

FoodServiceEurope response to the consultation on the inception impact assessment on the Sustainable Food System Framework Initiative

About FoodServiceEurope

FoodServiceEurope represents the European contract catering sector. Contract catering encompasses food and ancillary services provided to people working or living in communities – private and public undertakings, schools, universities, hospitals, retirement homes, prisons – under the terms of a contract with the client communities.

With an annual turnover of around €25 billion, the sector's 600,000-strong workforce delivers approximately 6 billion meals each year to workers, civil servants, pupils, students, hospital patients and care home residents.

Contract catering is a unique part of the food system and differs significantly from other forms of food service. Contract catering services are provided on the premises of the contracting party, which awards contracts through procurement tenders.

Contract catering plays a crucial social function. Its meals are regularly delivered to vulnerable consumers (e.g. children, patients), at a subsidised "social" price. Contract catering thereby guarantees access to nutrition to individuals that may not otherwise have it.

Food ServiceEurope recommendations

FoodServiceEurope fully supports the Commission's objective to build more sustainable food systems and welcomes the European Commission's initial consultation on a related framework initiative.

Joint action by all EU Members States is the only way to tackle the challenging of transitioning to a more sustainable food system. It is essential that this initiative creates a common understanding of sustainability and regionality, and provides the necessary framework conditions for implementation. In order to be able to provide the end consumer with sustainable products, it is imperative that the entire value chain play its part – from the producer to the consumer.

EU legislation can play an important role in advancing the sustainability of the food system, but there is already much EU legislation that is either not fully enforced, or which needs to be amended to have the desired impact. It is not necessarily through new legislation that the desired outcomes will be achieved.

In the case of contract catering and public procurement, the fundamental obstacle to raising the bar further in terms of sustainability is not lack of voluntary action or lack of regulation. It is the major gap that often separates contracting authorities' desires and the price that they are willing to pay for healthy sustainable food: price, not quality, remains the most important factor in awarding contracts to contract catering operators.

Yet it is not through mandatory sustainability criteria for food procurement that this gap will be closed. Already today, voluntary but widely used and often de facto mandatory Green Public Procurement (GPP) criteria have perverse effects. For example, the insufficient availability and high price of organic produce (often tenders set a 50% organic criterion, particularly for schools) means that contract

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caterers have to source organic produce from other continents, which, on a life-cycle basis, is less desirable than a conventional EU product. At the same time, the price paid by contracting authorities often do not reflect the higher cost of organic or “sustainable” inputs. Simply strengthening further existing demand-side measures (e.g. through mandatory GPP) will not, as the Farm to Fork Strategy states “boost sustainable farming systems”, especially when supply-side measures (the Common Agricultural Policy) are inadequate.

FoodServiceEurope calls on the Commission to reconsider plans for setting minimum mandatory criteria for sustainable food procurement, as these would likely exacerbate current perverse effects - unless done contemporaneously with a fundamental overhaul of the framework EU public procurement legislation. The EU public procurement directive needs to be revised in order to ban the awarding of contracts solely on price, and to mandate instead the use of quality criteria, encapsulated in the notion of the “economically most advantageous offer”. (See FoodServiceEurope and EFFAT’s [Best Value Guide](#) for more detail on how the contract catering industry and the Trade Unions in the sector jointly conceive of this).

The Commission’s Inception Impact Assessment states that “negative environmental and social, including health, externalities are not effectively reflected in the price or cost of foods creating market distortion favourable to unsustainable food products and related food operations” and lists as an objective of the Sustainable Food System Framework Initiative to “avoid externalisation of unsustainable practices”. This problem will not be solved nor will this objective will be achieved in food procurement by simply mandating the sourcing of sustainable food without:

1. A clear definition of “sustainable food”, which cannot simply and exclusively be equated with “organic”.
2. A fundamental reform of the horizontal public procurement legislation to incentivise competition on quality (including sustainability) and eliminate inbuilt incentives to compete on price alone.
3. A comprehensive set of supply-side measures to ensure that EU agricultural and food producers are in a position to provide the “sustainable food” that is demanded, in sufficient quantities and prices that society can bear.

Conclusion

FoodServiceEurope reiterates its support for an EU policy framework that seeks to further the sustainability of the EU’s food system, as expressed by our early signature of the EU Code of Conduct for Responsible Food Business and Marketing Practices. FoodServiceEurope calls on the EU to avoid piecemeal legislative approaches that are likely to have more negative unintended consequences than engendering the desired systemic shifts. In the case of public procurement of food, the current problem is not the lack of food-specific regulations but the inadequacy of the EU’s horizontal legislative framework for public procurement, and that is where policymakers should shine the spotlight.