as condition for unlocking CAP funding</td>
<td>Establish a common mandatory front-of-pack nutrition labelling scheme at EU level</td>
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<td>Establish nutrient profiles under EU Claims Regulation to prevent misleading health claims</td>
<td>Establish nutrient profiles under EU Claims Regulation to prevent misleading health claims</td>
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<td>Adopt EU ban on trans-fats</td>
<td>Adopt EU ban on trans-fats</td>
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<td>Cheap food as de facto social policy. Poverty &amp; social exclusion undermine access to healthy diets via long working hours, poor physical access to healthy food, loss of cooking skills etc. Providing cheap food through mass production of staple commodities or via food banks has become the default solution, but fails to tackle the root causes of poor diets. Robust anti-poverty strategies &amp; social safety nets are required, but are being undermined by national and EU austerity policies.</td>
<td>Exempt fruits &amp; vegetables from VAT</td>
<td>Deliver social policies that address inequality, and work towards a food system where access to healthy &amp; sustainable diets is a human right</td>
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<td>Regularly assess levels of food insecurity in the EU; Develop indicators of EU food poverty drawing on annual assessments conducted by Member States</td>
<td>Establish single monitoring, advisory &amp; oversight body to support design, implementation, &amp; evaluation of National Healthy Diet Plans &amp; to tackle food insecurity</td>
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<td>Failure to connect supply- and demand-side policies. The supply, pricing &amp; availability of different foods is influenced by agri-trade policies &amp; underlying food system dynamics. Supply gluts &amp; food industry practices help to make highly-processed/HFSS foods cheap and abundant, while fruit &amp; vegetable production is not sufficiently incentivized. EU &amp; Member State policies on diets/obesity have been piecemeal &amp; tend to ignore agriculture. Procurement policies have been insufficiently used to drive production shifts, while supply-side policies (e.g. CAP promotion schemes) continue to promote unhealthy foods.</td>
<td>Ensure public procurement supports sustainable farming and healthy diets by i) requiring externalities to be included in cost calculations; &amp; ii) including food sustainability &amp; nutrition guidelines in Green Public Procurement</td>
<td>Align price/availability of foods with healthy diets by reforming production policies: removing coupled livestock payments, supporting diversified agroecological systems &amp; leguminous crops, and capturing social &amp; environmental externalities of food production (see Objectives 2 &amp; 4)</td>
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<td>Reform EU School Fruit Scheme to i) expand budget; ii) make it mandatory to apply quality criteria; and iii) remove exemptions for added sugar, salt and fat</td>
<td>Develop EU &amp; national dietary guidelines for healthy and sustainable diets</td>
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<td>Develop EU &amp; national dietary guidelines for healthy and sustainable diets</td>
<td>Reserve CAP promotion funding for healthy items</td>
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**Policies in play:** CAP, TRADE, FOOD AID, PUBLIC PROCUREMENT, QUALITY SCHEMES, COMPETITION, MARKETING, HEALTH CLAIMS, FOOD SAFETY, ZONING & LICENSING, URBAN PLANNING, FISCAL & SOCIAL POLICIES, EDUCATION
Unhealthy diets constitute the leading risk factor for the entire burden of mortality and disease in the EU. In particular, unhealthy diets are responsible for many non-communicable diseases (NCDs), e.g. cardiovascular disease, cancer, and diabetes, which account for 86% of mortality and 77% of the disease burden in Europe. Obesity has been identified as the primary cause in as many as 80% of type 2 diabetes cases in the EU, 55% of hypertensive diseases in adults, and 35% of heart disease. The economic costs are huge: globally, obesity has roughly the same economic impact (about €1.75 trillion or 2.8% of global GDP) as smoking or the combined costs of armed violence, war, and terrorism; chronic diseases already account for up to 80% of healthcare spending in the EU.

NCDs are largely preventable, and eating habits have an important role to play in any prevention strategy. There is consensus on the basic dietary patterns that increase or reduce the risk of obesity and NCDs. According to the World Health Organization (WHO), healthy diets are based on nutrient-rich foods, such as vegetables, fruits, whole grains, pulses (beans), nuts, and seeds with limited intake of fats, free sugars, and salt. The WHO European Food and Nutrition Action Plan 2015–2020 calls for only limited consumption of energy-dense, micronutrient-poor foods and beverages, i.e. those “high in energy, saturated fats, trans fats, sugar or salt” – often referred to as HFSS foods. With some 20% of EU citizens now obese, it is clear that diets are diverging significantly from recommended patterns. Average fruit and vegetable consumption is below the WHO’s recommended 400g per day in 22 EU Member States, with poorer households tending to be far below this threshold. Average EU meat and dairy consumption remains above recommended levels.

Access to healthy diets has been undermined by economic hardship. In 2015, 23.7% of EU citizens were at risk of poverty or social exclusion, with inequality rising across Europe. Although food has shrunk as a share of household expenditure from close to 40% in the 1950s to an average of less than 15% today, this figure varies greatly between Member States and population groups. In a low-income context, inelastic expenses (e.g. housing, utilities) tend to take precedence, and cheaper convenience foods are substituted for healthier items. Outright food insecurity remains a reality for many Europeans, and has risen in the wake of the 2008 economic crisis: as much as 8.7% of the European population was affected by food insecurity in 2011, up from...
6.5% in 2003.257 Millions of people are turning to emergency food aid on a regular basis: in 2016, food banks across Europe distributed over 2.9 million meals daily to 6.1 million people.258,259

STATE OF PLAY: HOW ARE CURRENT POLICIES ADDRESSING THIS PROBLEM AND WHERE ARE THE GAPS?

Since the entry into force of the Treaty of Amsterdam in 1999, the EU is obliged to ensure “a high level of human health protection [...] in the definition and implementation of all Community policies and activities”. The protection of human health is now referred to as a transversal requirement in the Treaty on the Functioning of the European Union (Articles 9 and 168), and in the European Charter of Fundamental Rights (Article 35). A range of strategies and roadmaps have duly been devised at EU and national levels to promote healthy diets, including the 2007 Strategy for Europe on Nutrition, Overweight and Obesity-related health Issues, and the EU Action Plan on Childhood Obesity 2014–2020.260 In addition, EU Member States have joined the WHO European Food and Nutrition Action Plan 2015–2020, which covers the EU plus additional countries in the WHO European Region.261

A range of actions have been taken by Member States in the remit of these plans, including: bans (e.g. Cyprus, Denmark, France) or restrictions (e.g. Slovakia, Slovenia, Bulgaria, Hungary) on vending machines in schools; salt reduction campaigns and targets (Finland, UK); and limits (Latvia, Hungary and Austria) and bans (Denmark) on trans-fats. These steps have been supported by initiatives at EU level, e.g. through the EU ‘Salt Reduction Framework’ promoted by DG SANCO (now SANTE) in 2012 to support national plans, and the 2015 European Commission proposal for a legal limit on trans-fats.

Although social policy is primarily a national responsibility, several tools exist at EU level for addressing poverty and food insecurity. For example, under the Fund for European Aid to the Most Deprived (FEAD), food aid and/or basic material assistance can be provided to disadvantaged people, with member states co-financing at least 15% of their national programs. FEAD complements the European Social Fund (ESF)262, the EU’s main tool to support employment, social inclusion, education and improving public services across the Member States. The 2013 CAP reforms also introduced the “promotion of social inclusion, poverty reduction, and economic development in rural areas” as a new Rural Development priority; most funding under this priority is channelled into bottom-up local development strategies.263

260 The EU Action Plan on Childhood Obesity 2014-2020 includes the following objectives: i) ‘Promoting healthier environments, especially in schools and pre-schools’; ii) ‘Making the healthy option the easier option’; and iii) ‘Restricting marketing and advertising to children’. The plan also seeks to inform and empower families to develop healthy food habits, with a priority given to disadvantaged communities (e.g. nutrition and cooking skills classes offered through cooperatives and food banks). (European Commission, EU Action Plan on Childhood Obesity 2014-2020, https://ec.europa.eu/health/sites/health/files/nutrition_physical_activity/docs/childhoodobesity_actionplan_2014_2020_en.pdf.)
261 The Action Plan aims to reduce the burden of preventable diet-related NCDs, obesity and all forms of malnutrition in Europe, through inclusive access to affordable, balanced, healthy food; to reduce inequalities in accessing healthy food; and to create health enhancing environments, with particular consideration given to participatory approaches. (See WHO document EUR/RG64/14.)
262 With a budget of €10 billion per year, the ESF supports groups who may not otherwise access training, or obtain qualifications to find work. While strategy definition is done at EU level, ESF implementation and funding is allocated at the member state and regional level. At least 20% of the ESF budget must be used to help socially marginalised people into jobs (e.g. youth, women, migrants, disabled).
263 Across the EU28 the large majority of Priority 6 funding is currently going into the bottom-up LEADER program, as well as basic services and village renewal. In most member states, funding is administered via Local Action Groups (LAG). From 2000-2006, the CAP’s LEADER program has enabled the creation of 893 local action groups across the EU, covering 1,577,386 km2 through 2.1 billion euros of funding. The LEADER programme (Liaison Entre Actions de Développement de l’Économie Rurale or ‘Links between rural economy development actions’) outlines a method for local actors to collaborate in the design and implementation of local development strategies, decision-making, and resource allocation in various forms since 1991. Over the 2007-2013 period, all rural development programmes had to dedicate a small portion of their funding to LEADER activities. (For more on LEADER, see Section 4.4.)
In spite of these potentially supportive frameworks, there has been a failure to place access to healthy diets at the heart of EU policies, or to implement comprehensive strategies at national level. Roadmaps have rarely been backed up by comprehensive actions to change food industry practices, to address the links between agriculture and diets, or to address the multiple barriers to accessing healthy diets. Furthermore, the EU and national governments have tended to defer to non-state actors – from food retailers to charity groups – to shape the diets space. The following constitute some of the key gaps and missed synergies:

- **The current ‘cheap food’ model is failing to address the root causes of unhealthy diets, while austerity policies are further undermining the social safety net.** Poverty and social exclusion undermine access to healthy diets at the individual and household level via long working hours, poor physical access to healthy food, lack of cooking spaces and loss of cooking skills, parental education levels, and a range of other socio-cultural factors.\(^{264}\) Providing cheap food through mass production of staple commodities (via CAP, trade and other policies) has become the default solution, but has failed to tackle the root causes of poor diets. A system that developed with the aim of lowering prices for the end consumer – using cheap food as a *de facto* social policy – has proven costly on many fronts, including poor quality diets (now linked to an obesity epidemic), the environmental fallout of mass commodity production, and the poverty and food insecurity faced by the farmers and food-workers whose conditions are squeezed to provide cheap food\(^{265}\) (see also Section 2). Furthermore, with food banks becoming a permanent feature in certain EU Member States, food has been treated as a question of charity, not an entitlement, and only more recently has attention been granted to supporting healthy diets in the food aid sector.\(^{266}\) Robust anti-poverty strategies and social safety nets are required, but are being undermined by national and EU austerity policies. The focus on the reduction of public deficits has exacerbated poverty, decimated social services and reduced access to healthy diets in Greece and other crisis-hit countries.\(^{267}\) The extent of the problem is masked by poor monitoring: Europe remains one of the only developed regions of the world where household food insecurity is not regularly measured.\(^{268,269}\)

- **Improving access to healthy diets depends on reshaping public spaces, built environments, lifestyles, and consumer habits – areas in which policymakers have been reluctant to act.** Diets are influenced by physical proximity to food retail outlets. Rising consumption of pre-prepared meals and high-HFSS processed foods has come on the back of increased availability of those foods in a variety of settings, and alongside lifestyle changes, including the growth of out-of-home dining\(^{270}\) – as recognized in the European Commission's

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268 In contrast to the United States, Canada, Australia and New Zealand, Europe remains one of the only developed regions in the world in which household food insecurity is not regularly measured. Thus far, the only EU-wide indicator is included the Survey of Income and Living Conditions (EU-SILC), in which households are asked whether they can afford a “quality meal” every other day, defined as one which includes a portion of meat, chicken, fish (or vegetarian equivalent). (N. Darmon, F. Vieux, A. Bocquier, S. Lioret, C. Dubuisson, F. Caillavet, “In sécurité alimentaire pour raisons financières en France: Résultats de l’étude INCA 2 2006-2007,” 2011; O. Davis and B.B. Geiger, “Did Food Insecurity rise across Europe after the 2008 Crisis? An analysis across welfare regimes,” *Social Policy and Society* 16, no.3 (2017): 343-360; Eurostat, “People at risk of poverty and social exclusion,” 2018, https://ec.europa.eu/eurostat/statistics-explained/index.php/People_at_risk_of_poverty_or_social_exclusion; R. Loopstra, A. Reeves, M. Mckee, and D. Stuckler, “Food insecurity and social protection in Europe: Quasi-natural experiment of Europe’s great recessions 2004-2012,” *Preventive medicine* 89 (2016): 44-50.


Action Plan for Childhood Obesity (2014-2020). Physical access to healthier food retail options tends to be limited in poorer neighbourhoods. However, despite the importance of these structural determinants of diets, most policy initiatives remain focused on consumer-centred, education-based ‘self-help’ approaches to promote healthy eating, rather than addressing the environmental factors shaping people’s choices. Some pioneering cities and local authorities have started to occupy this space through the development of urban food policies (see Section 4.4). Yet, national governments have generally stopped short of comprehensive actions to build healthier ‘food environments’, while the EU has remained reluctant to take comprehensive actions in areas generally left to Member States and to markets: namely, promoting specific uses of public spaces, prioritizing some business developments over others, changing the norms in the food service sector, and steering people towards different lifestyles and choices. For example, national and local public procurement policies have failed to systematically promote healthy and sustainable options in schools and other public canteens – despite EU directives and ECJ rulings confirming the compatibility of small-scale, local, sustainable procurement requirements with EU law.

- Private companies have been allowed to shape retail environments, nudge consumers towards unhealthy foods, and market junk food to children. Retailers have developed sophisticated understandings of how to promote consumption, and have effectively deployed these tools to develop brand preferences and to prime automatic eating behaviours. Traditional advertising and marketing tools continue to be an important part of this toolkit; children are particularly susceptible to the marketing of unhealthy foods, requiring only brief exposure. While some Member States have taken decisive action, there has been a reluctance to regulate these practices at EU level. The EU General Food Law addresses food safety issues without touching on nutrition. The recently-adopted EU Audiovisual Media Services Directive has


271 The Action Plan states: “Young people in the EU now consume more fast-food and substantial amounts of sugar-sweetened beverages, eat outside the home more frequently and spend less time eating family meals. In addition, prepared and processed foods are more accessible than ever before and in larger portion sizes.”


273 “Food environment policies, in summary, mobilize policy tools with the specific purpose of affecting consumers’ habits. Food environment policies act upon the deep structures of consumers’ choice by affecting purchasing and consumption routines.” (Galli et al., A transition towards sustainable food systems in Europe.)


275 The 2014 EU Directive on public procurements (2014/24/EU) (repealing Directive 2004/18/EC) (Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC) (OJ L 94 of 28.3.2014, p. 65)) confirms the position of the Court of Justice allowing for social and environmental clauses to be inserted into public tenders; it was in fact specifically designed to allow greater use of public procurements in supporting other policy objectives of the Europe 2020 agenda, encouraging a greater use of public procurements in the support of a set of “common societal goals such as protection of the environment, higher resource and energy efficiency, combating climate change, promoting innovation, employment and social inclusion and ensuring the best possible conditions for the provision of high quality social services” (Proposal for a Directive of the European Parliament and of the Council on public procurement, COM(2011) 896 final, p. 2). It does so in two ways (see arts. 42 and 68): (i) beyond the setting of thresholds defining its scope of application which de facto favors smaller-size suppliers, it contains measures aimed at facilitating the access of small-and-medium size enterprises to public procurements – such as the possibility for public authorities to divide up large contracts into lots of a size more manageable by such suppliers –; and (ii) it widens the range of criteria that may be included both in defining the object of the procurement and in awarding the contract. Public authorities are specifically authorized to adopt a life-cycle approach to the product, service or work object of the procurement, and include environmental externalities in the analysis of the most “economically advantageous” tender.

276 A range of factors within the retail space significantly impact choices, from written information to product positioning to the smell, color and touch of a product. See A.M. Degeratu, A. Rangaswamy, and J. Wu, “Consumer choice behavior in online and traditional supermarkets: The effects of brand name, price, and other search attributes on consumer perceptions,” and other search attributes on consumer perceptions. The Journal of Research in Marketing 17, no.1 (2000): 55-58; J.L. Harris, J.A. Barge, and K.D. Brownell, “Priming effects of television food advertising on eating behavior,” Health Psychology 28, no.4 (2009); Garnett et al., “Lean, green, mean, obscene?”.


278 For example, all TV advertisements targeting children under 12 are banned in Sweden; the UK has banned children’s TV advertisement for ‘HFSS’ products; in France all advertisements for processed foods (or foods with added salt, sugar or fat) must carry health messages. Directive (EU) 2018/1808 of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) in view of changing market realities, OJ L 303, 28.11.2018, p. 69.
failed to crack down on the marketing of unhealthy foods to children with hard measures like watershed bans, restrictions on product placement, or sanctions for offending companies.\textsuperscript{280} To date, the EU has relied on \textit{voluntary codes of conduct} for marketing to children, notably the ‘EU pledge’, despite minimal impact,\textsuperscript{281} while EU implementation of the WHO Code on the marketing of breastmilk substitutes has been slow.\textsuperscript{282} Meanwhile, EU funding has in fact underwritten the marketing of foods with questionable implications for diet and health: multi-million euro \textit{CAP promotion campaigns} have been deployed to generate additional demand for dairy products,\textsuperscript{283} while more CAP money is spent on promoting wine than on providing fruits and vegetables to schoolchildren.\textsuperscript{284} Meanwhile, the EU failed to adopt \textit{front-of-pack ‘traffic light’ labelling} in 2010 following a €1 billion lobbying campaign by the food industry,\textsuperscript{285} and further postponed its decision in 2017. EU action on \textit{nutrient profiles} and the health claims they underpin has also stalled, leading to condemnation from public health organizations and the food industry alike.\textsuperscript{286}

- The supply, pricing, and availability of different foods is influenced by agriculture and trade policies, and underlying food system dynamics. Food prices are poorly aligned with healthy diets: for example, highly-processed HFSS foods have become particularly cheap and abundant.\textsuperscript{287} Although raw commodities only account for a fraction of the end price, and although it is mostly a question of processing industry norms, commodity supply gluts are one of several factors facilitating the mass production of cheap processed products.\textsuperscript{288} With EU supply management tools no longer used systematically, and markets increasingly opened up to global trade, the price and availability of foods is largely a question of market supply.\textsuperscript{289} However, public policies continue to affect the supply and relative prices of agricultural commodities. Systematically \textit{low/zero feed grain tariffs} and \textit{commodity-linked (‘coupled’) CAP payments} continue to sustain high production in sectors such as meat and dairy\textsuperscript{290,291} – influencing diets in Europe but also globally, given the increasing export

\textsuperscript{280} EPHA, “3 steps towards healthy marketing – Improve the AVMSD,” 2016, https://epha.org/3-steps-towards-healthy-marketing-improve-the-avmsd/
\textsuperscript{281} The ‘EU Pledge for responsible marketing of foods and beverages to children’ is a voluntary initiative by food and beverage companies to change the way they advertise to children, coming in response to calls made by the EU institutions for the food industry to use commercial communications to support healthy diet and lifestyle choices for children (http://www.eu-pledge.eu). Actions of this type are yet to spark meaningful change. See J.D. Jensen and K. Ronit, “The EU pledge for responsible marketing of food and beverages to children: implementa-
tion in food companies,” European journal of clinical nutrition 69, no.8 (2015): 896-901.
\textsuperscript{283} For example, in 2014, the EU allocated €2.5 million to a campaign to promote milk consumption in Denmark, France, Ireland and the UK, involving sports personalities and led by the Danish Dairy Board. (P. Telfer, “EU promotes consumption of meat and dairy,” EU Observer, October 31, 2014, https://euobserver.com/news/126328.
\textsuperscript{284} Some €220 million is spent per year on wine promotion under the CAP; meanwhile, a budget of around €150 million per year is allocated to the School Fruits Scheme.
\textsuperscript{286} In 2017, an open letter co-signed by the European Consumer Organization (BEUC), the European Public Health Alliance (EPHA), the European Heart Network (EHN), Nestlé, Unilever, Danone, Coca Cola, and PepsiCo called for urgent action on nutrient profiles. (See https://www.beuc.eu/publications/beuc-x-2017-049_mgo_joint-letter-eu-wide-nutrient-profiles-for-nutrition-and-health-claims.pdf.)
\textsuperscript{287} A range of studies from Europe and North America have found that oils, fats and sugars tend to witness sharper price declines than fruits and vegetables, and when food prices increase, they are more resistant to inflation. (R. Nugent, “Bringing Agriculture to the Table,” 2011, https://www.thecincacouncil.org/sites/default/files/Bringing_Agriculture_To_The_Table%281%29.pdf.
\textsuperscript{288} See C. Hawker, S. Frei, T. Lobstein, T. Lang, “Linking agricultural policies with obesity and noncommunicable diseases: a new perspective for a glob-
\textsuperscript{289} See A. Bailey, L. Tim, V. Shoen, “Does the CAP still fit?” 2016, http://openaccess.city.ac.uk/15039/; R. Moehler, “Is there a need for a mid-
\textsuperscript{290} In principle, product-specific payments (Voluntary Coupled Support or VCS) are limited to 8% of Member States’ national CAP enve-
lopes; however, this can rise to 10% when protein crops are included – and 15% when special circumstances are invoked. In practice, this maximum level is applied by many member states, including France, Belgium and several Eastern European countries, with VCS accounting for some €4.1 billion of CAP support in 2015. As much as 50% of the EU dairy herd is currently supported by coupled. Nearly 75% of all coupled payments notified to the European Commission by 2014 were destined for the beef (41%), milk (20%) and the sheep (12%) sectors. (E
\textsuperscript{291} Low/zero feed grain tariffs over many years has accelerated the shift away from domestic cereal and leguminous protein production, and towards increasing meat and dairy production - even as domestic demand has stagnated. (See Falkenberg, “Sustainability Now!”)
orientation of those sectors (see Section 4.5). In addition, ‘decoupled’ direct payments continue to accrue to the sectors receiving the highest subsidies historically.\textsuperscript{292} While the European Commission has acknowledged the links between diets and agricultural production,\textsuperscript{293} it has made few attempts to promote production patterns that are more conducive to healthy diets. The promotion of fruit and vegetable production and consumption through the EU School Fruit, Vegetable and Milk Scheme offers a rare example, but remains marginal in budgetary terms and unevenly applied by Member States.\textsuperscript{294} The EC’s 2018 CAP reform proposals identify ‘societal demands on food and health’ as an objective of the future CAP, but fail to specify what actions are required by Member States or to provide adequate indicators.\textsuperscript{295} and fail to explain how goals of this type can be met with the toolbox of an agricultural policy (see also Section 3.1). An EU Communication on a Sustainable European Food System was in fact agreed by three Commissioners in 2014 but then withdrawn with little explanation, suggesting disagreement at the highest political level about the desirability of reforms that genuinely connect supply and demand policies under an integrated food system approach.\textsuperscript{296}

**THE WAY FORWARD**

The challenge of promoting healthy diets is unique in nature: the urgency of action is largely uncontested, in light of the spiralling human and economic costs of the obesity epidemic. There is growing consensus that more can and must be done to make the healthy and sustainable option the easiest one for European consumers.\textsuperscript{297} Furthermore, the solutions for improving diets and building healthier food environments have already been tried and tested in various EU Member States and elsewhere in the world. Furthermore, recent studies suggest that the public in various EU countries is generally favourable to wide-ranging actions to ‘nudge’ people towards healthier diets.\textsuperscript{298} The challenge in promoting healthy and sustainable diets is to move beyond piecemeal approaches. Frameworks of action and detailed packages of interventions have been developed by the WHO and other authoritative bodies, converging on the importance of wide-ranging actions to address food environments, and the need to focus on the whole food system (including supply-side policies and incentives).\textsuperscript{299}

\textsuperscript{292} For example, cattle producers traditionally received higher payments than pig and poultry producers; decoupled payments tend to reflect these patterns, allowing bovine animal numbers to be sustained in spite of decoupling. Within the cattle and sheep sectors, the most intensive – and historically most subsidized – farms now receive the largest decoupled payments. (Baldock and Mottershead, Towards an integrated approach to livestock farming, sustainable diets and the environment.)

\textsuperscript{293} It is well known that consumption patterns have an influence on public health. Via its link to food and sometimes also the way food is produced agricultural policies are linked to health policies. (European Commission, COM(2018) 392 final, https://ec.europa.eu/info/law/better-regulation/initiatives/com-2018-392(feedback_en?ipd=241585.)

\textsuperscript{294} The new joint scheme, accounting for some €250 million per annum of CAP funding, supports the distribution of fruit and vegetables and milk to schools across the EU as part of a wider educational programme on healthy eating. With an annual budget of only €150 million for fruits and vegetables, and with patchy uptake among member states, it is unlikely to be enough to offset the broader signals conveyed by nearly €60 billion of CAP payments.


\textsuperscript{296} This communication, prepared under the Barroso Commission on behalf of three Commissioners (for Health, the Environment and Agriculture), and initially scheduled for publication in 2013, was due to address food waste, dietary health concerns, farming systems, pesticide use and animal welfare, in the context of developing an EU-wide sustainable food strategy. The draft communication was never published, however, due to resistance from certain departments of the Commission; elements of the communication do appear in the “circular economy” package that was presented in 2015.


\textsuperscript{299} For example, the NOURISHING framework developed by the World Cancer Research Fund (WCRF) identifies the need for action in three domains – food environment, food system and behaviour change communication – given that “the evidence shows that each domain is important in influencing how and what we eat.” (See WCRF, “Our policy framework to promote healthy diets & reduce obesity,” 2019, https://www.wcrf.org/int/policy/nourishing/our-policy-framework-promote-healthy-diets-reduce-obesity.)
The vast majority of policies and actions recommended by the WHO for improving diets or tackling alcohol harm— from marketing restrictions to financial and fiscal incentives, from labelling to interventions in schools— are not aimed at individuals, or at regulating eating habits, but at reshaping food and drink environments.

Too often, however, this advice has been forgotten. Member States have achieved best practice in one area while failing to act on other crucial aspects of the food environment, or to address underlying issues of poverty and inequality. And too often it has been simpler to ignore the connections between supply- and demand-side policies than to address them head-on, in light of long-standing policy silos and the entrenched interests of a powerful food industry. The key question, therefore, is how to incentivize comprehensive action on diets. The creation of an integrated food policy— with healthy diets as a headline objective— provides the basic framework for linking supply and demand side policies and facilitating comprehensive diet strategies. But specific mechanisms are required beyond that in order to make policy integration a reality.

Firstly, building healthy food environments should become a key sub-objective and focal point for action at EU and national level, in order to force policymakers to look collectively at production, distribution, retail and consumption, and to build comprehensive intervention packages. Concretely, Member States should be required to develop and implement National Healthy Diet Plans (or National Food Environment Plans) – covering fiscal policies, social policies, public procurement, zoning and licensing, and nutrition education – as a condition for unlocking CAP funding. Studies have shown that successful diet and food environment interventions are contingent on packaging different steps together, combining private sector initiatives with government oversight, and providing a clear and coherent rationale for the changes being made.

For example, fiscal measures (e.g. soda taxes) must be ambitious, highly coordinated, and accompanied with clear messaging in order to spark sustained behavioural change, shift the balance of relative prices, and avoid ‘substitution’ – i.e. using money saved on purchasing subsidized healthy foods for increased purchase of unhealthy products. Meta-studies of health taxes have shown that reinvesting the revenues in the promotion of healthy diets (e.g. via education schemes) helps to make the schemes effective and easier to defend and maintain in the face of industry lobbying. Ensuring a broad scope of action would therefore be key to National Healthy Diet Plans (see Box 8).

Existing roadmaps at EU level should also be ramped up to new levels of ambition, in light of the urgency to act on diets. Renewal of the post-2020 EU Childhood Obesity Action Plan should be used as an opportunity to do so: the new plan should be designed to include progress monitoring based on a critical evaluation of the effectiveness of the 2014-2020 EU Childhood Obesity Action Plan; an annually updated mechanism to monitor Member States’ progress in implementing policies, in line with monitoring of National Healthy Diet Plans; practical support for Member States in designing, implementing, enforcing and evaluating policy implementation strategies; and the establishment of EU-level entry points to implement policies and actions in the area. Furthermore, food poverty and food insecurity should be regularly evaluated and measured across the EU; common indicators of EU food poverty should be developed, drawing on annual assessments conducted by Member States.

Over time, a single body should be created for monitoring and overseeing the design, implementation, and evaluation of National Healthy Diet Plans, and anti-obesity and food security strategies. While food banks and food assistance schemes are likely to remain an important part of the social safety net for some time to come, the longer term vision should be based on delivering social policies that address inequality, and working towards a food system where access to healthy and sustainable diets is a human right.
While most of the policies affecting food environments are set at the national level, failure to act in this area undermines the attainment of EU goals (e.g. in anti-obesity strategies), and prevents the EU from meeting its commitments to protect health in all policies. Requiring Member States to draw up National Healthy Diet Plans could draw on existing precedents: Rural Development programs already require Member States to submit coherent multi-year plans; the 2018 CAP reform proposals also underline the need for Member States to bring policies into alignment to meet new food system objectives, including public health goals. Making the development and implementation of National Healthy Diet Plans a condition for unlocking CAP payments (i.e. for disbursing national CAP envelopes) would therefore make good on imperatives to deliver policy integration, and the need to think in terms of food and farming systems.

National Healthy Diet Plans would draw on a range of policy levers at national level that are typically disconnected from EU-level agri-food policies. These include:

- fiscal policies to increase the (relative) affordability of healthy/sustainable options;
- comprehensive social policies to improve access to healthy foods for all (and to counter potentially negative effects of taxation and higher food prices over time);
- public procurement policies based on sourcing healthy/sustainable foods;
- zoning and licensing, and other urban planning policies, that make healthy foods physically accessible in all neighbourhoods; and
- nutrition education programmes.

Approval of the plans should be contingent on taking measures in all of these areas (and potentially others), and on the measures collectively delivering ‘pro-poor’ effects, as part of broader strategies to tackle poverty and inequality. The urban planning and public procurement components may require enhanced coordination with local authorities, who should contribute to formulation of the National Plans.

There are relatively few examples of coordinated actions of this nature on a significant scale, but in some cases they have yielded impressive results. For example, between 1972 and 1982, the Finnish region of North Karelia significantly reduced coronary heart disease and increased local life expectancy through a comprehensive strategy that engaged in consumer education around healthy diets and increasing local fruit consumption, encouraged local processors to reduce salt and animal fat in locally-consumed products, supported the marketing of locally-produced canola oil as a healthy fat alternative, and supported local smallholder milk producers to develop low-fat milk products.¹ ²

Several policy reforms at EU level can accelerate the shift to healthy diets. Firstly, the EU should adopt a Directive on the marketing of HFSS and highly-processed foods (also covering alcohol and breastmilk substitutes), that reclaims public spaces as junk food-free, healthy food environments. The directive should include measures such as: TV advertising bans up to watersheds; restrictions on digital marketing; the prohibition of HFSS product advertising on public transport; a ban on HFSS products in vending machines in public buildings; a ban on HFSS products at supermarket checkouts; and no-HFSS perimeters around schools.

Furthermore, the EU should take urgent action to improve the quality of information to consumers. The European Commission should accelerate action to establish nutrient profiles to prevent misleading health claims under the Claims Regulation, as demanded by public health organizations, consumer groups and the food industry alike. Building on recent national experimentation, the EU should relaunch efforts to establish a common mandatory front-of-pack nutrition labelling scheme at EU level.

In parallel, actions can be taken to promote the consumption of healthy foods, in line with dietary recommendations. Public procurement is the most obvious tool for doing so: it can introduce new supply incentives and encourage new demand trends in a single stroke, creating new norms that spill over into general private sector practice. Furthermore, reforms at EU level can help to clarify the scope for improving public procurement practices at the national level as part of Healthy Diet Plans. The EU should accelerate the shift towards healthy and sustainable procurement by including food sustainability and nutrition guidelines in the Green Public Procurement Directive, and making it mandatory to include social and/or environmental externalities when public contracts are awarded based on costs. In other words, the EU could pave the way for a shift from a ‘low cost’ food model – with all its hidden costs – to a true cost model, and could help to secure market outlets for agroecological producers (see Section 4.2). Further changes to the modalities of public procurement rules are discussed in Section 4.4.

Promoting healthy and sustainable diets in the school environment – a highly-effective intervention point could be further targeted by reforming the EU School Fruits, Vegetables and Milk scheme to: i) expand the budget for fruits and vegetables; ii) make it mandatory to apply quality criteria (e.g. local and seasonal); and iii) remove exemptions for added sugar, salt and fat in the products on offer. Furthermore, CAP promotion funding should be reserved for healthy items.

Additional steps could be taken outside of public canteens in order to promote consumption of fresh fruit and vegetables, and realign price signals with healthy diets. Building on existing Commission proposals to reform the VAT Directive, the proposed 0-5% VAT tranche could be reserved for fresh fruits and vegetables, i.e. allowing Member States to exempt fruit and vegetables from VAT.

306 “By creating a demand for sustainable diets, governments have the power to set a positive trend and accelerate a transition towards sustainable food systems that respect the rights of vulnerable groups, including small-scale food producers. Public procurement policies also represent a rare opportunity to link the right to food of consumers and of producers in a meaningful way. If States effectively implement the principles recommended in this note, it will mean that private actors will have to comply with norms derived from the right to food in order to be eligible for government contracts, thereby developing practices which might spill over into corporations’ other activities.” (De Schutter, “The Power of Procurement.”)

OBJECTIVE 4: BUILDING FAIRER, SHORTER, AND CLEANER SUPPLY CHAINS

The standardization, consolidation, and globalization of supply chains has come at a major cost to farmers (who face high costs and a declining share of value), foodworkers (whose working conditions are driven down), the environment (through an explosion of food waste and packaging), and consumer health (through chemical exposures in food/packaging). The loss of small farms, rural employment, and regional processing facilities has sparked a broader rural decline. Solutions are emerging at the local level (e.g. short supply chain initiatives, regional processing hubs, food policy councils). However, they are held back by a failure to communicate existing EU support tools under Rural Development and Cohesion policy, poor implementation and uptake of these tools at national level, de facto exclusion of small-scale farmers from lucrative markets (e.g. public procurement, quality labels), and ‘Circular Economy’ policies that fail to rethink supply chains. Supporting local, multi-actor, territorial-scale innovation must be built into the design of EU policies, and must become a requirement for Member States, not an à la carte option.
## OBJECTIVE 4

### BUILDING FAIRER, SHORTER AND CLEANER SUPPLY CHAINS

<table>
<thead>
<tr>
<th>GAPS &amp; DISCONNECTS IN CURRENT POLICIES</th>
<th>SHORT-TERM POLICY PROPOSALS</th>
<th>MEDIUM- TO LONG-TERM POLICY PROPOSALS</th>
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<tr>
<td>Persistent power imbalances in supply chains. Corporate concentration exacerbates vulnerability to unfair trading practices, especially for small &amp; medium-scale farmers. Recent steps to regulate unfair trade practices (UTPs) at the EU level are positive, but will require revisions on an ongoing basis to reflect rapidly evolving markets &amp; to ensure all actors in the supply chain are protected from supply chain dysfunctions.</td>
<td>Include mandatory environmental &amp; social criteria within EU merger regulations</td>
<td>Ensure 4-year review of impacts of UTP regulations &amp; consider respective protections of different actors &amp; root causes of supply chain imbalances</td>
</tr>
<tr>
<td>Failure to fully harness short supply chains &amp; territorial food systems. Short supply chains and other local initiatives hold major potential to address current food system failures, but have yet to be translated into coherent development strategies that span a variety of sectors (e.g. rural development, energy, infrastructure, waste, employment, resource management). Low prioritization of territorial-scale initiatives is evidenced by: the lack of infrastructure/support for small-scale farmers to aggregate supply, add value to their production &amp; access public procurement contracts; poor implementation of food safety &amp; hygiene exemptions for small-scale farmers &amp; certain short supply chain schemes; &amp; insufficient incentives to democratize decision-making.</td>
<td>Establish EU-level framework to support alternative food system initiatives</td>
<td>Include sustainable food provision under Regulation (EU) No. 1303/2013 on European structural investment (ESI) funds</td>
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<td>Low ambition on food &amp; packaging waste. Increases in food &amp; packaging waste are linked to long supply chains, the mass retail model &amp; changing lifestyles. Current strategies to address waste (e.g. Circular Economy Package, food banks) fail to address the root causes of over-production &amp; over-consumption. Rather than aim to reduce or rethink food &amp; packaging at the source, existing strategies perpetuate the underlying food system model by focusing primarily on redistribution. Based on voluntary commitments, strategies are plagued by patchy uptake &amp; implementation by member states.</td>
<td>Target reduced production of waste via supply chain redesign (incl. short supply chains) under review of Circular Economy Package</td>
<td>Review Plastics Directive to explore a sequenced phasing out of plastic food packaging</td>
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**Policies in play:** UTPs, COMPETITION, CAP P2, COHESION, CIRCULAR ECONOMY PACKAGE, EMPLOYMENT, FOOD SAFETY & HYGIENE, PUBLIC PROCUREMENT, QUALITY SCHEMES, RESEARCH, EDUCATION
Rapid consolidation at all nodes of the chain (see Section 1) is transforming supply chains and placing new pressures on farmers and foodworkers. Agriculture has recently been estimated to receive only 21% of the share of value in EU food chains – down from 31% in 1995 – and in stark contrast to the 51% of value going to the food retail and food services sector.308,309 Farm incomes continue to lag behind average gross salaries.310 Furthermore, as agri-food companies amend production standards to satisfy new consumer trends, the costs of adjustment tend to be passed onto producers,311 who are often required to accept changes with little warning.312 In 2017, the European Parliament raised concerns about farm viability due to decreasing farmgate prices, increasing input costs, and farmers’ growing dependence on a handful of suppliers and buyers.310,311,312 Acknowledging these challenges, the Commission’s Joint Research Centre has stressed that market transparency remains a major concern in European agri-food systems, namely in relation to price volatility, as well as access to information on price distribution.315

Small-scale farmers have been particularly vulnerable to these trends. Large retailers prefer ‘one-stop’ sourcing from wholesalers and processing firms, who in turn prefer to source from a limited number of large-scale farms in order to guarantee volumes, prices, and a wide range of foods.316,317 In some sectors, agri-food companies have opted to consolidate their suppliers via long-term standardized contracts (i.e. contract farming). For example, as much of 70-80% of pork sales in Italy and the UK are now carried out through medium or long-term contracts.318

As a growing number of farms have disappeared from the European landscape or been subsumed into larger operations, rural employment opportunities have declined dramatically. Between 2005 and 2017, the agricultural workforce decreased by 25%319 and is expected to decline by a further 28% between 2017 and 2030.320 Seed production facilities, small-scale processors, dairies, and slaughterhouses have also disappeared from many regions, as processing operations have become more centralized. Rural areas are home to a shrinking share of the EU population (28% in 2016) and are experiencing underutilization, poor maintenance, and withdrawal of basic services, and higher degrees of poverty and social exclusion for those who remain.321

WHY IS THIS OBJECTIVE CRUCIAL?

308 European Parliament, “Parliamentary questions - Answer given by Mr. Hogan on behalf of the Commission.”
311 Studies have demonstrated that the UK’s dominant retailers pass the costs of their internal compliance standards onto their producers in both the global North and South, who must often adhere to multiple and often divergent rules. See D. Fuchs and A. Kalfagianni, “The causes and consequences of private food governance,” Business and Politics 12, no.3 (2010): 1-34; C. Dolan and J. Humphrey, “Changing Governance Patterns in the Trade in Fresh Vegetables between Africa and the United Kingdom,” Globalisation & Poverty (2004): 17-18.
315 A lack of adequate information on price is said to effect the capacity for farmers to adequately make production decisions or for policy-makers to design commensurate regulatory responses. (C. Ménard, Market Transparency in Food Supply Chain: Goals, Means, Limits (Luxembourg: Publications Office of the European Union, 2018).)
318 IFES-Food, Too Big to Feed; E. Antoine, H. Marouby, and M. Rieu, Selling pigs under contract: Experiences abroad and opportunities for France (Toulouse: IFP, 2014).
In parallel, nearly 75% of Europeans now live in cities,\textsuperscript{322} in which fast-paced lifestyles and longer working hours have left reduced time for food cultivation and preparation, and have led to the erosion of traditional food cultures.\textsuperscript{323,324} The mainstream supply chains and mass retail outlets that have become dominant, with a focus on standardization and increased convenience, have generated major sustainability problems. Food and beverage packaging has significantly expanded: Europeans are projected to consume 953 billion food and drink packages between 2018 and 2020.\textsuperscript{325} A 2014 UNEP-sponsored report attributes €15 billion euros of natural capital damage per year to plastics from the global food industry.\textsuperscript{326} In addition, the risks of exposure to Endocrine Disrupting Chemicals (EDC) via plastic packaging and pesticide residues in food are becoming increasingly clear;\textsuperscript{327,328} total population exposure to EDCs has been estimated to cost the EU €163 billion per year (equivalent to 1.28% of EU GDP).\textsuperscript{329} While major improvements have been made in terms of EU food safety and traceability, foodborne disease outbreaks spread rapidly in long value chains,\textsuperscript{330} and continue to account for over 2,000 deaths and the loss of 19.14 healthy life years (DALYs) per 100,000 inhabitants annually in the EU/EEA.\textsuperscript{331} Furthermore, food waste continues to occur along the whole food supply chain, although around half of the waste occurs at the household level.\textsuperscript{332} An estimated 20% of total food produced in the EU is lost or wasted annually, equating to 180kg of wasted food per person,\textsuperscript{333} and costing €143 billion in terms of wasted resources and environmental impact.\textsuperscript{334}

Digitization is now sweeping across all nodes of EU food systems, with large digital companies rapidly changing the face of food distribution, retail, and delivery. While new efficiencies have been promised, new risks are also emerging, in terms of zero hours contracts and the use of self-employed workers with little to no social insurance coverage.\textsuperscript{335}

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\textsuperscript{324} People are becoming disconnected from food in a variety of ways, including geographic distancing (via the expansion of cities and longer supply chains), economic distancing (via increased intermediaries in long supply chains), cognitive distancing (via loss of familial and cultural ties between urban dwellers and the farming world); and political distancing (via a sense of loss of control over how food and farming systems operate). (N. Bricas, C. Lamine, and F. Casabianca, “Agricultures et alimentations : des relations à repenser?” Natures Sciences Sociétés 21 (2013) 66–70.)
\textsuperscript{327} There are currently close to 800 chemicals known or suspected to function as EDCs. (WHO and UNEP, State of the science of endocrine disrupting chemicals 2012: An assessment of the state of the science of endocrine disruptors prepared by a group of experts for the United Nations Environment Programme, Geneva: World Health Organization, 2013.)
\textsuperscript{332} The European food and beverage processing sector generates the second highest level of food waste (17 million tonnes). It should be noted however, that there is considerable uncertainty around food waste estimates in Europe, primarily due to varying levels of the quality and quantity of data provided by MS. (Ibid.)
\textsuperscript{333} Fusions, “Estimates of European food waste levels.”
\textsuperscript{335} Cf. footnote 25.
STATE OF PLAY: HOW ARE CURRENT POLICIES ADDRESSING THE PROBLEMS AND WHERE ARE THE GAPS?

Abuses, dysfunctions, and power imbalances in supply chains have not gone unnoticed by EU institutions.

In December 2018, on the back of calls for action from the European Parliament and Council, the EESC, and the Agricultural Markets Task Force, the European institutions provisionally agreed on a Directive on Unfair Trading Practices (UTPs) in business-to-business relationships in the agri-food supply chain. The Directive marks the beginning of unprecedented action to regulate supply chain abuses. With a view to harmonizing the patchwork of existing rules – some 20 member states are already legislating on UTPs – it establishes a list of prohibited practices most disruptive to the functioning of supply chains and most harmful to farmers and small businesses.

The need to address supply chain dysfunctions, improve market transparency, and strengthen the bargaining power of farmers has also risen up the CAP agenda. In 2017, the ‘Omnibus’ mid-term CAP adjustment included new provisions for farmers’ organizations from all sectors to plan production and negotiate supply contracts for their members without violating EU competition rules.

In 2018, the European Commission reiterated the need to improve farmers’ position by identifying it as one of the nine objectives of the post-2020 CAP. EU farmers are now also being offered greater protection vis-à-vis low-cost production in third countries thanks to the recognition of ‘social and environmental dumping’ (see Section 4.5).

The environmental and health impacts of high-packaging, high-waste food supply chains are also being addressed under a new integrated framework: the Circular Economy Package. The Single-use Plastics Directive, adopted in December 2018, imposes a ban on the ten most polluting plastic packaging products (with implications for EDCs), as well as encouraging the production and use of reusable packaging, establishing consumption reduction and collection targets per member state, and requiring manufacturers to develop plastic packaging alternatives and to cover clean-up costs, i.e. applying the ‘polluter-pays principle’. In parallel, the European Commission has signposted the imminent development of a comprehensive strategy to research and act on the risks of EDCs, reaffirming the need to uphold the precautionary principle.

336 The EU Council conclusions on ‘Strengthening farmers’ position in the food supply chain and tackling unfair trading practices’ of 12 December 2016 emphasizes that relationships between all food system actors must be balanced, that added value must be fairly distributed among them, and that consumers must have access to adequate information.


338 The list includes late payments for perishable food products, last-minute order cancellations, unilateral or retroactive changes to contracts, and suppliers being forced to pay for wasted products. A further number of practices are permitted only if subject to clear and unambiguous previous agreements between parties.


340 Adopted in December 2015, the Circular Economy Package includes four legislative proposals on waste (the Waste Framework Directive, Landfill Directive, Packaging Directive, and the Directives on end-of-life vehicles, batteries and accumulators, and waste electrical and electronic equipment) as well as a Commission communication establishing an ‘Action Plan for the Circular Economy’. Strategies included in the Circular Economy Package include the elaboration of clearer methods to measure food waste, and the requirement for Member States to develop food waste prevention programmes, encourage and facilitate food donations, and improve consumer awareness on food labeling (e.g. ‘best before’ dates) to reduce unnecessary wastage. It also includes provisions to ensure all plastic packaging on the EU market is recyclable by 2030, reduce the consumption of single-use plastics and restrict the intentional use of microplastics.


342 The approach will seek to minimise overall exposure of humans and the environment to endocrine disruptors; accelerate thorough research on EDCs to serve as a basis for effective and forward-looking decision-making; and promote dialogue with all stakeholders to develop a comprehensive strategy. European Commission, Communication from the Commission to the European Parliament; the Council, the European Economic and Social Committee and the Committee of Regions Towards a comprehensive European Union framework on endocrine disruptors, COM(2018) 734 final, 2018.
Steps have also been taken to facilitate access to markets for small-scale farmers. The EU hygiene package includes a series of provisions to facilitate compliance with the rules for small producers without compromising food safety. The Green Public Procurement (GPP) scheme, under Directive 2014/24/EU on public procurement, provides a voluntary framework to encourage public bodies to sustainably procure goods and services, including guidance on designing schemes to benefit small-scale producers.

Support for alternative food system initiatives (AFS - see Box 9) – and short food supply chains in particular – has also been made available in the 2014-2020 Rural Development programming period, and via enabling legal frameworks at the Member State level. The LEADER Programme under CAP Pillar 2 has also promoted AFSs by supporting local activism and collaborative decision-making. AFS initiatives can also draw support from Cohesion Policy (e.g. INTERREG programmes under the European Regional Development Fund) and EU-funded research programmes.

**BOX 9**

**WHAT ARE ALTERNATIVE FOOD SYSTEMS?**

Alternative food systems (AFS) are broadly defined by elements of community control and cooperation – understood as the opportunities for all food system actors to actively participate in how their systems take shape. Alternative food system initiatives strive to improve environmental impacts (e.g. by promoting on-farm biodiversity, natural resource conservation, diminishing the need for cold storage, or reducing packaging); economic impacts (e.g. by generating employment, increasing farm- and food-worker revenues); and social impacts (e.g. by promoting greater consumer awareness on the origins and quality of their food, encouraging food citizenship through local democracy and new governance models; bridging the gap between urban and rural areas and different supply chain actors). They also often aim to improve food security by promoting access to fresh foods for consumers while supporting small producers and local economies.

Alternative food systems rely on ‘value-based supply chains’, which can in principle be coordinated at any scale from the local to the international. Emphasis is placed not only on the values inherent to a particular production method (e.g. organic, artisanal), but also on the relationships of trust developed between supply chain actors. Under AFS schemes, value-based commitments are made out of mutual interest for the benefit of all actors involved. Types of alternative food system initiatives include:

- Community gardens, urban and peri-urban agriculture
- Community Supported Agriculture

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344 The Green Public Procurement guidelines include provisions to support demand for organic and/or local foods, products meeting higher animal welfare standards, and catering with restricted use of single-use plastics.


346 For example, Article L.1. III of the French Rural Code (L. 2014-1170) encourages the development of short supply chains, with actions designed to increase public procurement, support seasonal production, and promote quality-based, origin-based and organic labelling. Research supported under the EU Framework Program for Research, initiatives under the European Innovative Partnership (EIP-AGRI), and the Regions4Food or ECOWASTE4Food Programmes of INTERREG have contributed to piloting and increasing the evidence base in favour of alternative and local food system initiatives across the EU. With a particular focus on support rural SMEs, the Regions4Food program demonstrates the relevance, successful piloting or potential up-scaling of AFS initiatives, allowing for sharing of experience and best practices through trans-regional cooperation. It operates across seven regions in Bulgaria, Finland, France, Hungary, Italy, Portugal, the Netherlands.
Short food supply chains (e.g. farmers’ markets, farmgate and/or online sales)
- Direct to institution/retail schemes (e.g. public procurement, direct sales to restaurateurs)
- Quality certification models (e.g. Organic, Fair Trade, EU Quality labels, PGS)

AFS have become a significant part of European food systems. Some 15% of EU farms sell more than half of their produce directly to consumers, and Community Supported Agriculture feeds between 500,000 and 1 million Europeans.


At the municipal level, a growing number of European cities have already begun to adopt collaborative governance practices, and a large number of urban networks are developing sustainable food initiatives. These local-level initiatives are bringing different actors together around shared values and actions, through a range of strategies and fora – including ‘food policy councils’ and other horizontal decision-making structures. These experiments have allowed for peer-to-peer learning and practice sharing on developing participatory food policies. These developments are being reinforced through EU-supported networks, including URBACTIII (DG REGIO), European Green Capital Network (DG ENVI), and the EU Platform for Food Loss and Food Waste (DG SANTE). European cities have also taken the lead in developing their own networks including through Eurocities, C40, the Milan Urban Food Policy Pact and the new Global Covenant of Mayors.

However, AFS are yet to make a real dent in mainstream markets and may be hitting a ceiling: only 2% of the total volume of fresh food is sold directly from producers to consumers in Europe.

EU support tools for fairer and more sustainable supply chains are not necessarily lacking in number; rather, they are falling short due to a lack of integration between them, an inadequate framing of what these policies should address, and their unequal uptake at the Member State and sub-national levels. Key gaps and missed synergies include the following:

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1 J.-P. Schweitzer, S. Gionfra, M. Pantzar, D. Mottershead, E. Watkins, F. Petsinaris, P. ten Brink, E. Ptak, C. Lacey and C. Janssens, Unwrapped: How throwaway plastic is failing to solve Europe’s food waste problem (and what we need to do instead), a study by Zero Waste Europe and Friends of the Earth Europe for the Rethink Plastic Alliance (Brussels: Institute for European Environmental Policy (IEEP), 2018).


3 Y. Chiffoleau et al., “From Short Food Supply Chains to Sustainable Agriculture in urban Food Systems: Food Democracy as a Vector of Transition,” Agriculture 6, no. 57 (2016).


6 EESC, Civil society’s contribution to the development of a comprehensive food policy in the EU.

The proposed crackdown on unfair trading practices (UTPs) is a step in the right direction, but cannot single-handedly address deep-rooted supply chain inequities. The upcoming Directive on UTPs is long overdue, and its proposals are well aligned with steps under the CAP to strengthen farmers’ position in the supply chain.\textsuperscript{351} While eradicating these practices is crucial, the handful of UTPs addressed in the new Directive are in fact the symptoms of more fundamental problems in food systems. In its response to the UTP proposals, the European Parliament’s Environment Committee flagged the failure to address the systematic problem of selling below the cost of production, a practice at odds with competition law,\textsuperscript{352} and whose consequences are ultimately incurred by the most vulnerable actors (e.g. farmers, farm-workers).\textsuperscript{353} Attempts to crack down on abuses of power are also undermined by the fact that EU competition law / anti-trust rules are focused on actors in dominant market positions – meaning that other forms of abusive practices are overlooked. Furthermore, the current focus of EU competition law on consumer welfare draws attention away from the impacts of concentration on production and processing activities, as well as environmental or public health impacts.\textsuperscript{354} Whether a farmer has been paid fairly is currently deemed to have little impact on the (economic) welfare of consumers. In this context, not a single agri-food merger has been blocked despite unprecedented consolidation across the sector over recent years, with major consequences for farmers’ autonomy and livelihoods.\textsuperscript{355}

The EU has failed to fully harness its rural and regional development tools in the service of building territorial food systems and short food supply chains. Short supply chains and other territorial initiatives hold major potential to address sustainability problems and reinject democracy into food systems (See Box 9).\textsuperscript{356} However, the EU has not thrown its weight behind territorial approaches, either in political or budgetary terms. These initiatives are often too small and diffuse to be eligible for CAP Pillar 1 funding; many are also urban-based and therefore ineligible for Rural Development funding. Meanwhile, sustainable food and farming businesses and new rural value chains have been ignored as a source of employment in the European Commission’s 2019 work programme.\textsuperscript{357} Further, while opportunities now exist to promote short supply chains under Rural Development, there has been uneven uptake by Member States.\textsuperscript{358} And while Rural Development and Structural Funds (under Cohesion Policy) can be disbursed on the basis of regional plans, this is yet to translate into coherent regional development strategies that span food and other sectors (e.g. energy, infrastructure, waste, natural resource management), tackle the poverty and social exclusion that is driving rural decline and out-migration, address the ‘cementification’ that undermines agricultural development (see Section 4.1), or explicitly support short supply chains and territorial food initiatives. Instead, Member States have generally deployed these tools on the basis of poorly-aligned and

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\textsuperscript{351} Galli et al., A transition towards sustainable food systems in Europe.

\textsuperscript{352} The European Parliament’s Environment Committee insisted on the need to include penalties for non-compliance, the imposition of compulsory written contracts, and the possibility to lodge confidential complaints to the directive. The Committee also stressed the need to maintain high standards at the EU-level to avoid a watering down of requirements already set in some Member States to tackle UTPs, and raised concerns that the current proposals do not take the systematic problems of selling below the cost of production, (Committee on the Environment, Public Health and Food Safety of the European Parliament, Opinion of the Committee on the Environment, Public Health and Food Safety for the Committee on Agriculture and Rural Development on the proposal for a directive of the European Parliament and of the Council on unfair trading practices in business-to-business relationships in the food supply chain, COM(2018)0173 – C8-0139/2018 – 2018/0082(COD)).


\textsuperscript{355} See IPES-Food, To big too red; Galli et al., A transition towards sustainable food systems in Europe.


\textsuperscript{357} European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Commission Work Programme 2019 – Delivering what we promised and preparing for the future, COM(2018)800 final, 2018.

narrowly-defined economic objectives – with the French ‘Programmes Alimentaires Territoriaux’, introduced in 2014 legislation, marking a notable exception. The bottom-up LEADER approach offers one channel for supporting AFS initiatives and tackling rural development challenges in an integrated way (e.g. building resilient SMEs and creating rural employment, connecting local farmers and public catering facilities, democratizing local decision-making), and will be retained in the future CAP. However, planned cuts to the EU Rural Development and Cohesion budgets may make it even harder to prioritize ambitious yet crucial sustainable territorial development strategies.

- Small-scale farmers face de facto exclusion from public procurement contracts and other lucrative markets. Activities in the middle of the chain – processing, packaging, distribution, transport, procurement – link producers with retailers and consumers, transmit signals in both directions, and have huge implications for the sustainability of food systems. In many regions of Europe, centralization and the loss of regional supply chain infrastructures (e.g. processing hubs, slaughter facilities) has made farmers ever more-reliant on large buyers, and undermined the viability of small-scale farms and food businesses. Meanwhile, small-scale farmers face de facto exclusion from potentially lucrative public procurement contracts by virtue of volume, price and process: small-scale producers struggle to compete with traders and large-scale economic actors in terms of established processes, experience with tenders, working capital and access to finance. While the GPP scheme offers flexibilities for sustainable and local sourcing, Member States and local authorities are often unfamiliar with these allowances, or implement them poorly. Most attempts to introduce sustainable sourcing have also focused on ‘local’ producers rather than targeting small-scale farmers per se – although a number of local councils have managed to tailor tenders to small-scale producers. Meanwhile, EU-regulated Geographical indication schemes – PDOs and PGIs – are frequently perceived as too burdensome and expensive for small-scale farmers to access; moreover, these schemes fail to insist on a full range of socially and environmentally sustainable practices, thereby allowing a handful of large-scale actors to access and monopolize these schemes.

359 Within the 2014-2020 CAP, only a modest 5% of EAFRD national envelopes must be devoted to supporting LEADER initiatives.
361 “The way that farmers produce is heavily influenced by the input-industry and food processing, more than by environmental and agricultural policies.” (EC Food 2030 Expert Group, Recipe for change.)
363 Ibid.
364 Firstly, those in charge of tenders are insufficiently prepared and trained, requiring more time to work on a strategy and benefit from greater exchanges on best practices; secondly, cohesive strategies with short-, medium- and long-term objectives are often lacking.
365 National procurement laws reflect the transposition of Directive 2014/24/EU and may include additional binding rules for public procurement. (Committee of Regions, Sustainable Public Procurement of Food (Brussels: European Union, 2018).)
366 “In OECD countries, local authorities that reformed their public procurement policies have mostly tried to deliberately source from ‘local’ producers rather than from ‘small-scale’ food producers. However, in Scotland, the local council of East Ayrshire introduced a sophisticated tendering process that included the division of the contract into smaller parcels, and increased flexibility in regard to EU fruit and vegetable marketing standards in order to enable smaller suppliers and organic producers to access the programme. In Italy, the municipality of Rome sources 2% of the food served in the city’s schools from social cooperatives that employ former prisoners or work land seized from the Mafia.” (O. De Schutter, “The Power of Procurement.”)
Disconnects between the EU, national, and local levels are creating barriers to the development of sustainable food system innovations. A great number of initiatives enabling the transition towards more sustainable food systems have emerged as a result of urban food policies, city-region food strategies, and formal and informal governance collaborations between local and regional authorities, civil society, and the private sector (e.g. through Local Action Groups (LAGs), Food Policy Councils). It is at these levels that European citizens are proving the most willing and enthusiastic to get involved in policy-making processes. However, EU institutions are not fully harnessing the energy of AFS initiatives at the local level, due to the lack of opportunities created by the EU to learn from their successes. As described in Section 2, few opportunities exist for EU policy-makers to learn from these initiatives and shape EU-level policies and programmes accordingly. Furthermore, the support the EU does provide is poorly communicated, resulting in low awareness by local actors of the funding opportunities and policy tools available to them, and unfamiliarity with food safety and hygiene exemptions and public procurement allowances (see above) designed to support small and medium-scale farmers. Too often, local actors do not see the connections between their projects and EU programmes, despite the clear alignment of goals and objectives (e.g. rural development, local capacity building, deepening urban-rural linkages for food system sustainability, job creation, etc.).

Current policies are normalizing food waste and packaging, rather than sparking a broader shift in values or comprehensively tackling public health concerns. Spiralling food waste has been attributed to poor alignment between a range of EU policies and incentives, and a throwaway culture that has emerged in a context of abundant, relatively inexpensive, and highly-packaged foods. However, the Circular Economy Package fails to address waste holistically, focusing on recycling of materials and waste, rather than rethinking product design with a focus on durability, reparability, and reusability; it fails to call into question underlying consumption patterns, and risks further institutionalizing food banks as a recipient of surplus food (see also Section 4.3). Furthermore, the Circular Economy package focuses on solutions geared towards major retailers, rather than emphasizing and investing in the potential to reduce waste and increase circularity via short supply chains and alternative business models (see above). While the emerging EDC strategy has seeds of holistic thinking, NGOs have criticized the failure in initial communications to link the strategy to the Circular Economy package and to engage in a fundamental rethink of packaging.

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EU policies designed around standardized tools

Urban food initiatives ineligible for CAP P1

Exemptions for small-scale actors poorly communicated & implemented

Low visibility & lack of collective learning tools

Marginal support for short supply chains & territorial initiatives via CAP P2, Cohesion & Circular Economy

Grassroots initiatives dispersed & operating only at the micro-level

De facto exclusion of small-scale farmers from public procurement & quality schemes

EU policies designed around standardized tools

FAIRER, SHORTER & CLEANER SUPPLY CHAINS

THE WAY FORWARD

EU citizens are increasingly demanding access to sustainable, healthy, and local foods; over 50% of citizens see local and regional food systems as the means to meet these priorities, due to their ability to improve environmental conditions, strengthen local economies, improve household food security, ensure healthy diets, and preserve regional food cultures and traditions.380

While the EU is providing significant support for food system alternatives, it remains marginal in comparison to an overall policy environment that continues to reinforce the many practices characteristic of conventional supply chains (e.g. uniform production, unequal bargaining power for farmers, excessive supply chain intermediaries, marketing of highly-processed and packaged foods). The majority of AFS initiatives have in fact grown entirely from civil society mobilization and operate at the local level (e.g. The Transition Network), arising out of frustration with the policy-making processes at the EU or national levels. Through the resulting experimentation, these initiatives have yielded new governance arrangements that are more transparent, participatory, and responsive to citizens’ needs – particularly for actors who have generally been marginalized in decision-making processes. Building more equitable supply chains therefore requires alternative food system approaches to grow in number and influence. However, the question is how to ensure complementary action from the EU, Member States, and sub-national authorities to support them.

380 When asked to name their top three priorities for future EU food and agricultural policies, citizens most frequently cited 1) access to healthy, safe, and quality products, 2) reasonable food prices, and 3) a fair standard of living for farmers. (Eurostat, Food: From Farm to Fork Statistics (Luxembourg: Publications Office of the European Union, 2011))
At the same time, rebuilding sustainable food systems at the territorial level should not come at the expense of improving sustainability in mainstream supply chains. These should instead be considered as complementary and parallel shifts, allowing respective efficiencies to be maximized across the food system. Over the medium-to-long term, the scaling out of alternative and short supply chain approaches is likely to generate pressure from below, compelling mainstream actors to work more ambitiously to align their practices to support suppliers of all size, ensure more equitable distribution of value, and take on more environmentally sustainable practices – in other words going well beyond the scope of current UTP reforms.

A first step towards building fairer, shorter and cleaner supply chains requires the development of a common framework or joint strategy at the EU-level under which Rural Development and Cohesion Policies would outline mandatory actions and objectives to support alternative food system initiatives, as well as encouraging the development of coherent territorial development strategies. These could include setting out more ambitious minimum spending thresholds for the creation of AFS initiatives and LAGs, a common monitoring and evolution framework for AFS support at the Member State level, and the earmarking of funds to encourage rural-urban collaborations under Rural Development. To ensure multi-level coordination, the EU should encourage Member States to set targets for developing local food systems within their rural development strategies; Local and Regional Authorities would ensure these targets are met, with the support of EU and national authorities. In addition, Regulation (EU) No 1303/2013 could include provisions for sustainable food regarding the use of EU Structural Funds.

Furthermore, the holistic and cross-sectoral approach to local development under the LEADER and Community Led Local Development schemes should be reinforced: the EU should increase the minimum share of CAP Pillar 2 funding channelled through the LEADER approach above the current 5%, and dedicate a set percentage of EU Structural Funds to establish Food Policy Councils at the municipal and city-region level. However, more formalized governance collaborations should not come at the expense of semi-formal and informal governance initiatives that often inform traditional decision-making structures; municipal authorities should therefore ensure close consultation and collaboration is maintained with grassroots initiatives in the development of local food policies (e.g. Transition Networks, Agenda21 schemes, Incredible Edibles, etc.). AFS models and LEADER approaches should also be better accounted for in EU integration policies, building on the success of a number of LEADER projects in settling and integrating legal migrants – and refugees in particular – into rural communities across Europe and providing employment opportunities.

Building shorter, fairer and cleaner supply chains also requires new infrastructures. The EU should reinvest in the physical infrastructures necessary to support local processing and value-adding activities. In particular, synergies can be found between value adding, marketing, retail, and educational activities in the shape of ‘food hubs’ (see Box 10). CAP Pillar 2 funds should be used to support the relocation of processing facilities and slaughterhouses to neglected areas, and to support mobile slaughter units, alongside a revision of Health and Food Safety allowances for on-farm slaughter. Increased support under Rural Development and Cohesion Policy is also required for alternative business models, including cooperatives, Community Supported Agriculture schemes, or online local purchasing platforms – that all play a role in creating greater transparency between producers and consumers. These shifts could be complemented...
by national land market reforms to ensure access to land and resources for AFS initiatives, or tax-breaks for landowners offering urban or peri-urban land for food production, in line with the new land access paradigm outlined in Section 4.1.

BOX 10

FOOD HUBS: IMPROVING LOCAL INFRASTRUCTURE TO RE-TERRITORIALIZE FOOD SYSTEMS

One primary means to relocalize food system infrastructure is through the development of food hubs. Food hubs are local or regional facilities that aggregate, store, process, distribute, and/or market locally-produced foods. They have gained in popularity as a way of re-regionalizing food processing and distribution for the benefit of local producers and consumers. Food hubs are multi-functional, by rebalancing value along the supply chain, creating local job opportunities, and providing space for greater social interactions and education around food. They support small- and medium-size farmers by aggregating processing and retail facilities for year-round distribution, and may contribute to reducing packaging and plastic use in the food chain via direct marketing. Food hubs – especially those located in peri-urban or urban areas – can also improve access to healthy food for low income groups, and contribute to social integration by acting as community food centres (e.g. merging the physical space usually reserved for food banks with farmers markets, community kitchens, and spaces dedicated to educational activities relating to food). Lastly, as food hubs allow multiple producers to aggregate production volumes, public institutions should be encouraged to connect to their local food hubs for easier access to local produce. This would allow local and regional authorities to meet the green public procurement targets as defined in municipal and regional strategies.

Furthermore, ambitious time-bound targets should be set for mandatory Green Public Procurement (GPP) to ensure the purchasing of local agroecologically-produced/organic foods, drawing on new agroecological criteria in the CAP (see Section 4.2), and building on steps to use public procurement to support a shift to healthy sustainable diets (see Section 4.3). Public procurement schemes should also include clear procurement modalities favouring small-scale food producers, e.g. selection criteria favouring certain types of products such as local breeds or varieties, or purchase quotas/exclusivity for small-scale food producers.

Though public procurement provides a major opportunity for small- and medium-sized farmers, public authorities must take into account the risks that these producers may face in entering into these schemes (e.g. additional purchasing of inputs or crops to meet new demands, inability to negotiate prices due to the specificities of different public procurement schemes, heavy administrative burden in responding to public tenders). In addition, the EU should document best practices on sustainable, healthy procurement, and offer legal and technical advice to regions and countries willing to go further. More ambitiously, the governance of public procurement schemes could aim to include a range of actors: this could include collaborations between local authorities, school boards, students, parents, local producers, and nutrition experts.

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386 O. De Schutter, “The Power of Public Procurement.”
Regionalizing supply chains should also become a primary objective for the food and agricultural components of the Circular Economy Package. Support should shift towards zero-packaging and re-usable (non-plastic) initiatives frequently developed at the local level (e.g. zero-waste food retailers, deposit refund schemes, GPP). Funds could be drawn from both CAP Pillar 2 and Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME). Over the longer-term, steps could be taken to explore the sequenced phasing out of plastic food packaging, building on the recently-adopted EU Single-Use Plastics Directive.

Alongside a long term phase-out of routine pesticide use (see Section 4.2) and building on the Commission’s plans to launch an EDC Strategy, comprehensive regulations must be developed to reduce EDC exposures in the food system, including revision of the Food Contact Materials regulations. In parallel, the European Food Safety Agency must undertake research on non-chemical alternatives to plastic packaging and monitor public exposure to EDCs over the long-term (including cocktail effects), feeding back into the Circular Economy and Plastic Strategies. EU quality schemes should also be reformed to ensure the effective protection of common cultural heritage, and avoid the monopolisation of these schemes by a few large producers, and recourse to industrial practices. This could take the shape of: alleviating the financial burden to access or market PDO or PGI status for small food producers and artisans; and/or more robust environmental, animal welfare, and traditional skill or production practice-related criteria for PDOs and PGIs.

The Directive on UTPs should be regularly and comprehensively reviewed, with a view to monitoring a fast-evolving situation and expanding the range of practices if required. Furthermore, all obstacles should be removed to collective bargaining for farmers to negotiate fair prices and terms, learning from existing voluntary supply chain initiatives. In parallel, steps should be taken to extend the application and scope of competition rules beyond consumer welfare. Existing competition rules against predatory pricing must be systematically enforced, while Article 102 of TFEU should be redefined to take into consideration the vertical abuse of power affecting all interactions in the food chain, beyond existing measures covering abuses of dominant positions only. Ultimately, mandatory social and environmental criteria should be included within the EC merger regulations, which should take into account the broad impacts of industry consolidation on food system sustainability.

387 Galli et al., A transition towards sustainable food systems in Europe.
388 IPES-Food, “Too Big to feed.”
4.5

**OBJECTIVE 5: PUTTING TRADE IN THE SERVICE OF SUSTAINABLE DEVELOPMENT**

EU agri-trade policies continue to promote the interests of powerful export industries, including in the high-emitting meat and dairy sectors. Taking advantage of power imbalances, the EU has pushed through trade agreements that lock developing countries into socially and environmentally harmful export commodity production, while undermining their ability to pursue sustainable development pathways (e.g. via investor protections and restrictive IP rules). Urgent steps are therefore required to remove trade-distorting CAP incentives, to strengthen sustainability clauses in trade agreements, to make food importers accountable for ensuring their supply chains are free from deforestation, land-grabs and rights violations (‘due diligence’), to remove investor protections (‘ISDS’) in trade agreements, and to provide accessible complaints mechanisms for farmers and civil society. Ultimately, free trade agreements must be replaced by sustainable trade agreements, i.e. a new model in which trade liberalization is no longer the primary goal.
## PUTTING TRADE IN THE SERVICE OF SUSTAINABLE DEVELOPMENT

### GAPS & DISCONNECTS IN CURRENT POLICIES

**Export-orientation & commodity over-specialization via FTAs.** Despite commitments to ‘Policy Coherence for Development’ and climate mitigation under the Paris Agreement, EU agri-trade policies (notably Free Trade Agreements - FTAs) are based on ever-increasing exports in high-emitting sectors like meat & dairy. Taking advantage of power imbalances, the EU has pushed through trade agreements that lock developing countries into low-cost & socially/ environmentally harmful export commodity production, import dependency for staple foods, & reliance on volatile global markets. The ‘sustainable development’ clauses in FTAs lack teeth & are rarely activated.

### SHORT-TERM POLICY PROPOSALS

- Reform FTA sustainability impact assessments to include: i) mandatory ex ante sustainability & HR assessment w/ clear def. of sustainability (incl. health & nutrition, reliance on indicators linked to the right to food, gender); ii) participatory methods; iii) mechanisms for regular follow-up & corrective action; & iv) concrete advice for trade negotiators
- Strengthen sustainable development clauses in FTAs through: i) more prescriptive language; ii) non-regression clauses; iii) binding & enforceable provisions to halt deforestation, land grabs & HR violations; & iv) reiteration of IUU fishing requirements
- Phase out use of investor-state dispute settlement (ISDS) provisions in future trade agreements & review impacts of ISDS & other investor protections in existing trade agreements
- Build accessible complaints mechanism w/ procedural guarantees allowing individuals & civil society organisations (CSOs) in EU & third countries to flag non-compliance with FTA sustainability clauses
- Adopt definition of dumping that includes explicit social, economic, environmental, health & animal welfare criteria
- Aggregate info & complaints on dumping across sectors/regions & through intermediary countries

### MEDIUM-TO LONG-TERM POLICY PROPOSALS

- Promote & adopt UN legally binding instrument on business and human rights & UN Framework Convention on the Right to Food
- Replace FTAs & EPAs with sustainable trade agreements' where trade liberalization is contingent on regulatory cooperation & right to regulate, diversification & rebuilding of food production capacity
- Introduce CO2 tax (border adjustment) & exclude high-GHG goods from liberalization
- Support territorial/ regional supply chains in EU (see Objective 4) & third countries via ‘Aid for Trade’

### MEDIUM-TO LONG-TERM POLICY PROPOSALS

- **Short-term policy proposals**
  - Create 1-stop-shop portal to track positions adopted by EU/national delegations at the CODEX Alimentarius (FAO-WHO) Commission and at the Committee on World Food Security (CFS)
  - Build capacity of WTO’s Trade & Environment Committee
  - Introduce mandatory due diligence obligations for all operators in forest-risk commodity supply chains
  - Introduce sustainability criteria (incl. biodiversity & climate indicators) for EU aid & investment flows, including EIP

- **Medium-to-long-term policy proposals**
  - Explore a sustainable development clause and/or a Climate Change Waiver within WTO Agreements
  - Extend due diligence to all agri-food commodities & fish imports
  - Create ‘Just Transition Fund’ to pool & align development aid, climate financing & anti-dumping levies

### Policies in play:
CAP P1 & P2, TRADE (EPAs, FTAs, ANTI-DUMPING REGS), FISHERIES/IIU FISHING, DEVELOPMENT, AID & INVESTMENT (EIP), FISCAL POLICY, LABELLING/CERTIFICATION, UTPS, NON-FINANCIAL REPORTING
WHY IS THIS OBJECTIVE CRUCIAL?

The EU is the world’s biggest food exporter and importer, the biggest aid donor, and the largest source of foreign direct investment. EU trade and development policies therefore have major impacts on global markets, on developing countries, and on the sustainability of global food systems.

Over recent years, EU food and farming systems have become increasingly export-oriented. By 2017, the EU ran a total agri-food trade surplus of €20.5 billion. Meanwhile, the EU’s imports of raw agricultural materials have continued to grow, and were worth twice the value of EU raw commodity exports in 2017. The EU is therefore highly reliant on natural resources in developing countries (see Sections 1 and 2).

In theory, trade liberalization can promote the uptake of sustainable practices by linking producers to new markets (e.g. for organics), by encouraging technology transfer, and by allowing for a more efficient use of resources based on comparative advantages. However, various studies suggest that these benefits are cancelled out by trade- and globalization-driven increases in overall consumption. The assumption that increased growth (inter alia via trade) brings long-term sustainability gains has also been shown to ignore key trends, including the possibility for wealthier countries to outsource their environmental footprint via trade.

Growth in trade flows has accelerated environmental degradation in intensive export commodity zones, often to the detriment of high-value landscapes and carbon sinks. Unsustainable practices associated with industrial agriculture remain the largest contributor to global land degradation, which continues at an alarming rate of 12 million hectares per year, equivalent to the total agricultural land of the Philippines. The production of agricultural commodities (e.g. soy, beef, palm oil) is responsible for almost 80% of all deforestation. One study suggests that EU imports – for a total worth of €6 billion – account for almost one quarter of the global trade in soy, beef, leather, and palm oil resulting from illegal forest clearance in the tropics. Intensive (export-oriented) food, feed and fish-farming systems have knock-on effects on local food security and water availability, and ultimately contribute to out-migration. While generating economic benefits for those with access to foreign markets, highly specialized export zones are exposed to price shocks and economic volatility. Declining prices for tropical products (coffee, cocoa, tea, bananas, etc.) have made it more difficult for net food-importing countries to afford the staple foods they no longer produce. FAO projections indicate a further deepening

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397 FERN, EU consumption and illegal deforestation.
of the food import dependency of developing countries in the coming years.\textsuperscript{400} The assumption that trade liberalization, by stimulating economic growth, automatically leads to poverty reduction is increasingly being called into question, including by the European Commission.\textsuperscript{401} Attempts to promote trade competitiveness, diversification, and growth through the Lomé conventions have clearly fallen short;\textsuperscript{402} poverty has remained endemic in many African, Caribbean, and Pacific (ACP) countries despite around 98% of exports already entering the EU tariff-free prior to the signature of Economic Partnership Agreements (EPAs).\textsuperscript{403,404}

**STATE OF PLAY: HOW ARE CURRENT POLICIES ADDRESSING THIS PROBLEM AND WHERE ARE THE GAPS?**

Several steps have been taken over recent years to align EU agri-trade policies with sustainable development imperatives, although these efforts remain incomplete – on paper and in practice. Most significant among these steps is the adoption of a legal requirement to ensure policy coherence for development (PCD),\textsuperscript{405} obliging the EU to take account of development objectives in all policies likely to affect developing countries. In line with this commitment, the direct impacts of the CAP on developing countries have been reduced thanks to the scaling back of market intervention policies and the phasing out of export subsidies\textsuperscript{406,407} – although indirect impacts and underlying competitiveness gaps persist (see below).

The need to promote fair and ethical trade, responsible supply chain management, market opportunities for small producers, and to use trade as a tool to meet the SDGs, was further underlined in the 2015 ‘Trade for All’ Communication\textsuperscript{408} and the 2016 ‘European Consensus on Development’.\textsuperscript{409}

Furthermore, sustainability objectives have been written into the Economic Partnership Agreements (EPAs) between the EU and ACP countries. Sustainable development chapters now feature in all Free Trade Agreements (FTAs), including binding commitments to multilateral environmental agreements (MEAs) and conventions of the International Labour Organisation (ILO), and procedures for involving civil society organisations in the implementation of those commitments. The EU has been a front-runner in including environmental clauses, which now feature in 85% of preferential trade agreements around the world.\textsuperscript{410}

\textsuperscript{400} A. Sarris, Hedging Cereal Import Price Risks and Institutions to Assure Import Supplies (Rome: FAO, 2009).
\textsuperscript{401} "The extent to which poverty responds to economic growth depends on how income is distributed and whether this distribution changes as the economy grows [...] While trade openness is associated with higher levels of poverty in some countries, the effects are reversed in countries with higher levels of education, better institutional environments and a more developed financial sector". (European Commission, Assessment of economic benefits generated by the EU Trade Regimes towards developing countries, Vol.1 (Brussels: European Union, 2015).)
\textsuperscript{402} "Access alone has not brought the expected investment into more diversified economic activity in our partner countries, notably in Africa." (Falkenberg, "Sustainability Now!"); See also European Commission, The Economic Impact of the West Africa - EU Economic Partnership Agreement, (Brussels: European Commission, 2016).
\textsuperscript{403} 98% of West African exports entered the EU without duties, according to the European Commission. (European Commission, Nigeria and the European Union Trade for Development: An Introduction to the Economic Partnership Agreement (EPA) (Brussels: European Commission, 2007)).
\textsuperscript{404} 98.5% of exports from the Caribbean bloc, including bananas, entered EU markets without customs duties. (World Bank, Accelerating trade and integration in the Caribbean: Policy options for sustain growth, job creation and poverty reduction (Washington DC: World Bank, 2009).)
\textsuperscript{408} European Commission, Trade for All: Towards a more Responsible Trade and Investment Policy, COM(2015) 497 final, 2015.
\textsuperscript{410} A. Berger, C. Brandi, and D. Bruh, Environmental Provisions in Trade Agreements: Promises at the Trade and Environment Interface (Bonn: German Development Institute, 2017).
The EU Generalised Scheme of Preferences “Plus” (GSP+) provides preferential access to markets for countries that implement international conventions relating to human and labour rights, environmental protection and good governance, and that agree to be monitored to that effect.

Threats to EU producers from low-cost unregulated production in third countries have also been addressed via 2017 reforms to the EU’s Trade Defence Instruments (TDIs), which strengthen anti-dumping procedures by taking into account the social and environmental aspects of dumping.411

However, these tools are not proving robust enough to constrain the most unsustainable practices and supply chains. Furthermore, the underlying logic of EU trade policy – based on increasing export orientation, specialization, and long value chains – remains unchanged, despite the environmental and social problems it is exacerbating. Five major issues arise:

- The quest to increase trade volumes as a goal in and of itself undermines commitments to climate and development goals.412 Increasing exports in the high-emitting meat and dairy sectors are foreseen as part of the EU ‘agricultural outlook’.413 Growth of these sectors in EU and external markets is duly supported through CAP promotion and via free trade agreements (FTAs). For example, growth in EU beef, pork, and dairy exports has been promised by the European Commission in the recently signed FTA with Japan.414 Increased trade in goods associated with high emissions is also the premise for FTAs currently being negotiated with MERCOSUR (European cars for South American meat)415 and Indonesia (commodities linked with deforestation).416 Similar contradictions can be observed at the global level: increasing trade volumes are used as an indicator of progress in meeting the SDGs,417 while only 22% of national climate mitigation plans (‘NDCs’) under the Paris Agreement include trade measures aimed at delivering climate mitigation.418 Even from a purely socio-economic standpoint, trade-driven, volume-based development strategies are becoming unviable. As noted by the former chief sustainability advisor to the European Commission president, the saturation of global demand means that countries will need to refocus on domestic markets.419

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411 The costs of complying with social and environmental standards will now be taken into account in determining to what extent EU industries have been undercut by cheaper imported products. The new regulation amends Regulation (EU) 2016/1037 to define dumping by examining ‘corresponding costs of production and sale in an appropriate representative country with a similar level of economic development as the exporting country, provided the relevant data are readily available; where there is more than one such country, preference shall be given, where appropriate, to countries with an adequate level of social and environmental protection’ (new Article 6a). In other words, ‘unfair competition’ is defined as competition from an exporter benefiting from an implicit subsidy due to the inadequacy of social and environmental production in the country where that exporter operates; (European Parliament and Council of the European Union, Regulation (EU) 2017/2321 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) 2016/1036 on protection against dumped imports from countries not members of the European Union and Regulation (EU) 2016/1037 on protection against subsidised imports from countries not members of the European Union, OJ L 338, 19.12.2017, 2017.)

412 These commitments have been made in regard to the SDGs, the Paris agreement and the EU’s pledges on Policy Coherence for Development, as referred to in Art. 288(1) of the Treaty on the Functioning of the European Union. (European Commission, “Policy Coherence for Development,” 2019, https://ec.europa.eu/europeanpolicies/policy-coherence-development_en.)

413 “We expect the EU to supply 30% of the increase in world import demand for whole milk powder, skimmed milk powder, cheese and butter. Including whey powder and fresh dairy products, EU exports are expected to grow on average by around 500 000 t of milk equivalent per year, mainly in cheese and skimmed milk powder.” (European Commission, “EU Agricultural Outlook for the Agricultural Markets and Income: 2017-2030,” 2017, https://ec.europa.eu/agriculture/sites/agriculture/files/markets-and-prices/medium-term-outlook/2017/2017-fullreport_en.pdf.)


417 Targets 17.10-17.12 of the SDGs use increased trade volumes as indicators of sustainable development.

418 45% of ‘NDCs’ refer to trade, but only 22% contain specific measures. (C. Brandi, Trade Elements in Countries’ Climate Contributions under the Paris Agreement (Geneva: International Centre for Trade and Sustainable Development (ICTSD), 2017.).

419 Falkenberg, “Sustainability now”
Taking advantage of power imbalances, the EU has pushed through trade agreements that undermine the conditions for sustainable development, and reinforce the current division of labour. Bilateral and multilateral trade agreements have been underpinned by major power imbalances and are heavily influenced by the interests of multinational companies. Developing countries have often undertaken trade liberalization (and other steps to deregulate their markets) in order to earn the foreign currency needed to service debts, under the instruction of international institutions and creditors. While sustainable development clauses are included in the EU's FTAs (see below), the core business of these trade agreements – wide-ranging and reciprocal liberalization across a range of sectors – has clearly benefitted the EU more than its trading partners. For example, the EU has insisted on eliminating emergency export restrictions in the EU-CARIFORUM EPA, in spite of the evidence suggesting that use of such measures by smaller countries can increase their food security without harming that of others. Furthermore, the EU has generally insisted on including services liberalization alongside goods, and has pushed for alignment of intellectual property rules (IPR) in bilateral and international trade agreements despite widely-acknowledged risks such as higher prices and reduced access to seeds and medicines, and contradictions with the EU's commitment to enable technology transfer. In other cases, the EU has negotiated for royalty-free access to raw materials (including fossil fuels), thereby undermining the potential for governments in the global South to improve the lives of their citizens. As a result of these contradictions, the EPA and FTA models are poorly equipped to promote sustainable development. For several of the EU's Mediterranean and North African partners, trade liberalization has exacerbated a general trend of reduced food production, increased import dependency and the loss of revenues from border tariffs. More recently, the EU's FTA with Vietnam has been criticized for reinforcing the Asian country's specialization in low-wage, cheap goods, in a way that is likely to adversely affect women in particular.

The enforcement of sustainable development provisions in FTAs lacks teeth. Sustainable development clauses are excluded from general Dispute Settlement and sanctioning procedures in FTAs, are too broadly defined to act as a meaningful constraint on signatory countries, and leave much discretion in the hands of governments as to how to integrate the various aspects of sustainability. It is significant for instance that the EU is yet to initiate formal consultations with the Korean government despite labour and human rights
violations being repeatedly flagged.\textsuperscript{434} By 2018, suspension of preferences under GSP, GSP+ and \textit{Everything But Arms} (EBA) had only occurred on three occasions,\textsuperscript{435} although the EU is now moving towards sanctions on Cambodia and Myanmar as part of a renewed crackdown on human rights violations.\textsuperscript{436} While civil society groups are competent to advise on implementation of sustainable development chapters, they are not able to provide formal inputs into other parts of the agreement with implications for sustainability (including core liberalization commitments) – a major shortcoming acknowledged by the European Commission services.\textsuperscript{437} With regard to fisheries, the European Parliament has accused the Commission of sending “conflicting signals” by continuing to negotiate FTAs and expand market access to countries that have been pre-identified under the 2008 EU Regulation on Illegal, Unreported and Unregulated (IUU) Fishing or the Non-Sustainable Fishing Regulation.\textsuperscript{438} And while the protection of citizens and the environments on which their livelihoods depend has been insufficient, private investors have been offered ample protections in FTAs, including recourse to special courts under \textit{Investor State Dispute Settlement (ISDS)}. Civil society groups came together in January 2019 to condemn ISDS and the bias towards investors in the design of FTAs.\textsuperscript{439}

- Underlying competitiveness gaps and harmful industry practices mean that EU exports continue to undercut developing world producers and processors. While anti-dumping procedures have been reformed, and while the EU’s most aggressive agri-export policies have been curbed, EU exports continue to undercut developing world producers in a range of sectors and regions. For example, the EU has been accused of dumping cheap dairy products onto the West African\textsuperscript{440} and Southern African\textsuperscript{441} markets. EU poultry exports are also undercutting the livelihoods of African producers, and have been linked to rural poverty and out-migration by the Ghanaian president.\textsuperscript{442} The trend is not limited to raw commodities: EU exports of processed tomato paste into Ghana have driven the closure of local canning factories.\textsuperscript{443} Import surges in developing countries reflect not only the growing needs of these countries and their insufficient ability to invest in domestic food production, but also underlying competitiveness gaps between developing world producers and the \textit{highly-subsidized} farming systems in the global North with whom they are asked to compete.\textsuperscript{444} The ability of the global food industry to drive down prices and conditions to align with the cheapest and least-regulated practices around the globe has been facilitated by trade liberalization and the failure to introduce effective supply chain governance (see discussion of ‘Unfair Trading Practices’ in Section 4.4). While the impacts differ in nature and severity, it is ultimately small-scale farmers and vulnerable

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\textsuperscript{438} European Parliament, European Parliament resolution of 30 May 2018 on the implementation of control measures for establishing the conformity of fisheries products with access criteria to the EU market (2017/2129(INI)), 2018.


\textsuperscript{443} M. Khor and T. Horemi, \textit{The impact of globalisation and liberalisation on agriculture and small farmers in developing countries: The experience of Ghana} (Penang: TWN, 2006).

producers in developing countries and in the EU who suffer from the practices of highly-concentrated multinational agri-food industries with huge price-setting power, and whose interests have been insufficiently defended.

- EU policies are failing to regulate and redirect investment flows away from intensive agriculture, land grabs and deforestation, and are failing to support alternative pathways. For example, the ‘Sustainable Agriculture’ investment window of the European Fund For Sustainable Development (EFSD) – under the EU External Investment Plan (EIP) – accounting for €4.1bn of public funding by 2020 – promotes narrowly-defined ‘climate-smart’ agriculture approaches, underpinned by a focus on ever-increasing production volumes. Meanwhile, the G8 New Alliance for Food Security and Nutrition – launched in 2012 with the support of several EU governments and the European Commission – opened the door for wide-ranging agribusiness investments (including land acquisitions) in exchange for liberalization commitments from African governments. The approach has struggled to reconcile the economic interests of multinational agribusinesses with locally-defined sustainable development pathways, leading to condemnation from the European Parliament and withdrawal of support by the French government in 2018. A similarly narrow focus has been identified in bilateral aid flows: a recent study found that less than 5% of UK agricultural aid and less than 0.5% of the total UK aid budget went to agroecological projects. Industry-led sustainability schemes have also failed to convincingly redirect investment flows. The majority of industry pledges on deforestation – increasingly used as a proxy for due diligence on land tenure – focus on palm oil, largely neglecting beef and soy, while companies have repeatedly failed to disclose information about their progress in meeting pledges.


446 “Thus investment seeking to increase production will need to reflect these concerns by focusing on sustainable climate-smart production systems and methods as drivers of growth in the agriculture sector in parallel with improved productivity of production factors.” (European Fund for Sustainable Development Guarantee, “Investment Window - Sustainable Agriculture, Rural Entrepreneurs and Agribusiness,” 2017, https://ec.europa.eu/commission/sites/beta-political/files/efsd-guarantee-windows-agriculture_en_0.pdf.)


451 COWI, Ecofys, and Milieu, Feasibility study on options to step up EU action against deforestation.
THE WAY FORWARD

The political mandate for putting trade in the service of sustainable development is now crystal clear. Integrating the SDGs and the Paris Agreement targets into the trade agenda is emerging as a key mid-term priority for the EU. The opportunity must be seized to truly align trade and investment policies with sustainable development. On one hand, this requires the EU to accelerate efforts to sustainability-proof trade and investment tools, and where necessary, to invent new ones. On the other, it requires a major rethink of the FTA model that puts sustainable development first, and questions the export orientation imperative and the primacy of ever-expanding trade volumes as the main goal of EU agri-trade policies.

Firstly, existing mechanisms for sustainability-proofing trade agreements must be dramatically improved and operationalized. Steps could be taken to weigh up the pros and cons of potential trade agreements more holistically through reformed sustainability impact assessments. Leverage to push for higher standards may be greater when deals are being initially mulled, with media and civil society attention focused on the potential risks and benefits, rather than in the relative invisibility of post-agreement implementation and enforcement. Sustainability impact assessments should be strengthened in the following ways:

452 S. Dröge and F. Schenuit, Mobilising EU trade policy for raising environmental standards: the example of climate action (Brussels: IEEP, 2018).
Make *ex ante* sustainability and human rights assessments mandatory for all FTAs, and introduce a clear definition of sustainability with reference to relevant indicators, covering economic, environmental (including biodiversity) and social/health dimensions (including health inequalities, the right to food, and the impacts of food service sector liberalization on diets and nutrition); and the need to ensure that no provisions negatively affect consumer protection or food safety;

- Use *participatory methods*, including potentially affected actors of the food systems in partner countries, and make assessments gender-sensitive;
- Aim to deliver *practical advice for negotiators* on the risks/benefits of liberalizing specific goods; perform initial assessments in time to influence the negotiations of agreements; avoid equilibrium models assuming full employment as the starting point;
- Perform *follow-up assessments on a regular basis*, allowing for corrective measures to be taken.

Secondly, the EU should urgently strengthen sustainable development clauses in FTAs. A 2015 ECJ ruling confirmed that EU competence extends to the sustainability clauses in trade agreements, leaving ample space for more assertive sustainable development clauses. Civil society groups have stressed the need for enforceable provisions for social and environmental or human and labour rights commitments. Changes should include the following:

- Sustainable development provisions should use *more prescriptive language*, e.g. to stipulate that royalties/taxes must be collected by governments for raw material extraction by multinationals, or to explicitly green-light border measures on fossil fuels or other goods for which increasing production/trade may be at odds with meeting climate mitigation targets.

- **Non-regression clauses**, as envisaged for a post-Brexit FTA between the EU and the UK, can also be mainstreamed in trade agreements in order to lock in progress.

- In line with an October 2018 European Parliament resolution on deforestation, the EU should include “binding and enforceable provisions to halt illegal logging, deforestation, forest degradation and land grabbing, and other human rights violations” in all FTA sustainable development chapters.

- In line with a June 2018 European Parliament resolution on sustainable fisheries, FTA sustainable development chapters should explicitly reinforce the requirements of the IUU fishing regulation and oblige signatories to take actions to prevent IUU fish from entering their markets and arriving indirectly in the EU, and to ratify international fishery agreements.

In order to further reorient FTAs towards sustainable development and the protection of citizens rather than companies, it is imperative for the EU to **phase out the use of investor-state dispute settlement (ISDS) provisions** in future trade agreements and review the impacts of ISDS and other investor protections in existing trade agreements. Furthermore, the EU should introduce an **accessible complaints mechanism underpinned by procedural guarantees**, allowing individuals and civil society organisations (CSOs) in EU and

453 “The fact that such impact assessments lack precise legal advice on how to draft economic clauses and their distance from trade negotiations currently form a limit to their influence on the final FTA text.” (Gruni, “Towards a Sustainable World Trade Law?”)

454 In July 2015, the European Commission requested an Opinion pursuant to Article 218 of the Treaty on the Functioning of the European Union (TFEU) to clarify which parts of the EU–Singapore FTA fall under EU exclusive competence, which parts under EU shared competence and which remain within the exclusive competence of the Member States. Opinion 2/15, responding to this request, was of relevance for the whole of EU Common Commercial Policy. (See Gruni, “Towards a Sustainable World Trade Law?”)

455 ibid.


457 Dröge and Schenuit, Mobilising EU trade policy for raising environmental standards.

458 ACT Alliance, Securing the land rights of vulnerable communities: How can EU institutions bring about change? (Brussels: ACT Alliance, 2018).

459 Gruni, “Towards a Sustainable World Trade Law?”

460 Dröge and Schenuit, Mobilising EU trade policy for raising environmental standards.

461 European Parliament, European Parliament resolution of 30 May 2018 on the implementation of control measures for establishing the conformity of fisheries products with access criteria to the EU market, 2017/2129(INI), 2017.
third countries to flag non-compliance with FTA sustainability clauses. This mechanism could take inspiration from existing proposals in this area, which suggest that a complaints mechanism could be adopted unilaterally by the EU and applied to all of its trade agreements, without requiring them to be renegotiated (see Box 11). The mechanism would complement steps towards direct democracy and citizen participation in EU policies under the new governance architecture of a Common Food Policy (see Section 3.2).

**BOX 11**

**A COMPLAINTS MECHANISM TO OFFER CITIZENS GENUINE PROTECTIONS UNDER FTAS**

In its 2018 non-paper on sustainability provisions in future FTAs, the European Commission committed to expand the capacity of ‘Domestic Advisory Groups’ (DAGs)’ in the EU and partner countries and to broaden their remit to implementation of the whole agreement in future FTAs. However, if sustainable development clauses in FTAs are to become the main protection against abusive, unsustainable and inequitable practices in global supply chains, further action is required. These reforms would need to be accompanied by a robust and accessible complaints mechanism allowing individuals, civil society groups, farmers’ organizations, trade unions and other actors from the EU and third countries to flag non-compliance with social, environmental, and human rights provisions in trade agreements. A new complaints mechanism could be designed to apply unilaterally to all EU trade agreements. Building on existing proposals for action in this area, and responding to the challenges described in the previous section, the mechanism should be designed to apply unilaterally to all EU trade agreements, and should be based on the following imperatives:

- Challenge the Commission’s discretionary power to activate procedures;
- Provide procedural guarantees to complainants, in line with the guarantees offered to private investors under ISDS or the Trade Barriers Regulation;
- Remain accessible to all complainants without requiring legal standing and avoid heavy investigative requirements as a prerequisite for complaints;
- Shift the burden of proof onto the importing/exporting companies once a complaint is activated;
- Create a simple procedure with a single interlocutor for civil society; Document complaints in a transparent way.

In the interests of further policy integration and coherence over time, the mechanism could also cover complaints in regard to GSP/GSP+, and IUU fishing complaints.

3 The mechanism should require complainants only to ‘merely give the Commission sufficient reasons for a decision warranting further investigation.’ (ibid).

Actions to reduce the external impacts of EU food systems must not be limited to reforming FTAs. The EU must act to put an end to all forms of dumping and address the harmful industry practices underpinning it. Concretely, the following steps are required:
• In line with the commitment to ‘policy coherence for development, the EU must phase out all trade-distorting CAP payments (including export subsidies and promotion support), shift away from area-based CAP payments, promote local/integrated feed production, and continue to monitor the CAP’s external effects regarding the SDGs, in line with recommendations from the European Parliament and the OECD. As part of a broader shift in the rationale of the CAP (see Section 4.2), these reforms would reduce the production of commodity surpluses and mitigate the risks of highly-subsidized EU production undercutting producers in developing countries. These imperatives would be likely to emerge on the back of meaningful inclusion of environment and development stakeholders in CAP decision-making (i.e. the relevant committees in the European Parliament and the relevant DGs in the European Commission), under the new governance architecture of a Common Food Policy (see Section 3.2).

• Building on the recent reforms to anti-dumping procedures, the definition of dumping – as applied in the EU and defended at the WTO level – should be updated and broadened to include explicit social, economic, environmental, health, and animal welfare criteria based on internationally-agreed standards.

• Monitoring of dumping should be stepped up, building on existing information platforms; information should be aggregated across sectors and regions to capture the general undercutting of developing world producers, and to take into account ‘backdoor dumping’ through intermediary countries; collaboration should be encouraged between potential complainants in different countries, building on the recent precedent of Ghanaian and South African poultry producers pooling efforts to tackle alleged EU dumping.

• Immediate action is required to tackle the ‘Unfair Trading Practices’ (UTPs) employed by large buyers in global supply chains, to the detriment of farmers around the world. The decision to apply recently-agreed EU UTP regulations to contracts with EU and global suppliers is therefore highly significant, although gaps in supply chain regulation remain (see Section 4.4).

• Ultimately, action is required across all economic sectors to crack down on the practices employed by multinationals to avoid regulation and taxation in the countries in which they operate (e.g. transfer pricing).

• In the medium- to long-term, the EU should introduce a CO2 tax to prevent environmental dumping on EU markets of goods produced outside the international climate change mitigation regime. Revenues raised by this ‘border adjustment’ measure could be reinvested in supporting the sustainability transition in developing countries, in combination with other aid flows (see below).

The EU must take further steps to make investors and multinational firms accountable for the sustainability of their supply chains. Sustainability criteria should be applied to all EU-backed aid and investment flows (e.g. EIP), including non-net loss biodiversity indicators and climate indicators. These criteria could also serve as a benchmark in evaluating private companies’ actions under EU Non-Financial Reporting rules. Furthermore, the EU should introduce mandatory due diligence obligations for all operators (including investors) in forest-risk commodity supply chains (e.g. soy, palm oil, beef, cocoa), in line with a September 2018 resolution from the European Parliament, and the call to action from several European governments in the Amsterdam Declaration on deforestation. In the longer term, due diligence obligations could be extended to importers of all raw agri-food commodities and fish into the EU. While IUU fishing rules have been fairly effective, the European Parliament has already called for the Commission to explore due

463 The www.epamonitoring.net website, for example, has played a key role in supporting civil society capacity in this regard, by gathering extensive and regularly updated information on dumping claims.
466 Under Directive 2014/95/EU, large companies have to publish reports on the policies they implement in various areas, including environmental protection.
diligence procedures for imported fish, in line with the more stringent approaches used to regulate conflict minerals and timber.\textsuperscript{468} Expanding due diligence to all food imports would shift the burden of responsibility onto importing companies in all sectors, and would complement attempts to promote state regulation and oversight of sustainability risks under FTA sustainable development clauses (see above).

While crucial, due diligence requirements should not be considered sufficient to address the negative impacts of intensive export commodity production. As recalled by a DG Environment-commissioned feasibility study, effective action on deforestation would need to leverage a whole range of EU policies spanning food supply, demand and financial incentives, and would need to adopt clear and consistent approaches between them.\textsuperscript{469} This underlines the importance of steps to relocalize feed production (see Section 4.2), to promote sustainable procurement (see Sections 4.3 and 4.4), and to build an integrated food policy vision across the five objectives.

Ultimately, the EU’s future trading relationships must be based on a new paradigm: free trade agreements must become sustainable trade agreements in which the expansion of trade volumes is no longer the primary objective. Under this new form of bilateral or region-to-region compact, sustainable development would be mainstreamed rather than occupying a chapter alongside core liberalization commitments, and liberalization would itself be contingent on steps to rebuild and re-diversify domestic food production and the economy more broadly.

Through this approach, the EU would support net-food-importing countries to diversify and rebuild their food production capacity as part of long-term transitions, without jeopardizing the trade flows that remain crucial for food security as those shifts occur.\textsuperscript{470} In other words, developing countries would be encouraged to reform various policies and develop comprehensive strategies to support sustainable food systems in the knowledge that, far from incurring trade penalties or losing competitiveness, their trading relationship with the EU would in fact be deepened.\textsuperscript{471} Reaffirming the right to regulate in the remit of trade agreements would make this a meaningful commitment, ensuring that trade liberalization provisions be shaped accordingly, rather than leaving the two in open contradiction. New agreements of this nature could reset relations with ACP countries when the Cotonou Agreement expires in 2020, correcting the flaws of the EPA process, starting from a new premise, and building partnerships based on combined trade and regulatory cooperation – drawing on precedents such as the Voluntary Partnership Agreements under the EU Timber Regulations (FLEGT)\textsuperscript{472} and Roadmaps under IUU Fishing rules.

Under Sustainable Trade Agreements, trade in socially or environmentally harmful goods and services would be discouraged, e.g. exclusion of high-GHG goods from liberalization. The emphasis would be on value not volume: territorial markets, short supply chains, and fair/ethical trade would be explicitly

\textsuperscript{468} European Parliament, European Parliament resolution of 30 May 2018 on the implementation of control measures for establishing the conformity of fisheries products with access criteria to the EU market, 2017/2129(INI).
\textsuperscript{469} COWI, Ecofys, and Milieu, Feasibility study on options to step up EU action against deforestation.
\textsuperscript{470} Even in a scenario of maximum self-sufficiency, some regions (particularly Asia/Middle East) will continue to be highly reliant on trade to meet food needs – meaning that governance of trade will remain crucial for food security in the future, and that steps towards greater self-reliance will need to be carefully sequenced. (Freibauer et al., Sustainable food consumption and production in a resource-constrained world.)
\textsuperscript{471} “In the absence of special incentives rewarding countries or exporters that rely on the cleanest technologies available and use the least polluting methods of production by improved market access, export-led policies result in a regulatory chill: regulators shall fear to increase environmental standards, in particular related to greenhouse gas emissions, if this could put certain of their industries at a disadvantage.” (O. De Schutter, Trade in the service of sustainable development: Linking trade to labour rights and environmental standards (Oxford: Bloomsbury Publishing, 2015.)
\textsuperscript{472} The 2010 Timber Regulation, part of the FLEGT Action Plan (Regulation (EU) No 995/2010 of the European Parliament and of the Council), prohibits European operators from placing illegally harvested timber and products derived from illegal timber on the EU market, while supporting partner countries to meet sustainable logging requirements.
promoted, drawing on precedents such as the France-Ecuador bilateral cooperation pact. Concretely, the EU could leverage a range of investment, development and trade support tools to support shifts towards diversification, short supply chains and sustainable land use trends. For example, ‘Aid for Trade’ could be used to support developing countries in building territorial and regional markets as well as building capacity for participating in global trade.

In order to support the pathways promoted under Sustainable Trade Agreements, and to ensure alignment among the EU’s development tools, EU aid flows could ultimately be financed and delivered through a ‘Just Transition Fund’ that pools development aid, climate financing, and the funds levied via anti-dumping cases/trade sanctions and a CO2 tax. Bringing together development and climate financing could help to emphasise diversified agroecological systems as an alternative to export commodity production, and as a pathway to climate mitigation/adaptation. Redistributing the proceeds of anti-dumping procedures/trade sanctions in support of a transition towards more sustainable practices would also be a coherent use of resources - and could go towards technology transfer, capacity-building, or financing social protection schemes.

Furthermore, the EU should actively reshape WTO rules in accordance with this long-term shift in its trade and development policies. While the EU could act unilaterally to impose a CO2 border tax, efforts should be stepped up in parallel to reconcile trade policies with sustainable development at the WTO through a multilateral and negotiated approach. In the short term, this could mean steps to develop common accounting approaches, and to build the capacity of the WTO’s Trade & Environment Committee in order for it to play a central role on core WTO business (e.g. oversight of legal drafting). While hard to envisage in the current climate, the EU should push for sustainability to be mainstreamed at the WTO in the longer term. This could take the shape of a WTO sustainable development clause referring to international instruments on labour and environmental standards, an Interpretive Declaration of WTO Agreements based on sustainable development concerns, or a WTO Climate Change Waiver, i.e. approaches forcing interactions between WTO law and other areas of international law including environmental and social standards. Ultimately, the seed rules (UPOV91) and IPR proposals that the EU has promoted in bilateral and multilateral trade agreements must be revisited, given persistent concerns about the impacts on agro-biodiversity and on the livelihoods of farmers in the global South.

Across the board, more scrutiny of EU and Member States positions in multilateral negotiations is required. This could be facilitated by creating a one-stop-shop portal to track positions adopted by EU/national delegations at the CODEX Alimentarius (FAO-WHO) Commission, the Committee on World Food Security (CFS) and other relevant fora. Furthermore, the EU must regain the moral leadership it once had on the global human rights agenda, particularly at a time when the United States is retreating from multilateralism and when emerging countries are moving away from human rights as a guide to their foreign policy. Building on recent adoption of the Declaration on the rights of peasants at the Human Rights Council – on which most EU Member States abstained – the EU should support further steps to protect rights and defend food sovereignty, including the adoption of a UN legally binding instrument on business and human rights and a UN Framework Convention on the Right to Food.

474 De Schutter, Trade in the service of sustainable development.
475 This is important in the long run given that current sustainability-based trade preferences rely on exemptions from WTO rules; as such clauses proliferate, WTO dispute settlement procedures could be swamped, creating deadlock. (Dröge and Schenuit, Mobilising EU trade policy for raising environmental standards.
476 Gruni, “Towards a Sustainable World Trade Law?”
477 Ibid
5. CONCLUSIONS
Ultimately, this report represents a call to action. With political will, we can make this vision become reality. We invite the EU institutions and the Member States to take the process forward into its next phases and flesh out a full vision of a Common Food Policy, continuing to harness the collective intelligence of food system actors. Opportunities must be seized to develop and promote a Common Food Policy in the remit of reflections on food systems governance that have already been opened. The European Commission’s long-term vision for implementing a sustainable development strategy, now under discussion, represents a key window of opportunity. The current CAP reform process, and the revamping of research and innovation policies, also present opportunities for embedding integrated food system thinking and moving towards a Common Food Policy.

Several risks and challenges must be carefully navigated on the path to an integrated food policy. Firstly, the objectives and the proposals in the Common Food Policy blueprint must not be treated as à la carte options. Many questions, of course, remain to be answered. The proposals included in this report must be further refined: in some cases, the legal basis in the treaties is still under discussion, and in areas that are not the exclusive competence of the EU, compliance with the principles of subsidiarity and proportionality should be examined. The precise sequencing of actions must also be carefully considered. What should not be lost, however, is the breadth and scope of action. The five objectives and the key proposals they include are designed to be part of a cohesive whole, to be mutually reinforcing across sectors and over time. If proposals prove not to be viable, alternatives must be found allowing the same goals to be reached. The holistic logic and pathway thinking must not be sacrificed in order to deliver quick wins that end up deferring, rather than accelerating, the systemic change that is required. Nor should governance reforms be considered as an optional add-on, or as an avenue to be pursued once CAP, environment, trade, and food safety policies fall into natural alignment. New modes of decision-making underpin the whole vision; they are the key to building new synergies, hardwiring all policies to deliver sustainability and public health, and unlocking change across food systems.

Secondly, transition in food systems must occur alongside and in synergy with a broader transition to sustainability across the whole economy. The major trends that are sweeping across food and farming systems – digitization, dematerialization, automation, consolidation, and the counter-movements emerging in response – are also disrupting many other economic sectors and areas of life. The challenges of charting a course to sustainability in this context are overlapping – not only within food systems, but also beyond their boundaries. Building healthy food environments, for example, requires a fundamental rethink of urban development, transport, and mobility systems; and it requires social policies that unite citizens across economic divides and make a healthy and meaningful life possible for all. Ultimately, the prevailing incentives to over-produce, to over-consume, and to externalize costs onto taxpayers and future generations must be replaced by a new green taxation paradigm, and by a macro-economic paradigm no longer focused on GDP growth as an end in of itself. These changes are civilizational in nature. They must be underpinned by a new contract between citizens, businesses, and policymakers. The governance for transition described in this report therefore does not only apply to food systems. The sustainability challenge is cross-cutting, and the solutions must be too.

Finally, rebuilding food systems and calling some of the EU’s foundational policies into question should be seen as an opportunity, not a threat, for reviving the European project. This is the real answer the EU can provide to the threats of populism and euroscepticism. The EU can provide the leadership that is required to achieve food systems reform. By building a Common Food Policy to guide the transition to sustainable food systems, it can inject new purpose into a range of sectoral policies – including the internal market, competition, agriculture and rural development, health, and environment – that are already at the heart of its actions. In doing so, it can harness the energy and enthusiasm of a wide range of actors to make this vision a reality. A Common Food Policy cannot become another top-down policy. It must be designed to listen more closely and respond more readily to the concerns and aspirations of citizens. In a context where CAP reforms, pesticide authorizations, and trade negotiations are alienating citizens, the Common Food Policy offers a Plan B for Europe: a way to reclaim public policy for the public good and to rebuild trust in the European project.
FIGURE 11
A COMMON FOOD POLICY: A SINGLE TIME-BOUND VISION
FOR BUILDING SUSTAINABLE FOOD SYSTEMS
ABOUT IPES-FOOD

The International Panel of Experts on Sustainable Food Systems (IPES-Food) seeks to inform debates on food systems reform through policy-oriented research and direct engagement with policy processes around the world. The expert panel brings together environmental scientists, development economists, nutritionists, agronomists, and sociologists, as well as experienced practitioners from civil society and social movements. The panel is co-chaired by Olivier De Schutter, former UN Special Rapporteur on the Right to Food, and Olivia Yambi, nutritionist and former UNICEF representative to Kenya.

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