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COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMISSION STAFF WORKING DOCUMENT**

**accompanying the**

**Proposal for a**

**COUNCIL REGULATION amending Regulations (EC) No 1290/2005 on the financing of the common agricultural policy and (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) in order to set up a School Fruit Scheme**

**Impact Assessment summary**

**{COM(2008) 442 final}  
{SEC(2008) 2225}**

## 1. WHY A SCHOOL FRUIT SCHEME?

In September 2007, when the European Union adopted a reform of the Fruit and Vegetable regime, a key objective was to reverse the declining consumption of fruit and vegetables.

When approving the reform, the Council invited the Commission *"In light of the dramatic increase in obesity amongst schoolchildren [...] to come forward with a proposal for a school fruit scheme as soon as possible based on an impact assessment of the benefits, practicability and administrative costs involved."*

The importance of fruit and vegetables as part of a healthy diet is advocated by the Commission White Paper on Nutrition, Overweight and Obesity, which stresses the need for coherent action at European level. It states that *"a School Fruit Scheme would be a step in the right direction"*.

In its report on the EU's 2008 draft general budget, the European Parliament *"re-emphasises its strong commitment to the proper budgetary endowment of funds for school fruit and vegetables"* and *"calls on the Commission to put forward a legislative proposal..."*.

### • **Falling consumption**

In recent years the consumption of fruit & vegetables has been falling in the EU. As most fruit and vegetables are highly perishable, the level of waste is high; the *per capita* consumption of fruit and vegetables is therefore very difficult to measure and is estimated on the basis of production and trade data.

Average daily *per capita* consumption in EU-27 in 2006 is estimated at 380 g net; it will fall to 360 g net per day by 2010 if the current downward trend continues. The figures relate to the population as a whole independent of age.

Consumption varies considerably between Member States. In general, major producing MS record higher consumption rates, but a negative trend has recently been seen even in Mediterranean countries. Further the situation is particularly worrying among children. There has been an important change in the diet of the young population, and consumption of fruit and vegetables is significantly lower than what it used to be. One of the factors responsible for the low consumption by children is the apparent lack of produce availability.

Consequently, the majority of Europeans and in particular children fail to meet the recommended by the World Health Organisation minimum net intake of 400 g per day.

### • **The health issue**

Weight problems and obesity are increasing in the EU, especially among children: an estimated 22 million children are overweight; 5.1 million of these are obese (EU-25). This child obesity figure is expected to rise by 400 000 per year, leading to a range of health, psychological and social problems with a high cost to society (*see point 3.3 of the Impact Assessment Report*).

- **Social and economic aspects**

There is a strong link between low income, social factors and insufficient intake of fruit and vegetables. The lower the income, the lower the level of consumption of fruit and vegetables. Data suggest that the new MS would benefit most from increasing their consumption. Cardiovascular disease, in particular, is more prevalent there and has an earlier onset than in the EU-15. This is one of the many health problems linked with a low intake of fruit and vegetables (*point 3.4*).

## **2. SCIENTIFIC EVIDENCE**

Studies show that, as long as certain conditions are met, SFS are an effective tool to durably increase the consumption of fruit and vegetables. In particular, it is proven that a School Fruit Scheme should not only (some say even not mainly) concentrate on the provision of fruit and vegetables at educational establishments (schools) but also include a set of accompanying measures aimed at awareness raising (*point 4*).

Improving the eating habits of children and adolescents is an important task for improving public health, and reducing the long-term risk of strokes and cancer, as well as chronic diseases such as diabetes. Actions targeting healthy nutrition need to occur in childhood or adolescence, to prevent or reverse the adverse health effects of overweight and poor eating habits.

Studies show that healthy eating habits are formed in childhood: high consumers of fruit and vegetables in childhood remain high consumers; low consumers in childhood remain low consumers as adults with negative consequences for their own children.

Educational establishments are the best setting for reshaping and influencing the eating habits of children at the stage when they are formed.

The conditions for a SFS successful implementation are underlined in the report (*point 5.3*). Studies show that, to be effective, it is important that produce is distributed free of charge.

## **3. CURRENT SITUATION**

Initiatives focused on increasing fruit and vegetable consumption among school children already exist at EU level and in certain MS at national or local level.

The fruit and vegetable reform increased the budget for co-funded information and promotion measures for these products by €6 million. For promotion campaigns aimed at school children the Community's financial contribution is 60%.

Other EU programmes aim to improve physical and mental health and reduce health inequalities throughout the Community, while substantial EU funds have gone into obesity-related research and projects on the beneficial effects of fruit and vegetables.

In the MS, different models exist (*point 5.2*) which main limitations are: often small-scale and local; no assured continuity; few in the new MS, where consumption is generally lowest; not all schemes include accompanying measures, which are essential to ensure the scheme's efficiency.

#### **4. OBJECTIVES (*POINT 7*)**

The overall aim of an EU SFS is to provide a policy and funding framework for Member State initiatives, to durably increase the share of fruit and vegetables in the diets of children, at the stage when their eating habits are formed. This represents an investment, which would in the future help reduce public health costs resulting from poor diet.

The main specific aims would be to arrest declining consumption of fruit and vegetables, increase long-term consumption among children, foster healthy eating habits that continue into adulthood; enable a significant number of schoolchildren to eat fruit and vegetables, so providing equal opportunities for all children in the EU and contributing to social cohesion.

#### **5. POLICY OPTIONS (*POINT 8*)**

The four options explored are not mutually exclusive; some elements could be combined. Impact on the consumption of fruit and vegetables and consequent health benefits would depend on the scale of implementation and the programme's long-term continuity.

##### **Option 1 – Status Quo**

No new initiative at European level.

##### **Option 2 – Networking**

Community intervention limited to supporting Member State SFS under three main headings: informing the public (webpage, brochures...); providing tools for action (portal for SFS projects, expert database ...); large-scale annual conference.

##### **Option 3 – Supporting initiatives**

EU support for initiatives promoting fruit and vegetable consumption in educational establishments, but excluding funding of product purchases. Measures could include those aimed at changing children's eating habits, such as training and awareness-raising, the production of promotional material and site visits.

Implementation would be modelled roughly on current promotion programmes, with an EU contribution of 60%. Co-financing would be compulsory and proposing organisations would also have to fund part (e.g. 20%) of the programme's cost.

##### **Option 4 – Driving initiatives**

A single, flexible EU SFS framework, with voluntary participation by MS.

The EU would distribute the budget, using as common objective criteria the number of children in 6–10 core age group. Participating MS would then draw up a strategy, to include three elements: free distribution in educational establishments; accompanying measures such as promotion campaigns and awareness raising; monitoring and evaluation.

The purchase of fruit & vegetables (including logistics and distribution) would be 50% co-financed by the European Union, except in convergence regions (75%). An annual financial ceiling of €90M could be supplemented by MS and/or private funding.

Accompanying measures would usually be funded by MS but, where possible under the existing legal framework, could be supported under the EU promotion of agricultural products.

## **6. ANALYSIS OF IMPACTS**

### **• Economic (*point 9.1 and Annex 8*)**

Increased demand arising from an EU SFS would have a positive impact on the fruit and vegetable market.

**Options 1 and 2** would have no measurable impact on demand or consumption. **Option 3** is likely to have a stronger effect.

**Option 4** could lead to the development of new, tasty, ready-to-eat products for children. A direct increase of 97 500 tonnes of fruit and vegetables per year could be the result, based on a daily portion of 120 grams for 30 weeks. Studies show a lasting increase in the intake of fruit and vegetables of between 0.4 and 1.1 portions per day. Assuming an average increase of 0.7 portions consumed daily by children, this would result in approximately 800 000 tonnes of additional fruit and vegetables consumed yearly.

Monitoring and evaluation is important to assess long-term impacts. Studies suggest that SFS can be an efficient way to sustainably increase consumption of fruit and vegetables.

### **• Budgetary (*point 9.2 and Annex 13*)**

**Option 1** would have no effect on the EU or MS budgets.

**Option 2** would require an annual EU budget of €1.3 M. There would be no cost to Member States.

**Option 3:** the fruit and vegetable CMO reform includes an increase of the EU promotion budget by €6 million, which could be used to launch an EU SFS. Member States would have to provide co-financing, in addition to obligatory private financing.

**Option 4** could be launched at an EU budget cost of €90 million for the provision of fruit and vegetables, including logistical costs. It is assumed that produce is given free of charge once a week throughout the school year (average 30 weeks) at an average cost of €0.20 per day per child to all 26 million children in the 6–10 core age group. Member States would have to finance half the produce cost (25% in convergence regions) and accompanying measures. Total budget: €156 million of which 90 EU and 66 national budget.

Healthcare savings and on avoiding lost hours at work could be substantial in the long term based on figures from the Netherlands and Denmark.

### **• Social (*point 9.3*)**

#### *Public health and cohesion (Annex 9)*

The aim is to foster healthy eating habits among schoolchildren, so contributing to a lasting improvement in health and a decline in obesity: maintaining healthy body weight; reducing the risk of chronic non-communicable diseases.

**Option 1** would not have the desired impact.

**Options 2 and 3** could have a limited impact on the cohesion aspect; exchange of experience could help improve the effectiveness of current schemes.

**Option 4** could have the strongest impact, as it provides for free distribution of fruit and vegetables.

#### *Promoting equal opportunities (Annex 10)*

The aim is to facilitate access to school fruit schemes by children in poorer regions and among disadvantaged sections of the population.

Free provision of fruit and vegetables can contribute to better nutrition and may have a positive influence on learning ability, which is known to be affected by poor nutrition. This is more prevalent in children from deprived backgrounds. SFS can combat poor nutrition and can help lessen diet inequalities among socio-economic groups.

Because it provides for the free distribution of fruit and vegetables, Option 4 would have a much greater impact than Option 3.

#### *Employment and job creation*

Increased production is expected to imply some extra labour. Further new jobs could be linked to innovation and research. Option 4 would have a stronger impact than Option 3.

- **Closer links with EU citizens**

By helping reconnect urban citizens with food and its producers, Option 4 would do most to positively influence public perceptions. Information provision under Options 2 and 3 could also have a positive impact.

- **Environmental impact**

As the management of any scheme would be decentralised, the environmental impact of the different options would depend on how they are implemented.

- **Administrative impact (point 9.6 and Annex 14)**

**Option 2:** no significant extra burden on either Member States or the Commission.

**Option 3:** additional administrative burden at Member State level, which could be significant with a significant increase of EU funding.

**Option 4:** additional resources needed at Member State level; two full-time officials needed at EU level, at least in the first years of implementation.

- **Impact on third countries and international relations**

An EU SFS would have to be in full accordance with the EU international trade obligations.

- **Proportionality and EU Value Added (*point 6 and 9.8*)**

Options 2 and 3 represent "traditional" EU actions, whose value is proven; the limited budget and "soft measure" character would, however, limit their impact.

Option 4, with its bigger budget, can offer a greater added value; compulsory accompanying measures would strengthen its effect.

An EU SFS is not a panacea for low fruit and vegetable consumption by children or the related health problems. Option 4 would contribute to combating these problems, with a potentially significant multiplier effect.

- **Impact on stakeholders**

Options 2, 3 and 4 represent an improvement as compared with the *status quo*, even if the scale of improvement differs significantly between them.

Taxpayers should benefit from the expected reduction of national health expenditure that should be seen in the years following implementation of the scheme.

## **7. MONITORING AND EVALUATION (*POINT 11*)**

It is anticipated that minimum evaluation standards for Member States would be included in the implementing rules of a possible Council Regulation for a SFS.

## **8. CONCLUSIONS (*POINT 12*)**

To achieve the goal of increased consumption, a more intensive use of existing Commission instruments is possible and would be a positive step. This applies, in particular, to communication activities under Options 2 and 3 based on the information and promotion measures for agricultural products.

Option 4 is the most effective way of achieving the objectives of increasing consumption and improving health, if its implementation strictly respects the subsidiarity principle and national competences, in particular on health and education. Its effectiveness would be increased if complemented by Options 2 and 3.

In this context it is proposed to set up a School Fruit Scheme which, for maximum effectiveness, brings together the 3 options in a mutually supportive package. It would comprise the following elements:

- **free distribution of fruits and vegetables** in schools. Community aid should be granted to co-finance the supply of fruit and vegetables to pupils of the 6-10 core age group in educational establishments (schools), the related logistics and monitoring and evaluation. For this purpose, it is proposed to provide for a budgetary allocation of a total amount of EUR 90 million under Title I of Council Regulation (EC) No 1234/2007. It would allow for the extension of existing SFS in some Member States, and the establishment of programmes in MS without such programmes, often due to limited budgetary means.  
The Community co-financing rate would be at the level of 50% and 75% in convergence regions;



- **accompanying measures.** An obligation for Member States to develop a national strategy in consultation with public health and education authorities, industry and interested stakeholders. The strategy should lay down in which manner a School Fruit Scheme could be best implemented and integrated into the school curriculum. As part of the implementation it would be an obligation to highlight the EU involvement. The accompanying measures would primarily be nationally financed;
- **networking activities,** in order to motivate the exchange of information and knowledge among SFS actors and stimulate public awareness (as presented in Option 2 "networking"). This allocation should amount to €1.3 million;
- **promotion of agricultural products,** which could be supported in the framework of the EU promotion of agricultural products (as presented in Option 3 "supporting initiatives"). In particular, MS could use this framework to carry out the necessary accompanying measures aimed at raising awareness on the beneficial effects of fruit and vegetables consumption. The recent fruit and vegetables reform increased the indicative budget for the promotion of these products by €6 million;
- **monitoring and evaluation.** With the purpose of establishing solid data for further research on the effectiveness of a School Fruit Scheme in its different variants and for the exchange of "best practices", monitoring and evaluation should form an integral part of an EU scheme.

All schemes would consequently include the three elements:

- the free distribution of fruit and vegetables in educational establishments (schools),
- a series of accompanying measures,
- monitoring and evaluation.

Option 4 entails a significant budgetary cost, both for the EU and the Member States. For the SFS to be effective and efficient, products should be distributed free of charge to the core target group (all children between 6 and 10) for a sufficient number of weeks over a long enough period.

A total annual budget of €156 million is needed. Experience will show if this budget is appropriate to achieve the set objectives. The EU participation of €90 M would have to fit into the agricultural financial perspectives.