

Voluntary Agreements to Address Food Waste

REFRESH Community of Experts webinar series

www.refreshcoe.eu

4/11/2019



REFRESH is funded by the Horizon 2020 Framework Programme of the European Union under Grant Agreement no. 641933. The contents of this document are the sole responsibility of REFRESH and can in no way be taken to reflect the views of the European Union



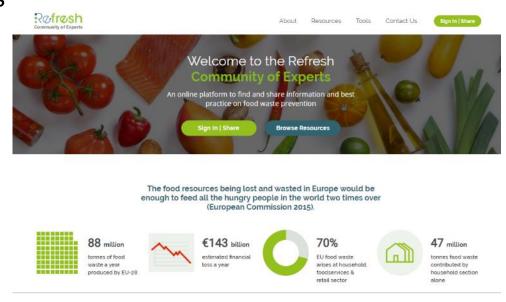
Background

REFRESH:

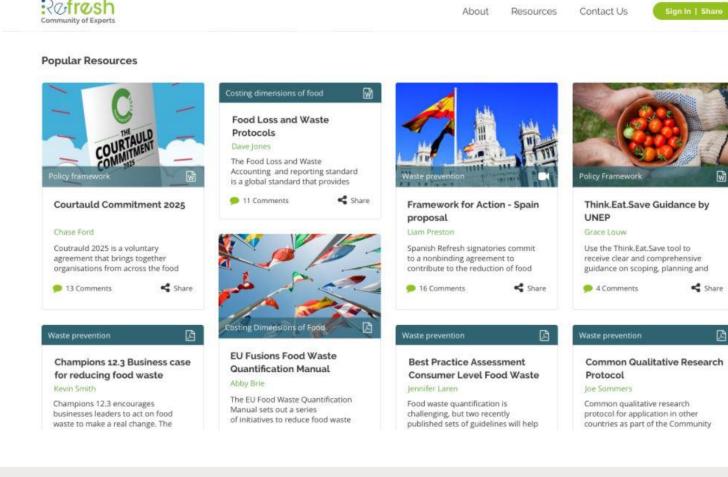
- EU research project taking action against food waste
- Actively promotes collaboration in tackling food waste

REFRESH Community of Experts (CoE) is virtual platform to:

- Share knowledge and best practice
- Enable replication
- Host tools and resources
- Promote cross-sector collaboration

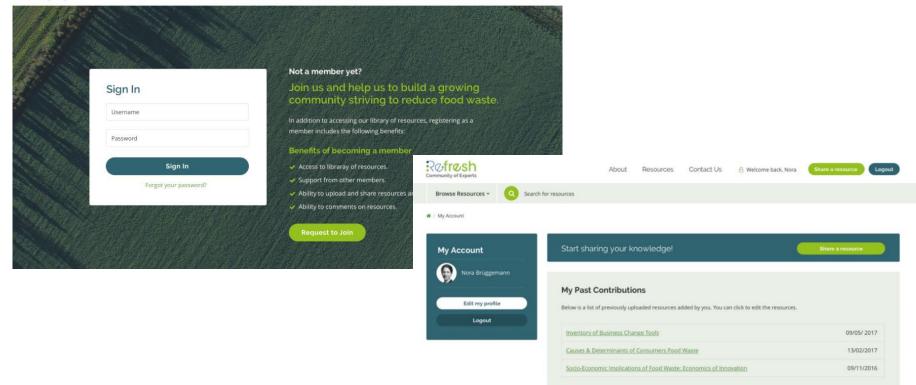


Background



Background

Rofresh



bout | Resources | Contact | Privacy Policy | Cookies Policy | Terms & conditions

The webinar series

REFRESH CoE running webinar series, 9 April – 2 May 2019.

Adding value to food waste and by- products	9 April 2019 – 2 pm BST (3 pm CEST)
Voluntary agreements to address food waste	10 April 2019 – 2 pm BST (3 pm CEST)
Tackling consumer food waste	29 April 2019 – 2 pm BST (3 pm CEST)
Measuring and managing retail food waste	2 May 2019 – 2pm BST (3 pm CEST)

To register or view recordings please visit:

www.refreshcoe.eu/refresh-webinar-series

Our speakers today



Claire Kneller, Head of Food, WRAP (chair)





Dr Simone Piras, Agricultural and Rural Economist, James Hutton Institute



David Rogers, Head of International Resource Management, WRAP Nora Brüggemann, Project Manager, Collaborating Centre on Sustainable Consumption & Production



Dr Raquel Diaz-Ruiz – Researcher at Center for Agro-Food Economy and Development

Agenda

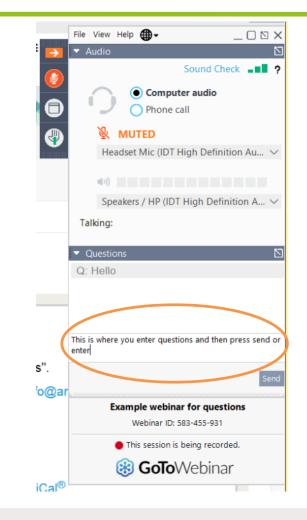
- 1. Overview of voluntary agreements (David): including their benefits, potential barriers and guidance on use
- 2. Voluntary agreements and the food supply chain (Simone): including addressing unfair trading practices
- 3. Experiences with voluntary agreements from Germany (Nora): including lessons learned
- 4. Experiences with voluntary agreements from Spain (Raquel): including lessons learned

5. Questions

6. Close

Asking questions

- Please ask questions!
- Use the question box near the bottom of your control panel
- We will try and answer as many as we can at the end of the webinar
- CoE can also be used to ask questions and share knowledge





David Rogers, Head of International Resource Management, WRAP



www.eu-refresh.org

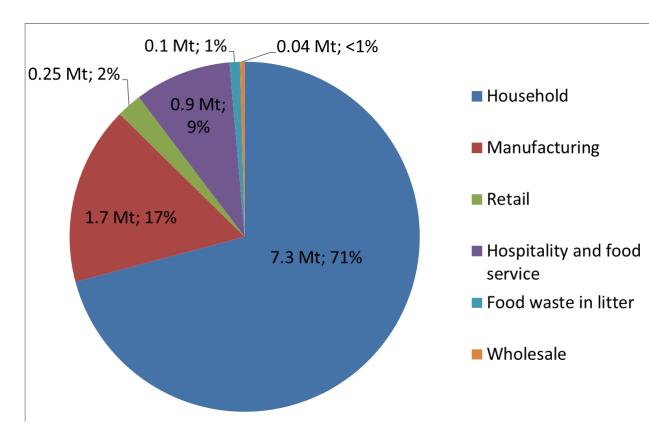
4/11/2019



UK Food Waste 2015 post farm gate

Reduced by **23%** in home & **19%** across whole supply chain

- Prevention
- Improved measurement





A Collaborative Approach

collaborate

- collaborated; collaborating <u>intransitive verb</u>
- 1 : to work jointly with others or together especially in an intellectual endeavour.
- 2 : to cooperate with or willingly assist an enemy of one's country and especially an occupying force suspected of collaborating with the enemy
- 3 : to cooperate with an agency or organisation with which one is not immediately connected.

Collaborative Agreements

Framework | Roadmap | Voluntary Agreement | Pact

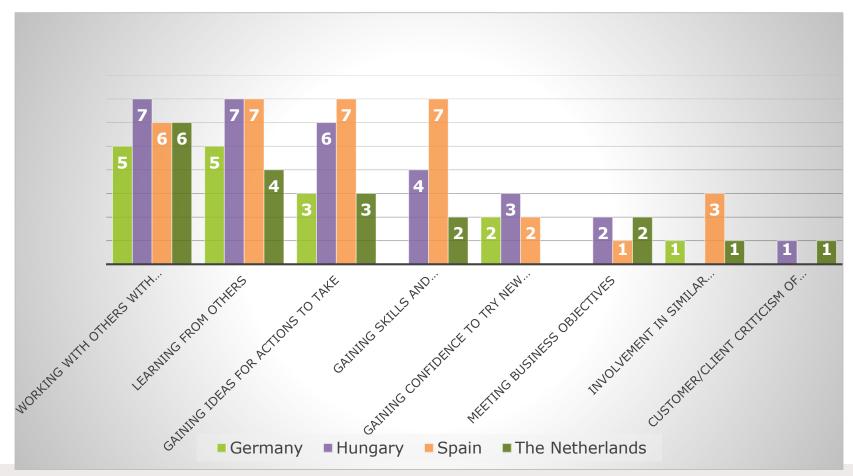
*A collaboratively agreed, selfdetermined 'pact' to take action on [food waste generated at relevant stages of the food system]."

Benefits of Collaborative Approaches

faster to implement and to adapt to new circumstances; can be better designed than legislation, since they are normally produced by those with an in-depth knowledge of the business sector in question; encouraging constant improvement and innovation (whereas legislation generally sets a target, but does not encourage further improvement); and allowing parties to the agreement greater choice over how to achieve the overall objective than legislation, which tends to be more prescriptive

OECD:

Benefits of Collaboration



4/11/2019



Key Success Factors

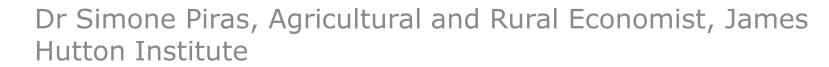


Blueprint - How to build a Voluntary Agreement



© WRAP/REFRESH 2019

UNITE IN THE #FOODWASTEFIGHT

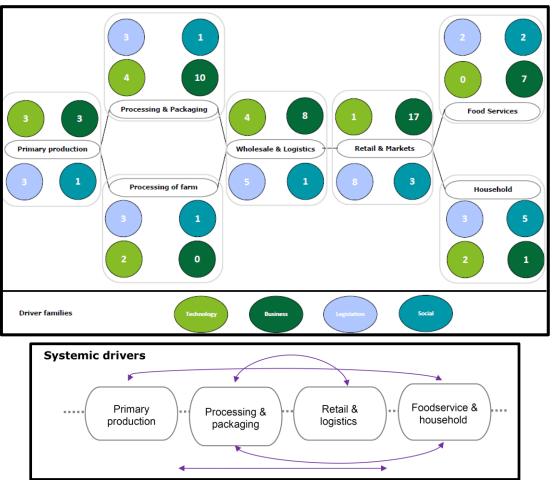


The food supply chain

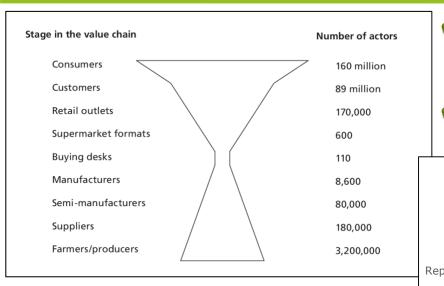
4/11/2019 www.refreshcoe.eu

The food supply chain: Key stakeholders and their interrelationships

- Five main steps along the food supply chain, from productions to consumption, through processing, wholesale/logistic and retail
- FW drivers complex and interrelated along the food supply chain:
 - Level-specific (technological, business-related, legislationrelated and social)
 - Systemic drivers requiring a whole supply chain approach
- Supply/demand imbalances & poor information sharing among actors cause waste of perishable products

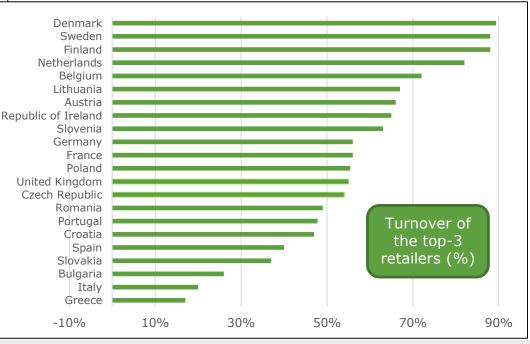


Market concentration across the EU



- The retail sector has undergone increasing concentration since 1995, especially in North and Western Europe
- The share of value-added going to producers has been declining due to their fragmentation

- Different concentration at different levels → EU supply chain **funnel-shaped** with a central **bottleneck**
- This implies **power imbalances** requiring coordination and dialogue





Unfair Trading Practices and their impact on FW generation

Unfair Trading Practices (UTPs) – "practices which grossly deviate from good commercial conduct, are contrary to good faith and fair dealing and are unilaterally imposed by one trading partner on its counterparty" (EC Green Paper, 2013, p. 3).

Four key categories of UTPs (EC):

- Undue/unfair shifting of costs/entrepreneurial risk;
- Asking for advantages or benefits without a related service;
- Unilateral and/or retroactive changes to a contract when not allowed;
- Unfair termination or unjustified threat of termination of a contract.

UTPs in the food supply chain are often **linked to FW generation** through mechanisms invisible to policy-makers and the public \rightarrow difficult to gather evidence (suppliers reluctant to come forward due to the "fear factor") \rightarrow FW recorded as due to technical or operational reasons

Tackling Unfair Trading Practices: From voluntary approaches to regulation

- Example of UTPs with a causal link to FW generation :
 - Informal contracts: may lead to last-minute order alteration by buyers;
 - Quality rejects and strict 'minimum life on receipt criteria': used inconsistently to reject products with a high degree of natural variability;
 - Poor data sharing and demand forecasting: failure to draw up or share accurate demand forecasts with producers, resulting in overproduction and waste;
 - **Threat of de-listing**: overproduction to reduce the risk of failing to meet required orders.
- UTPs in the food supply chain → lower levels of trust between players → lower producer participation in collaborative measures against whole supply chain FW
- Lack of robust FW data at farm level prevents understanding of the scale of FW caused by UTPs → ability to implement policies to reduce FW throughout the supply chain compromised
- Actions taken to address UTPs in EU food supply chains vary across a large spectrum: no action, VAs, formal regulations

4/11/2019



Tackling Unfair Trading Practices: The case studies of the UK and Italy

- Two country-based cases studies (Piras et al., 2018)
- United Kingdom: the Groceries Supply Code of Practice and its monitoring body (Groceries Code Adjudicator) in 2013 – evolution of an earlier voluntary approach, the UK Supermarket Code of Practice
 - Challenges: few resources (from sanctions to non-compliant retailers); indirect suppliers not covered; foreign suppliers not aware
- Italy: art. 62, law 1/2012 regulates B2B transactions in the agrifood sector by referring to the EU Principles of Good Practices in the Food Supply Chain; monitored by the National Competition Authority
 - Challenges: too large number of UTPs to be supervised; low sanctions (no deterring power); fragmented supply; confidential complaints impossible (fear factor); evolving jurisprudence



Voluntary Agreements against FW: The cases of the UK

Phase	CC1 (2005 – 2010)	CC2 (2010 – 2012)	CC3 (2013 – 2015)	CC 2025 (2016 – 2025)
Signatories	42	53	53	130
Objectives	Reduce household FW by 155,000 t in 2010 compared to 2008 √+ Stop packaging waste growth in Households √ Reduce the amount of packaging waste √	4% reduction in households food and drink waste X 10% reduction of the carbon impact of grocery packaging √ 5% reduction of supply chain packaging waste √+	5% reduction in household food and drink waste X 3% reduction of waste in the grocery supply chain √ Ensuring no increase in the carbon impact of packaging √+	20% reduction in food and drink waste in the UK 20% reduction in the GHG intensity of food and drink in the UK Reduce the impact of water use throughout the whole supply chain
Savings	1.2 Mt waste GBP 1.8 billion 3.3 Mt CO_2 -eq. (consolidated)	1.7 Mt waste GBP 3.1 billion 4.8 Mt CO_2 -eq. (consolidated)	1.1 Mt waste GBP 1.6 billion 2.9 Mt CO_2 -eq. (estimates)	In progress

Factors of success

- Favourable national policy framework
- Forum for exchange facilitated by an independent convener
- Recruitment of key players from the grocery industry
- Common objectives and measurable progress

Limitations

- Absence of sanctions for noncompliance, and of legislation
- Lack of transparency in the monitoring process
- Lack of incentives for other actors to join



The Courtauld Commitment 2025 Cutting the cost of food and drink

Voluntary Agreements against FW: The cases of the Netherlands

Phase	Sustainable Food Platform (2008 – 2013)	Sustainable Food Alliance (2013)	TCEF and Dutch Framework for Action (2017 –)	🧐 F
Signatories	Agriculture Industry Retail Catering Hospitality	50,000 farmers 100 animal feed firms 4300 supermarkets 90% of catering market 40000 hotels	Supervised by Wageningen U&R. Includes the SFA and other food industrials, retailers, caterers, NGOs and the Ministry of Economic Affairs.	•
Objectives	20% reduction in FW 2009-2015 X Raise awareness about FW √+	20% reduction in FW by 2020 30% reduction in CO ₂ 1990-2020 Only sustainable meat by 2020.	Unify all initiatives to reduce FW. Halve raw material consumption 2017-30. Climate neutral food production by 2030.	 L T T
Results	2009: 1.4-2.5 million tonnes 2015: 1.77-2.55 million tonnes Special working group on FW. Position paper on labelling. Joint definition of FW.	Toolbox to help companies optimize all steps of production and make high- quality use of residual flows. Campaigns from the government, NGOs and the food sector. Not on path to achieve targets.	Take concrete actions against FW and report progress transparently. Work on national strategy and roadmap for a circular food economy. Insights from REFRESH, share best practices, instruments and progress reports.	Allia. Verduustaam

Factors of success

- Favourable international policy context
- Synergies with national policy framework
- Limitations
 - Unstable FW policy framework
 - Lack of an independent facilitator
 - Absence of sanctions for non-compliance





VAs in the UK and the Netherlands: Lessons learned

- The national and international political context influences (positively or negatively) the success of a VA, at least in its early phases
- A VA's funding scheme impacts its lifetime and agenda: VAs receiving governmental/private funds are influenced by political/company priorities and budgetary constraints; balance between sources is required
- The role played by a **neutral third party** (on top of firms and the government) is preponderant to facilitate accession of actors, ensure confidentiality of data, and supervise the VA
- Business involvement depends on whether there is a strong enough business case: companies must gain benefits one way or another (e.g. reputation) from joining a VA
- A VA should find a balance between **ambitious yet realistic targets**; robustness and transparency of data reporting are critical to ensure credibility of the initiatives



Lessons learned from the REFRESH comparative case studies on VAs and UTPs

VAs and UTPs were found to be interlinked

- Solutions to FW when UTPs are less of an issue \rightarrow UTPs undermine the **trust** necessary for a successful VA
- Primary producers poorly represented within VAs (itself a sign of UTPs) → reduced VAs' effectiveness → well-working VAs from farm to retail are likely to have a larger FW reduction effect than those encompassing only large retailers and big brand manufacturers
- VAs can be an effective exploratory tool to assess the effects of regulation against UTPs and actors' readiness to avoid market power abuse

...*but*...

Where there is a propensity of the food supply chain towards an imbalance of power between suppliers and buyers, a regulatory approach provides an important complement to self-regulatory or voluntary initiatives



Experiences from Germany

4/11/2019 www.refreshcoe.eu

$\begin{array}{c} \uparrow \nearrow & \text{Step 1} \\ \circ \rightarrow & \text{Initiation and Set-up} \end{array}$

- Identify a lead organisation
- 1.2 Enlist government support
- 1.3 Research the food and drink sector
- 1.4 Recruit members from across the supply chain



CSCP: Host and coordinator, acting as secretariat and lead to define activities together with partners.

20 participating organisations

- Policy: Federal Ministry: BMEL; 3 regional ministries: NRW, Bayern, Hessen
- Business: Nestlé Germany, ALDI SÜD, ALDI Nord, Metro, PENNY, real,-, BVLH (retail association), Sodexo, REFOOD
- NGO: WWF, Tafel Deutschland, Consumer association NRW, Council for Sust. Dev., Foodsharing
- Research: University Münster, KERN

"Experimental REFRESH phase"	For a future VA (e.g. in Germany, as National Strategy foresees voluntary cooperation)
 Mixture of actors highly appreciated and useful. Participants from middle- management very good for REFRESH phase 	 Important to find most suitable partners.

n S

e a



- 2.1 Involve members early in setting goals and targets
- Identify national initiatives and plans for cutting food waste
- 2.3 Align with wider goals, such as UN SDG 12.3
- 2.4 Consider the type of target and level of ambition
- Figure 1. Germany's policy mix at December 2014



Source: Fusions, 2016. www.eu-fusions.org/ index.php/country-reports/reports/293-germany Common agreement to

- support the aims of SDG12.3, through innovative pilot projects in the context of REFRESH or as individual activities.
- report on progress at least on a yearly basis

Relevance

- Important as kick-start of bringing together willing actors.
 - helping organisations discuss the 12.3. and what it means to them, and to foster relevant activities

"Experimental REFRESH phase"	For a futre VA
 FA signature requires high level decisions based on clear benefits and costs. Focus on individual processes & set achievable goals in initial phase to motivate participation 	 For VA CEO commitment might be needed Need of political pressure and SUPPORT to encourage organisations to change

Lessons learnt

Step 3 Governance and Funding

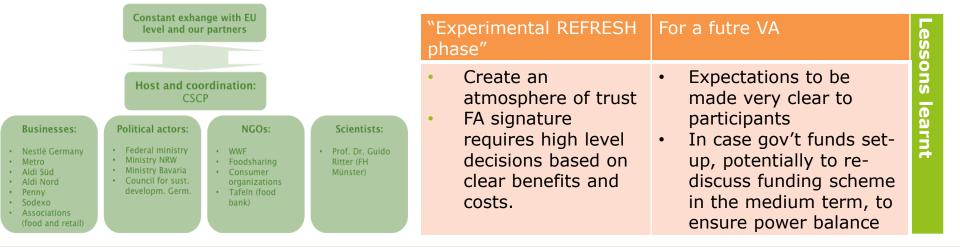
- 3.1 Identify sources of funding
- 3.2 Agree a governance structure, key roles and responsibilities
- 3.3 Plan a strategy for recruiting members

Funding sources

 During REFRESH project duration no external funding sources

Governance setup and involvement

- Participation is open to relevant organisations (not dependent on FA signature), while ensuring workable group size.
- Biannual meetings and bilateral discussions



Step 4 Establishing Actions

- 4.1 Explore existing food waste initiatives
- 4.2 Carry out a gap analysis
- 4.3 Agree actions with the group



Common agreement on piority sectors (2016): impact assessment, POS activities, employee engagement, canteen management, packaging.

Actions with REFRESH involvement:

- Training of 800+ apprentices by PENNY and CSCP
- Tolerance extension & impact assessment by ALDI Süd and FH Münster
- Consumer campaign on best-before date by ALDI Süd and Staatsministerium Bayern
- Exploration of packaging solutions by PENNY, CSCP & WRAP

Own activities of VA participants:

201 actions to reduce food waste (about 1/3 starting during REFRESH, 1/2 still running by end of 2018)

"Experimental REFRESH phase"

- Uptake of suggestions for activities in the framework of a VA depend on timing & internal processes.
- Impact assessment most difficult to conduct.

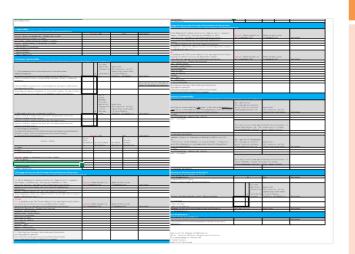
earnt

Step 5 Measurement and Evaluation

- 5.1 Set a baseline figure
- ✓ 5.2 Seek consent to collect data
- **5.3** Establish a data collection process
- 5.4 Use a recognised reporting standard

Measurement and monitoring implemented through pilot

- REFRESH **Baselinining** 2016-2018: qualitative & quantitative, confidential collection, aggregated assessment & presentation
- Impact assessment of 3 REFRESH activities



"Experimental REFRESH phase" Data situation has improved Working with the REERESH

- Working with the REFRESH questionnaire was a very good starting point for the next steps
- 2017: Compiling data useful to assess data gaps and improvement potential
 2010: in any sin sky better
- 2018 & 2019: increasingly better preparation for potentially upcoming political reporting requests.
- Monitoring data can be challenging to collect, but "learning-by-doing"

For a futre VA

- To meet the EU targets for measurement and reporting a higher ambition level and next steps are needed
- But possibility to design effective process collectively



Experiences from Spain

4/11/2019 www.refreshcoe.eu









www.eu-refresh.org

4/11/2019

$\begin{array}{ccc} \uparrow & \mathsf{Step 1} \\ \circ & \to \end{array} \\ \text{Initiation and Set-up} \end{array}$

Ε Checklist

- 1.1 Identify a lead organisation
- 1.2 Enlist government support
- 1.3 Research the food and drink sector
- 1.4 Recruit members from across the supply chain
- CREDA-UPC-IRTA Refresh partner (Research-University) coordination, organization of meetings, support and monitor the pilots, report.
- No central government suport
 - Regional public administrations (Catalonia) involved
- Food and waste competences are transferred to the Autonomous Communities
 - great differences
- Different initiatives to reduce food waste not coordinated (2016)
- In Spain the food sector is very relevant (from the primary production to consuption)
- Criteria of recruitment:
 - heterogeinity and representativity (Retail and food industry associations)
 - Spain and Catalonia representative equilibrium

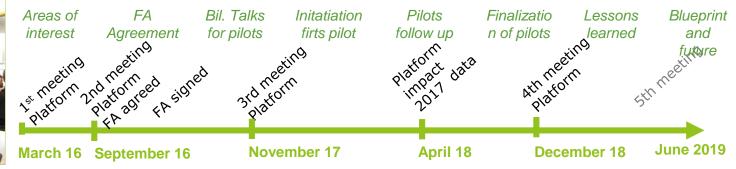
Step 2 Ambitions, Goals and Targets

🗄 Checklist

- 2.1 Involve members early in setting goals and targets
- 2.2 Identify national initiatives and plans for cutting food waste
- 2.3 Align with wider goals, such as UN SDG 12.3
- 2.4 Consider the type of target and level of ambition

CRITICAL POINTS	INDICATORS		SOLUTIONS
STAGES - Lack of data - Consumer - Primary production CATEGORIES/SECTOR - Avoidable food waste - Perishable food - Seasonal produce - Catering	OBJECTIVES OF REDUCTION - Balance between what is effective and feasible - Difficulty in establishing objectives of global reduction - Be aware of the importance of communication PRIMARY SECONDARY - Kg food recovery - Kg food waste		INCREASE SENSITIVITY - Children - Good practices - Economic impact MOTIVATION - Corporate image - Good practices LOGISTICS AND MANAGEMENT - ICT in retailing and wholesaling - Smart packaging
EVENTS - Excess produce from fields - Product withdrawal due to price regulations - Price vs cost - Climate - Commercial standards	 Food rations dispensed Kg made / kg traded / kg consumed % of reduction 	 CO₂ emission reduction People involved Profit from processed product 	 Sales models Consumer cooperatives Local food networks REGULATION Aesthetics standards Fishing discards Date of expiry and best before date





4/11/2019

Step 2 Ambitions, Goals and Targets

17 signatories of the FA (mix of Spanish and Catalan organisations) **Coordinator:** CREDA-UPC-IRTA (Research-University)

Administration/Policy bodies (3)	ARC, (waste), DARP (agriculture), AMB (food and waste)	
Primary production associations (2)	COAG-JARC, FCAC	
Wholesale (1)	Mercabarna (Barcelona Wholesale Market)	
Food industry and retail associations (4)	AECOC (GS1 Spain), ASEDAS, ACES, Packnet	
Hospitality (1)	Gastrofira	
Consumers organisations (1)	HISPACOOP	
Redistribution and food waste prevention (5)	Barcelona Food Bank, NWB (NSF), Espigoladors, PAA, Prosalus	

Step 2 Ambitions, Goals and Targets

Framework for action in Spain

General objective

- Participants in the Framework for Action (FA) will commit to actively support progress towards the UN SDG 12.3 target to reduce retail and consumer waste by 50% and halving food losses by 2030
 - Understanding the current levels and causes of food waste from production to consumption;
 - Raising awareness among the actors of the food chain and the general public on the undesired effects associated with food waste and the positive effects of reducing it;
 - Promoting innovative initiatives to reduce and prevent food waste, particularly to address the most critical points of the food chain.

Critical points (workshop 1st meeting)

Consumer Lack of data Catering Avoidable food waste

Perishable produce Primary production

Step 3 Governance and Funding

🗄 Checklist

- 3.1 Identify sources of funding
- 3.2 Agree a governance structure, key roles and responsibilities
- 3.3 Plan a strategy for recruiting members

- CREDA: coordination, organization of meetings, support and monitor the pilots, report.
- Funding sources
 - No external funding sources apart from REFRESH for the VA
 - Some external funding to support certain pilots
- **Participation is open** to all relevant organizations. However to ensure workable size of group, an active search of new members only was conducted in observance of the criterion of being represented the **diversity** of existing interests and experiences.
- 1-2 meetings a year of all members, and many bilateral discussions.
- Numerous small initiatives (+ 160 registered <u>http://aprofitemelsaliments.org/</u>)
- Guests stakeholders to Platform meetings

Step 4 Establishing Actions



Own activities of the members of the Platform

- 44 anti-food waste initiatives being run in 2017
- 3 Pilots projects monitored
- Hospitality: Reducing food waste at trade fairs in Spain: The impact of interventions implemented by Gastrofira
- Whole chain: Food waste along the food supply chain: A case study of Spanish peaches and nectarines
- Food valorisation: Valorisation of food surpluses and side-flows and citizens' understanding



Step 5 Measurement and Evaluation

🗏 Checklist

- 5.1 Set a baseline figure
- 5.2 Seek consent to collect data
- ✓ 5.3 Establish a data collection process
- 5.4 Use a recognised reporting standard

Measurement and monitoring before FA

- HISPACOOP (2012) -76kg; ARC (2012)-35kg; MAPAMA (2014 *a*, *b*, *c*); CREDA-ARC (2016, forthcoming);
- MAPAMA (since 2014-panel of consumers)
- Food Bank (redistribution 1987)

Measurement and monitoring implemented through FA

- REFRESH Baselining (quantitative & qualitative data)
 - 2017: heterogeneity, lack of tradition...
- Gastrofira, whole-chain (quantitative)

Main lessons learned

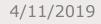
Key elements to take into account:

- Clear objectives of the VA
- The composition of the FA determine the action it will develop (diversityparticipation)
- Definition of FW
- Political culture of the country
- Not to dismiss contextual factors (economic crisis, political instability...)
- Building trust and share information and challenges
- Bilateral talks
- Objectives and targets: Balance between what is effective and feasible
- Business, academia, consumers and administration cooperation

Future...

REFRESH Voluntary Agreements Working Group

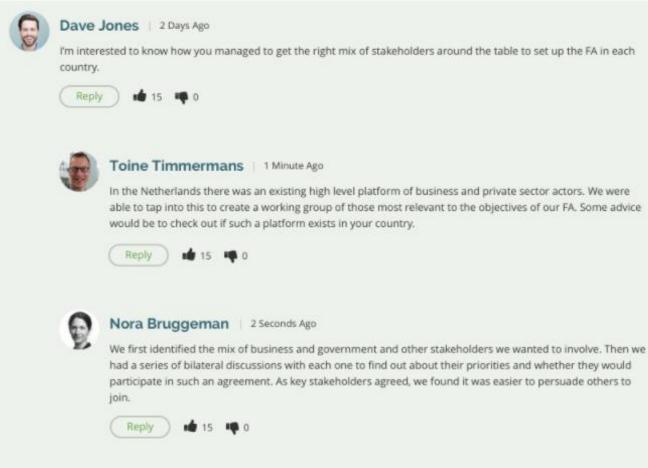
19/06/2018





4/11/2019 www.refreshcoe.eu

Asking Questions on CoE



Recommended reports

REFRESH Policy Brief, March 2019







Voluntary Agreements as a collaborative solution for food waste reduction

Key Messages

- A Voluntary Agreement (VA) is a policy measure that can drive food waste reduction by bringing supply chain stakeholders together under a common cause.
- The objectives of a VA are collectively designed in consultation with all supply chain actors to ensure that each actor's needs and appc/ficities are represented, which facilitates the development of relevant and attainable targets.
- The voluntary and non-legal characteristics of a VA make its structure flexible, which is advantageous as its targets and objectives can be quickly and easily adjusted in response to changing policy contexts.
- The potential for millions C of savings and/or enhanced brand image creates a strong business case for participating members to join a VA, especially if key organisations and businesses are involved.
- To help actors take concrete actions towards establishing a VA within any country, REFRESH developed a Blueprint tool, which details questions that can guide policy makers and the founding members of the VA, in collaboration with the third-party, through each step of the VA.

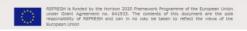


IEEH is funded by the Haricon 3020 Framework Programme of the European Union r Grant Agreement as: 041833. The contents of this document are the sole unidBNy of REFIEEH and can in no rey by taken to influct the views of the European.

Inventory and evaluation of effectiveness of existing approaches

Determine context and success factors of voluntary alliances

D2.1 - Final



Frameworks for Action

Selection Process



REFRESH is funded by the Horizon 2020 Premiework Programme of the European Linion under Grant Agreement no. 641933. The contents of this document are the sole responsibility of REFRESH and can in no way be taken to reflect the views of the

www.refreshcoe.eu

Recommended reports

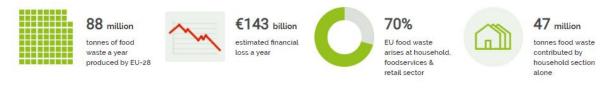


http://tinyurl.com/va2019fw

Thank you



The food resources being lost and wasted in Europe would be enough to feed all the hungry people in the world two times over (European Commission 2015).



Across the globe, nearly 30% of food is wasted throughout the agrifood supply chain. According to the latest

www.refreshcoe.eu