



Advice

Sustainable Food System Framework Initiative

Brussels, 15 February 2022

1. Background

The European Green Deal¹ reset the European Commission's commitment to tackling climate and environmental-related challenges. It aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. While also aiming to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts.

In that context, the Commission adopted the Farm to Fork Strategy² to comprehensively address the challenges of sustainable food system and to recognise the inextricable links between healthy people, healthy societies and a healthy planet. The Commission also adopted the Biodiversity Strategy to bring nature back into citizens' lives³.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The European Green Deal

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2019:640:FIN>

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0381>

³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - EU Biodiversity Strategy for 2030 Bringing nature back into our lives

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1590574123338&uri=CELEX:52020DC0380>



The Farm to Fork Strategy announced the adoption of a horizontal framework law to accelerate and facilitate the transition and ensure that foods placed on the EU market increasingly become sustainable. The framework aims to establish new foundations for future food policies by introducing sustainability objectives and principles on the basis of an integrated food system approach. A proposal for a sustainable food labelling framework to empower consumers to make sustainable food choices will also be part of this intervention.

On 28 September 2021, the European Commission published an Inception Impact Assessment on the Sustainable Food System Framework Initiative, which was open to feedback until 26 October 2021. Under the Work Programme for Year 6 (2021-2022), the MAC committed to work on the Commission's proposal for a legislative framework for sustainable food systems, taking into account its effect on the EU market of fisheries and aquaculture products⁴.

2. Introduction

The Market Advisory Council (MAC) welcomes the initiative on a Sustainable Food System Framework. The MAC generally agrees that the problems outlined in the Commission's Inception Impact Assessment would be appropriately tackled by a sustainable food system framework. There is also general agreement that the initiative could contribute to achieve the likely economic, social and environmental impacts identified.

Unsustainable food production and consumption, both land and seafood, is one of the main drivers of the present climate and biodiversity loss crises. In the last decades, EU policies affecting food systems have largely been developed separately, leading to gaps, inconsistencies, environmentally harmful subsidies and the emergence of diet-related chronic diseases. Therefore, common goals and policy actions can help achieve the transition to a sustainable,

⁴ Accessible on the European Commission's Better Regulation website: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13174-Sustainable-EU-food-system-ew-initiative_en

healthy, fair and inclusive food production system for current and future generations. These efforts should take into account all elements and activities related to the production, processing, distribution, preparation and consumption of food. Credible certification schemes can also play an important complementary role in these efforts. Furthermore, besides official controls, public authorities should focus on the transformative potential of public procurement.

The European Union has a key role to play in the design of ambitious policies that encourage biodiversity-friendly approaches to fisheries and aquaculture production and that balance ecosystem restoration with the need to provide affordable, readily-available, healthy and nutritious food for all. Their adequate implementation and enforcement will be fundamental. The Sustainable Food Systems Framework initiative can also represent an opportunity for the European Commission to fulfil the commitment expressed in its Communication on “Improving access to justice in environmental matters in the EU and its Member States”⁵.

In the case of fisheries production, thanks to the Common Fisheries Policy⁶, the objectives of sustainability are already the guiding principles and the transition was initiated. In the case of aquaculture production, it is also worth noting the recent publication of the Strategic guidelines for a more sustainable and competitive EU aquaculture for the period 2021 to 2030⁷. As such,

⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Improving access to justice in environmental matters in the EU and its Member States

<https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:52020DC0643>

⁶ Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC

⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Strategic guidelines for a more sustainable and competitive EU aquaculture for the period 2021 to 2030

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:236:FIN>

the development of common sustainability objectives and principles should not disrupt the achievements of the existing sectoral legislation of the fisheries and aquaculture sector.

3. Recommendations

In the context of the ongoing initiative on a sustainable food system framework, the MAC believes that the European Commission should⁸:

I – In relation to the development of the initiative

- a) Recognise the importance of the initiative on a sustainable food system framework for the EU market of fishery and aquaculture products, including through close cooperation between DG MARE and the other relevant Commission services;
- b) In the upcoming consultations and steps, ensure the engagement of fisheries and aquaculture stakeholders, including through the close involvement of the MAC;
- c) When developing a common approach to sustainability aspects, including the introduction of sustainability objectives and principles, take into account the potential need for sector-based approaches for the fisheries and aquaculture sector;
- d) Take into account the unique characteristics of the fisheries and aquaculture sector, including significant variety in species, production methods and techniques, production regions, data availability on stocks status, and specific characteristics of control and enforcement done at sea;
- e) Ensure coherence and consistency with other legal instruments and policy instruments affecting the sustainability of the EU market of fishery and aquaculture products, such as the Common Fisheries Policy, the ongoing revision of the marketing standards framework, the rules on Food Information to Consumers, the EU taxonomy and technical screening criteria, the initiative on substantiating green claims, the sustainable corporate

⁸ The recommendations are not necessarily listed in order of priority or importance.

governance framework, and the rules on organic aquaculture animal and seaweed production;

- f) Guarantee that the development of the framework does not compromise food safety, food quality, including coherence with the current framework of the General Food Law, and food security and nutrition, while following a science-based approach that builds on the success and lessons learned;
- g) Respect the concept of sustainability provided by the Common Fisheries Policy (Art. 2.1), which covers the three pillars of sustainability: environmental, social and economic. When referring to specific pillars of sustainability, make sure that this reference and distinction is clear, in order to avoid conceptual uncertainty;
- h) Avoid compromising the competitiveness of companies operating in the EU market, including business secrecy, while considering the specificities of the sectors and the size of the operators, in particular SMES, for which support tools is particularly necessary;
- i) Recognise the importance of sustainable fisheries and aquaculture products in sustainable consumption and healthy nutritional habits, in accordance with international and national nutritional recommendations;

II – In relation to the problems to be tackled by the initiative

- j) In connection with the identified problem of food waste, take into account problems specific to the seafood sector, such as the ban on discarding in fisheries, the traceability requirements of fisheries and aquaculture products, and the entry of IUU fishing products in the EU market;
- k) Regarding the affordability of sustainable foods and the reflection of externalities in the price and costs of food, involve consumers in the dynamic, while keeping in mind that the production of more sustainable food has a cost that will likely be passed on to the final consumers;

- l) Recognise, encourage and amplify existing efforts, at all levels of production chains, to reduce food loss and food waste. Trends under development, such as the reduction of packaging and the increasing use of bulk purchases, and their impact on the shelf life of products should also be taken into account;
- m) Regarding imperfect competition and imbalances in market power in the food chain, keep in mind that the improvement of this situation can lead to a pass-through of costs throughout the production chain and, consequently, to an increase in food prices for consumers. Efforts should be made to ensure that responsibility is shared, proportionate and clearly defined between the different actors in the chain;
- n) Regarding the lack of sustainability assessments for food products, recognise the important work carried out by different national bodies to better understand and better assess the sustainability of different food systems, while also promoting the coordination of research bodies at the EU-level;
- o) Regarding the insufficient transparency on sustainability aspects across the food system, recognise and support the important work being carried out to improve consumer information, including the Product Environmental Footprint methodology based on Life Cycle Assessments. There should be support for the development of ergonomic tools for economic operators to facilitate the communication of sustainability information;
- p) Regarding the lack of general provisions to consider sustainable food and food systems aspects in relation to exports and imports, involve the EU's trading partners, particularly in the context of international forums, such as the UN, FAO, and WTO, in the development of equivalent approaches on sustainability issues, in order to avoid distortions of competition;

III – In relation to the appropriate policy option

- q) Regarding the policy options mentioned in the Inception Impact Assessment, proceed with “option 4 – new comprehensive framework legislation on the sustainability of the

Union food system”⁹, which can promote a level-playing-field between national food systems within the EU, even though reinforcing or better implementing existing legislation can be sufficient for some parts of seafood production;

- r) Recognise that voluntary measures are part of the solution, since these establish market leaders in sustainability and increase standards, but also recognise that voluntary measures might not be efficient enough to bridge the gap between short-term costs versus long-term impacts as well as the market distortions favourable to unsustainable food products;
- s) Complement the selected policy option with additional actions by national authorities in the aspects of food systems of their competence, with changes in agri-food and seafood trade rules to achieve full transparency and socio-environmental equitability, and with binding health and sustainability obligations for large food business operators;

IV – In relation to the likely economic, social and environmental impacts

- t) Value “food environment” as a key concept as it refers to the “physical, economic, political and sociocultural context in which consumers engage with the food system to make their decisions about acquiring, preparing and consuming food”¹⁰;
- u) Work with food business operators in the achievement of better sustainability, including by encouraging the largest operators to drive positive change;
- v) Provide further details and analysis on the likely impacts identified by the Inception Impact Assessment, including assessment and quantification of all externalities along the food value chain. Impact assessments should show the relevance of the identified

⁹ Amongst the MAC’s membership, there is generally support for option 4. On the other hand, AIPCE-CEP favours “option 2 – voluntary approaches”. In their view, the use of soft law, including voluntary approaches and standardisation, would make it possible to embark and mobilise citizens in their mode of consumption.

¹⁰ For further information on this concept, see: https://foodpolicycoalition.eu/wp-content/uploads/2021/10/Food-Environments-for-SFS_EU-FPC.pdf.

- impacts, but also consider short and long-term environmental, health and social impacts as well as the effects of inaction;
- w) Regarding the long-term likely economic benefits, ensure that this initiative focus first on the EU market and avoid basing the strategy on the possibility of exporting;
 - x) Regarding the optimisation of production, distribution and consumption of food, ensure that appropriate management covers all resources, not only fishing and aquaculture activities, but also the use of water and energy;
 - y) Acknowledge, as an additional likely social impact, the increased accountability of supply chain actors for the impacts of their activity beyond their direct suppliers;
 - z) Regarding the boost to local business structure and food production and processing in rural areas, acknowledge as well as the boost to coastal areas and to the communities;
 - aa) Take action to develop a low and harmonised VAT tax rate across the EU for healthy and sustainably sourced fishery and aquaculture products, as a way to guarantee affordable nutritious products, to reduce public expenditure connected to poor dietary choices, and to ensure a level-playing-field among market operators;

V – In relation to the likely impacts on simplification and/or administrative burden

- bb) Take action to avoid imposing a complex administrative burden on operators and, more generally, on citizen users;
- cc) Considering the likely increase in administrative burden and costs for operators, particularly in the short-term, promote and support the implementation of available technological innovations to streamline the increased data collection needs and reporting requirements, for example through the digital transfer of seafood products traceability information. Efforts should be made for an equal implementation of these innovations across the sector, in order to maintain a level-playing-field between operators;
- dd) Considering the current lack of a level-playing-field for some seafood production, promote the harmonisation of rules and requirements at the EU-level and the reduction

of duplicated processes, while also ensuring consistency with conservation goals and accounting for the impacts on third countries;

- ee) Taking into account that the EU's responsibility as a leading importer of seafood products, recognise the importance of the promotion of European standards in the food system internationally through the leverage of its buying power to promote better environmental and social standards internationally, while also avoiding the outsourcing of environmental and social issues to third countries;
- ff) Taking into account that the fisheries and aquaculture sector is highly internationalised, use international standardisation tools, such as ISO standards, to promote European standards in the food system and achieve greater harmonisation between different regions of the world.