Report on the Results of the Evaluation of the School Fruit and Vegetables and School Milk Schemes against the Principles of Subsidiarity, Proportionality and Better Regulation

By DG AGRI services

2015
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<tr>
<td>AB</td>
<td>Administrative burden</td>
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<tr>
<td>ACM</td>
<td>Accompanying measures</td>
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<tr>
<td>CAP</td>
<td>Common Agricultural Policy</td>
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<tr>
<td>CEPS</td>
<td>Centre for European Political Studies</td>
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<td>CMO</td>
<td>Common Market Organisation</td>
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<tr>
<td>COR</td>
<td>Committee of the Regions</td>
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<tr>
<td>DG</td>
<td>Directorate General</td>
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<tr>
<td>ECA</td>
<td>European Court of Auditors</td>
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<tr>
<td>EESC</td>
<td>European Economic and Social Committee</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>F&amp;V</td>
<td>Fruit and vegetables</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation of the United Nations</td>
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<tr>
<td>FFVP</td>
<td>Fresh Fruit and Vegetable Programme</td>
</tr>
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<td>IA</td>
<td>Impact Assessment</td>
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<tr>
<td>ISSG</td>
<td>Inter-service Steering Group</td>
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<tr>
<td>MS</td>
<td>Member State</td>
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<tr>
<td>NHA</td>
<td>National Health Authorities</td>
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<tr>
<td>OB</td>
<td>Organisational burden</td>
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<tr>
<td>PO</td>
<td>Producer organisation</td>
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<tr>
<td>SFVS</td>
<td>School Fruit and Vegetables Scheme</td>
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<tr>
<td>SMS</td>
<td>School Milk Scheme</td>
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<tr>
<td>TEU</td>
<td>Treaty on the European Union</td>
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<tr>
<td>TFEU</td>
<td>Treaty on the Functioning of the European Union</td>
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<tr>
<td>USDA</td>
<td>United States Department for Agriculture</td>
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<tr>
<td>WHO</td>
<td>World Health Organisation</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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I. Introduction

1.1. Terms of Reference

This document presents the results of the evaluation which was conducted in line with the requirement stemming from the Commission's Work programme (CWP) for 2015.

On 16 December 2014 the Commission adopted its 2015 Work programme (COM (2014) 910). In this context the Commission decided to carry-out an evaluation of the school fruit and vegetables and school milk schemes “for subsidiarity, proportionality and better regulation reasons as part of the CAP simplification”. The evaluation covers the existing CAP school schemes\(^1\) and amendments pending in legislative procedure\(^2\).

Against this background, this evaluation principally aims to address the following elements:

(1) first, the analysis of **relevance** sets out the context and the rationale which have led to the creation of CAP schools schemes and verifies if the schemes meet the original expectations.

(2) the **subsidiarity check** provides both legal and political appreciation of the need for an EU action in this area and if it brings added value,

(3) the report further examines if the **principle of proportionality** is complied with, by analysing whether the content and the form of EU action is proportionate to its aim, and

(4) finally, the report assesses whether the EU action responds to the principles of **better regulation**.

1.2. The process, methodology and consultation

   \(a\). The process

The assessment was led by DG AGRI in close cooperation with associated DGs and services which formed the Inter-service Steering Group during the 2013 Impact Assessment process, namely SG, SJ, SANTE, RTD, ENV, TRADE, GROW, BUDG and EAC. For this purpose, 2 inter-service meetings (13 March and 29 April) were organised and further supplemented by regular communication and consultations in electronic form.

   \(b\). Methodology and consultation

The body of evidence to support this assessment already exists and the analysis focuses primarily on available sources. These include amongst others the Impact Assessment and contributing public consultation conducted in 2013, external evaluations of existing schemes

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\(^1\) Legal basis in Regulation (EU) No 1308/2013.
(2012 and 2013), CEPS study on administrative burden:\(^3\) (2011), Special Report of the Court of Auditors (2011) and 24 national evaluations of the SFVS. Detailed sources are provided in Annex III.

The approach of this report is to complement desk analysis with the opinion of stakeholders and the public. Therefore, the views of stakeholders are reflected throughout the report and on each element of this assessment. There are several sources which provide the basis for assessing stakeholder and public opinion, both directly and indirectly.

Direct sources:

- the wide reaching public consultation which was held in 2013 during the impact assessment process;
- direct interviews and questionnaire surveys used by the external evaluations on different elements in 2012 and 2013 respectively, also those which are relevant to this assessment;
- in order to supplement the above sources with the most recent feedback a targeted consultation meeting was organised on 2 March 2015. This meeting brought together the representatives of Member States, other Institutions and stakeholders under the umbrella of the Civil Dialogue Group:\(^4\). Participants were given the opportunity to provide written comments by 15 March 2015. Conclusions of this meeting are in Annex I;
- on-line consultation on the terms of reference for this evaluation and on the first deliverable in the form of a draft evaluation report:\(^5\);
- the opinions of bodies acting as the bridge between the EU and the organised civil society (EESC) and the local/regional levels of governance (COR).

The public views will be further indirectly deduced from secondary sources, such as:

- letters and other forms of feedback of the civil society,
- experience and feedback gained from the legislative process in the Council and the Parliament,

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\(^3\) CEPS study "Measurement of administrative burdens generated by EU legislation – AB quantifications of SFS and SMS", 2011

\(^4\) The Civil Dialogue Groups are established in line with the Commission Decision of 16 December 2013 setting up a framework for civil dialogue in matters covered by the common agricultural policy and repealing Decision 2004/391/EC (2013/767/EU). The CDGs assist the Commission and help to hold a regular dialogue on all matters relating to the common agricultural policy and its implementation, and in particular the measures which the Commission is called on to take in that context, bring about an exchange of experience and good practice, advise on policy, deliver an opinion on specific matters upon request of the Directorate-General for Agriculture and Rural Development or on their own initiative and monitor policy developments. The CDGs are composed of at least European-level non-governmental organisations, including representative associations, socioeconomic interest groups, civil society organisations and trade unions that are registered in the joint European Transparency Register.

\(^5\) The draft terms of reference of this evaluation were published for feedback between 27 March and 17 April 2015. The draft final report of this evaluation was published for feedback between 12 May and 3 June 2015. In total 7 contributions were received, out of which 5 from national administrations (Hungary, Slovenia, United Kingdom, Greece, Belgium) and 2 stakeholders (School and Nursery Milk Alliance UK, European Dairy Association). Summaries of these contributions are provided in Annex II.
report and opinions of institutional bodies with elective mandate which are considered as the “democratic legitimacy” check to the EU process (National Parliaments and the European Parliament).

1.3. The context

1.3.1. The concepts

This report will analyse some of the key concepts of the EU decision-making:

- Subsidiarity is one of the fundamental principles of EU law and governs the exercise of non-exclusive Union competences. In particular, the principle determines when the EU is competent to legislate and contributes to decisions being taken as closely as possible to the citizen. While the EU’s right to act lies in Articles 38-44 of TEU provisions pertaining to the CAP (principle of conferral), the subsidiarity check from this section is set to verify if EU action is justified and brings clear benefits.

- The principle of proportionality is also a general principle of EU law laid down in Article 5 TEU. Under this principle, where the EU acts, this action must be suitable to achieve the desired objective and should not go beyond what is necessary in order to achieve that objective.

- Whilst subsidiarity and proportionality are legal principles enshrined in the Treaty, better regulation is a political principle of the Commission designed to ensure that EU regulation achieves its objectives at least cost and burden for citizens and business, that EU action focuses on areas where clear EU added value can be identified and thus observes the principles of subsidiarity and proportionality.

1.3.2. The school schemes

The schemes operate as part of the common organisation of markets in agricultural products under the remit of the CAP with the overall objective to provide a policy and funding framework for MS initiatives for the distribution of agricultural products in schools. The frameworks of both schemes are currently governed by separate articles within the Regulation 1308/2013 (Common Market Organisation Regulation) and they share the following objectives:

- Namely, to bring young consumers to appreciate fruits and vegetables (F&V) and milk products, thus enhancing their consumption in the short- and long-term at early age when eating habits are being formed and serve as a stable market outlet for local supply. As a result, the schemes would contribute to CAP objectives, specifically to the “promotion of earnings in agriculture, the stabilisation of markets and the availability of both current and future supplies”6.

- Furthermore, the schemes are set to be an example of a modern and encompassing CAP policy which integrates health-related issues in the design and implementation of its instruments in line with Article 168(1) of the Treaty. With a vast scientific base speaking in favour of their health benefit potential, the schemes can help shape healthy eating habits, provide children with necessary nutrients and help reduce health inequalities.

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(a) School Milk Scheme (SMS)

The SMS was enacted in the legislation with the creation of the common market organisation for milk in 1968 and implemented since 1977. Created as a market measure in the times of milk surpluses, it was primarily intended to “stimulate the consumption of milk by young people”. The objectives of the Scheme have evolved over time and in line with the changing circumstances, both from the market perspective (stabilisation of production through the introduction of milk quotas in 1984) and consumption patterns. Through time, greater emphasis was put on the Scheme’s long-term impact through its expected nutritional and educational benefits. This endorsement was evident also at the political level. Minutes of Council meeting of June 1999 conclude that “the Ministers of Agriculture take the view that the consumption of milk is of great importance in view of its high nutritional value, particularly for children and young people”. The revision of the Scheme in 2008 further highlights its more modern objectives by specifying that the Scheme is implemented “in the light of the fight against obesity, and in order to provide children with healthy dairy products…”.

(b) School Fruit and Vegetables Scheme (SFVS)

The establishment of the SFVS in 2009 was the result of two parallel processes:

- Firstly, the 2007 reform of the Fruit and Vegetables Common Market Organisation (CMO) which introduced measures to promote the consumption of fruits and vegetables and provided a political endorsement for the creation of the SFVS. The Council invited the Commission to come forward with a proposal for a school scheme to tackle the issue of falling consumption of F&V among children and rising obesity based on the impact assessment of the benefits, practicability and administrative costs involved.

- Secondly, European Union developments in the field of public health resulted in the adoption of the Health Strategy and the Strategy for Europe on Nutrition, Overweight and Obesity related issues in 2007. The latter explicitly referred to the need of improving dietary habits, provision of fruit and vegetables and promoting physical activity among school children. The SFVS was mentioned as a good initiative to make a healthy option available to children.

(c) Proposal of 2014 on the review of school schemes

The European Court of Auditors and external evaluations put forward recommendations for the improvements in the set-up and functioning of the school schemes. Subsequent Impact Assessment established the continued relevance of school intervention but similarly identified areas of improvement which were necessary to increase the effectiveness, efficiency and to simplify the management of school schemes. As a result of this process, the Commission adopted in January 2014 the proposals which are set to review the setting and functioning of school schemes (COM(2014) 31 and 32).

The proposal is aimed at:

- Bringing the current separate schemes under the common framework to simplify and increase the efficiency in their management. The proposal respects the views expressed in the public consultation that the schemes cannot be fully merged due to

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8 Recital 2 of Commission Regulation (EC) No 657/2008
the differences in products and their supply chains, therefore certain key elements remain separate (different budgetary envelopes);

✓ Bridging increasing gaps between the set-up of the two schemes in terms of their educational dimension in order to better equip the SMS to achieve its objectives;

✓ Introducing changes and common provisions in the financing of the schemes in order to increase the efficiency of spending and sound financial management of EU financial resources, reduce potential deadweight effect and similar.

✓ Reducing both administrative and organisational burdens by eliminating overlapping of information obligations (different strategies, reporting obligations), further simplifying the rules and streamlining obligations.

<table>
<thead>
<tr>
<th>Facts and figures</th>
<th>SFVS</th>
<th>SMS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participation</strong></td>
<td>VOLUNTARY, 25 MS</td>
<td>VOLUNTARY, 27 MS</td>
</tr>
<tr>
<td><strong>Budgetary ceiling</strong></td>
<td>€90 mio annually from 2009-2014; increase to €150 mio from 2014 75/90% EU co-financing</td>
<td>No budgetary ceiling, max EU aid €18,15/100kg for milk¹⁰  Average use of funds €65-75 mio annually 2014 proposal: €80 mio annually</td>
</tr>
<tr>
<td><strong>Approach</strong></td>
<td>3 pillars: distribution of products, awareness-raising measures, evaluation/monitoring/communication</td>
<td>Distribution of products</td>
</tr>
<tr>
<td><strong>Output indicators</strong></td>
<td>In 2013/2014 school year: almost 10 million children, 66,000 schools, 67,000t of products distributed Outputs expected to be higher after 2014 increase in overall budget</td>
<td>In 2013/2014 school year: 19 million children participated and 303,793 t of milk and milk products were distributed on which aid has been paid</td>
</tr>
</tbody>
</table>

¹⁰ Aid rates for other milk products are set by Annex II of Commission Regulation (EC) No 657/2008, varying from €16,34/100kg to €163,14/100kg
II. Findings

2.1. ANALYSIS OF RELEVANCE

This aspect is intrinsic to the subsequent step which will analyse the subsidiarity aspect. If the problems and objectives, which underpinned the creation and existence of the current schemes, continue to be relevant and the schemes have proved themselves as useful policy tools to address the objectives, the Union action should be maintained and if needed adapted to evolving objectives.

The approach to the analysis is to: provide the context which led to the creation of the schemes; present the evolution of underlying problems which prompted the common response; present the public/stakeholders views and analyse to what extent the schemes remain relevant in terms of their scope and effectiveness.

2.1.1. The evolution of the underlying problems

The schemes were created to promote and stimulate the consumption of F＆V and milk which are considered as essential products for European agriculture and are beneficial from the public health point of view. This presupposes that the need for action lies in the low or declining consumption of these products which has a negative impact on the agricultural market equilibrium, the health condition of the population, with different outcomes according to societal status and income levels. This section is set to verify the evolution and relevance of this hypothesis.

Limitation in data: The analysis uses the term estimated consumption as the most accurate approximation available throughout the report. Consumption is innately difficult to measure and can be best elaborated from production and trade statistics (plus import, minus export). As both products are perishable, especially fruit and vegetables, the real consumption could be even lower due to the losses incurred at wholesale level and at home (food waste).

The overall consumption of milk and fruit and vegetables products varies greatly across Member States and their regions, mainly due to different traditions, eating habits and culture.

- According to various sources, the estimated consumption of fresh F＆V is in general on the declining trend, falling by an aggregate 9.4% for fruits and 10.3% for vegetables in the period 2005-2010. It decreased by 3% in 2011 compared to the average for the previous period.11

  The Rabobank note states that in many countries the combination of health promotion, trade expansion and marketing innovation has not resulted in the expected increase in consumption. On the contrary, the average per capita F＆V consumption has actually decreased in large consumers markets, such as in western Europe, as well as in the US and Japan.12

- The estimated consumption of drinking milk in the EU is on the declining trend in the medium-term, despite a short period of stabilisation in 2010, with a 5% decrease in the

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11 Freshfel – European Fresh Produce Association www.freshfel.org. Individual cases vary and can be much higher; Hungary for example estimates a drop of 21% in fruit consumption in the last 10 years and 22% drop in vegetables consumption for the whole population.
The estimated overall per capita consumption of fresh dairy products reached 91.3 kg/capita in December of 2014. While this is still high compared to the world average, comparison with data for December 2013 shows that total quantities of milk sold for human consumption decreased by 7.8%. On the other hand, the consumption of certain dairy products, such as cheese, has been increasing.

- Consumption of F&V and milk products among children is difficult to measure and this analysis relies on the data acquired from available studies and reports. Various evidence points to the declining trends across different age groups, based on the conclusions drawn from the level of dietary recommendations met. Yet again, the situation varies across age groups, MS and regions.

- These trends are further exacerbated amongst others by modern consumption trends. Namely, F&V and milk compete with highly processed products which are promoted intensively by the food industry. This trend is likely to continue and will be boosted by the younger age groups. The evidence from various studies shows that children in all age groups from 4-16 years and across the MS have a preference for fatty and sugary foods. A considerable increase in adolescent consumption of ready-to-eat meals, such as snacks, sandwiches or hamburgers, occurred between 1999 and 2007.

The consultation meeting of 2 March 2015 and the written replies to the questionnaire used to steer this consultation indicate that all participants agree that the problems which led to the creation of school schemes are still relevant, with a declining consumption of fruit and vegetables and milk, and consequently negative impacts both on agriculture and public health. Children are most affected by this trend and subject to increasing pressure from competing products (highly processed products with added sugars, fat etc.), heavily promoted by the food industry. There was a wide agreement that there is a need for a long-term action to reverse these trends.

2.1.2. Analysis of the potential and relevance of school schemes

The overall declining consumption and the shift in food choices by a young population towards highly manufactured products, presented in the previous section, could result in the downsizing of the domestic market and a decline in the future demand. The 1-18 age group population represents around 10% of the whole EU consumer base. With the declining consumption, the EU producers are expected to continue losing an increasing segment of their

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13 Eurostat: Milk collection and dairy products obtained – annual data [apro_mk_pobta]; ComExt. This varies across regions and even traditionally high per capita consuming countries like Sweden indicate a drop in the consumption of even 22% between 2000 and 2013.

14 The results of the HELENA study indicate that the average daily intake of F&V and dairy products among European adolescents is below recommendations (boys reach only 30% and 40% of recommendations for fruit and vegetables respectively, while girls 35% and 50%, while for milk products 70% was reached by boys and 60% by girls). The evidence of insufficient F&V consumption is abundant. For instance, the pro-Children project financed by DG RTD measures F&V intake by children in several EU Member States and found that only 17.6% of 11-year-old children reached the recommended levels. The percentage varied among sample countries between 7.8% and 24.1%. It showed that the consumption is low even in some of the Mediterranean countries. Regarding milk products, the INRA survey demonstrates that in France an overall intake of dairy products declined between 1999 and 2007 by about 11% for children aged 3–14 years. Several other studies indicate that the consumption among children is declining with age, as is the case amongst others in the UK and Norway. Norwegian research reveals that the reduction in milk consumption correlates with an increase in soft drinks intake.

market, both in the short- and long-term, as the children of today become managers of their households in charge of purchasing the food, and pass on the weakening link with agriculture.

Additionally, unhealthy and unsustainable eating habits contribute significantly to the prevalence of overweight and obesity and play an important role in the significant rise in major diet-related diseases.

The schemes were designed to increase the demand through the increased consumption: **directly**, through the consumption of products distributed through the programmes, and **indirectly**, by influencing children's knowledge, attitudes and perceptions towards the products, thereby leading to an increased consumption outside the schemes (after school, on non-distribution days). Both mechanisms have a potential to create a lasting effect and **sustainable increase** in the consumption **in the long-run**, and equally importantly **(re)establish** the critical link with agriculture and food.

Maintaining stable domestic consumption is therefore important to provide a stable and predictable outlet for the EU supply. Access to schools as ‘institutional’ markets offers additional market outlet and ‘niche’ for European farmers, thus providing a stable and potentially expanding market (especially if schemes generate spill-over effect on parents). This aspect was confirmed by the conclusions of the 2 March 2015 stakeholders’ consultation which establish that the schemes may provide market outlet for agricultural products, especially if faced with the loss of export possibilities (Russian ban);

However, these impacts depend to a large extend on how the Member States organize their distribution and the supply chains they choose. Greater impacts on EU producers are expected in cases of direct sourcing (avoiding middlemen) and short-supply chains, emphasis on local/regional products and long-term contracts. Given their limited overall budget, the schemes cannot have a significant direct impact on the market equilibrium. This was not the intention of the Institutions when establishing the schemes. They were designed to promote and stimulate the consumption which would in turn contribute to the overall CAP objectives.

There is a vast body of scientific literature which debates the potential and effectiveness of school schemes. The latter are not unique to the EU but exist all across the world. The US Department of Agriculture implements several school programmes, some of which are very ambitious efforts to provide local producers with access to these institutional markets by giving priority to local sourcing (Farm to School), and also school meals with the annual budget of $11 billion. Additionally, a separate Fresh Fruit and Vegetables Programme (FFVP) is implemented with an annual budget of $150 million. Different types of milk programmes operate in numerous countries, from New Zealand, China, Japan, Canada, Saudi Arabia to Argentina.  

Scientific literature distinguishes the school intervention from other promotional and information campaigns. They are considered as a unique approach which acts through two

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16 These programmes take many forms and vary in their scope and operation. Some programmes concentrate only on milk, whereas in others milk is only one of the elements involved. Funding varies considerably, in some cases programmes are completely funded by government, whereas in others funding is wholly private: in many countries, there is a ‘middle road’ whereby funding consists of a mixture of public and private sources. Large F&V schemes are successfully ran, amongst others, in the US, New Zealand, Norway and Canada. Government funded F&V scheme in NZ provides fresh produce to 100,000 children every day which equates to 20 million serving of produce annually.
key instruments: direct experience in tasting the products (availability) and learning\textsuperscript{17}. The impact is supposed to be generated through repeated exposure/tasting of products that children normally are not inclined to eat, in a school setting which is considered as key to influencing eating habits through role modelling, paired with nutritional education. The programmes should have at least a medium-term perspective which gives them advantage over sporadic interventions which, according to certain scientific reports,\textsuperscript{18} do not lastingly modify consumer preferences.

The set-up of the school schemes is compared to the key determinants of the successful school intervention, as identified by external and national evaluations and scientific literature:

<table>
<thead>
<tr>
<th>Key determinants for success</th>
<th>SFVS</th>
<th>SMS</th>
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<tbody>
<tr>
<td><strong>Continuity of supply: long-term prospect</strong></td>
<td>Long-term programme</td>
<td>Long-term programme</td>
</tr>
<tr>
<td><strong>Variety/diversity of products + quality</strong></td>
<td>A variety of products is possible under EU framework; the choice left up to MS</td>
<td>A variety of products is possible under EU framework; the choice left up to MS</td>
</tr>
<tr>
<td><strong>High frequency of distribution and long duration (repeated tasting)</strong></td>
<td>Moderate, average 2-3 times per week or less</td>
<td>Very high frequency</td>
</tr>
<tr>
<td><strong>Free provision + EU subsidy rate</strong></td>
<td>Yes in most MS, EU co-financing 75/90%</td>
<td>No, in most MS not, parental contributions required, EU subsidy 10-20% of value of product</td>
</tr>
<tr>
<td><strong>Educational and awareness raising measures</strong></td>
<td>Obligatory accompanying measures; choice of measures left up to MS</td>
<td>No (voluntary)</td>
</tr>
<tr>
<td><strong>Role modelling (peer pressure effect)</strong></td>
<td>Classroom distribution; communal eating</td>
<td>Classroom distribution; communal eating</td>
</tr>
<tr>
<td><strong>Parents' involvement</strong></td>
<td>Depends on MS and school, possible to integrate them in awareness raising measures</td>
<td>Depends on MS and school</td>
</tr>
<tr>
<td><strong>Evaluation and monitoring</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Information on the scheme</strong></td>
<td>Poster + wide range of communication measures; obligatory distribution outside main meals</td>
<td>Poster Products not allowed in preparation of meals but possible during main meals</td>
</tr>
<tr>
<td><strong>Avoid deadweight effect</strong></td>
<td>Obligation to distribute products outside main meals</td>
<td>Not always</td>
</tr>
<tr>
<td><strong>Low administrative/organisation burden</strong></td>
<td>Moderate (MS request further simplification)</td>
<td>Considered as high compared to the level of subsidy</td>
</tr>
</tbody>
</table>

\textsuperscript{17} De Sa J, Lock K. 2007, *School-based fruit and vegetable schemes: A review of the evidence*, London School of Hygiene and Tropical Medicine 2007, Dixey, R., Heindl, I., Loureiro, I., Pérez-Rodrigo, C., Snel, J., & Warnking, P. 2006, *Healthy Eating for Young People in Europe – A school-based nutrition education guide*, INRA report states that in children repeated tasting increases appreciation of all foods and tastes, even those initially rejected. Sensory education, particularly at school, allows children to try a greater variety of food, increases eating pleasure and encourages social contact.

\textsuperscript{18} INRA report.
The highlighted boxes identify the perceived weaknesses of the existing design which were addressed in the 2013 Impact assessment. The proposal on the review of schools schemes aims at addressing and remedying most of these weaknesses, for which the Impact Assessment established that their drivers stem from the regulatory setting.

Conclusions:

- The initial rational for the school schemes was the need to stimulate and increase the consumption of F&V and milk products. The evidence shows that on the aggregate level the consumption of these products is on the declining trend in the medium term. It is in particular prominent for fresh F&V and drinking milk. Member States are affected to a varying degree, mainly due to different traditions, eating habits and culture. These trends are even more pronounced for children, as the evidence points to the declining and insufficient consumption across different age groups.

- These trends are further exacerbated by modern consumption habits and preference among children for highly processed products which are often high in sugars, salt and fat. Scientific evidence indicates that this tendency will continue and is even likely to be boosted by the younger age groups.

- Changing habits and consumption patterns negatively affect the agricultural sector, especially F&V and milk, with the downsizing of domestic markets and demand for these products. Domestic consumption plays an important role in maintaining the market equilibrium.

- The analysis also shows that the current schemes’ set-up mostly follows the scientifically recommended approach for school interventions aimed at influencing consumption habits but with certain deficiencies. Some of these deficiencies are set to be improved by 2014 proposal to review the CAP school schemes regime, including by narrowing the focus to fresh fruits and vegetables and to drinking milk only.

- The stakeholders’ views overwhelmingly continue to be in favour of intervention aimed at increasing the consumption of F&V and milk products through the school schemes.

2.2. Subsidiarity and proportionality check

Whilst subsidiarity is a legal principle enshrined in Article 5 TFEU, the application of subsidiarity has inherently also a political aspect. This section will therefore analyse both legal and political aspects of subsidiarity. It will primarily focus on the existing school schemes, as the 2014 proposal addresses shortcoming in their functioning and it does not extend the EU action in this regard.

2.2.1. Political appreciation of subsidiarity

Protocol of 1997 (Treaty of Amsterdam) describes subsidiarity as a dynamic concept which should be applied in the light of the objectives set out in the Treaty. "It allows Community action within the limits of its powers to be expanded where circumstances so require, and conversely, to be restricted or discontinued where it is no longer justified." Despite its legal nature, the application of subsidiarity therefore requires also political judgement and compromise. Different decision-makers will be influenced by diverse political views, national
cultures and constitutional orders when judging which actor is best placed to act – EU institution, MS or sub-national authority.\textsuperscript{19}

This section focuses therefore on the political appreciation of subsidiarity from the standpoint of the key institutions which are seen as the key co-guardians of the subsidiarity principle and prime sources of European legitimacy.

**National Parliaments**

The Treaty and the Protocol on the applications of principles of subsidiarity and proportionality establish national Parliaments as the first reference point for ex-ante control of subsidiarity and lays down the procedure for their control over its respect. This section will examine whether any concerns were raised about the compliance with the subsidiarity principles both of the existing schemes or the new 2014 proposal by examining the reasoned opinions issued by national Parliaments.

The table below shows the reaction of national Parliaments on the two more recent initiatives, namely 2008 proposal establishing SFVS and 2014 proposal on the review of school schemes. No such information exists for the SMS for which provisions were made in the legislation in 1968 and 1977, thus prior to the Protocol requirements.

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<td>LT, IT, HR, ES, PT</td>
<td>Only CZ Parliament submitted a political opinion expressing its preference for a different option from the Impact Assessment</td>
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| Issues of subsidiarity raised | No concerns raised ES, PT, IT confirm that the proposal complies with the principles of subsidiarity and proportionality | None |

| Recourse to yellow/orange card procedure | No | No |

| Other comments | All opinions welcome the new proposal but make a few comments on the substance: choice of products, allocations of funds among MS, sourcing of products, legal basis (choice of either Art 43(2) TFEU or 43(3)) |

**European Parliament**

The EP was one of the instigators of the concept of subsidiarity and it reaffirmed its support for the principle through several of its resolutions. Rule 36 of Parliament’s Rules of Procedure stipulates that “during the examination of a proposal for a legislative act, Parliament shall pay

particular attention to respect for the principles of subsidiarity and proportionality". The EP is a co-legislator for the 2014 proposal, while it had a consultative role for the proposals dating before the Lisbon Treaty.

- **Proposal on the review of school schemes 2014**

The COMAGRI voted on the draft report of rapporteur Tarabella on 14 April 2015 and endorsed the opening of the inter-institutional negotiations with a large majority in favour (32 in favour, 6 against, 7 abstentions). The draft report largely endorses the Commission proposal and its key premises, namely to bring together the current separate schemes and to extend the educational measures to cover milk as well. The voted report furthermore increases the funding for milk from €80 million as proposed by the Commission to €100 million. The amendment expressly supporting the continuation of the schemes and their relevance was voted with 41 votes in favour and 1 against, while the majority voted against the amendment of one MEP to reject the Commission's proposal.

The EP voted on its negotiating mandate in the plenary session on 27 May 2015 with a large majority of 458 votes in favour, 98 against and 28 abstentions.

- **The CAP 2020 reform**

The EP was supportive of the Commission's proposal to significantly strengthen the SFVS by increasing the EU budget, co-financing rates and making accompanying measures eligible for EU aid. The EP similarly supported the key changes proposed to the SMS, namely the introduction of voluntary accompanying measures and an obligation for MS to draft and notify a national or regional strategy for Scheme's implementation.

- **Proposal for a SFS of 2008**

The EP adopted unanimously its opinion on the Commission proposal establishing the SFS in 2008. It welcomed its creation and even proposed to increase the envelope from €90 million to €500 million annually in order to be able to increase its effect on children.

- **EP opinion on SMS reform in 1999**

The legislative resolution on Commission's proposal was adopted unanimously. Rapporteur Mr Maat was very critical of Commission's intention to repeal the scheme and when this failed, subsequently to reduce Union's co-funding from 95% to 50%. Rapporteur reiterated that "it is indeed in line with the objectives of the common agricultural policy to continue this measure. However it does not automatically follow that this should be combined with a reduction in Community support".

The explanatory memorandum to the EP's resolution states the following:

> In 1999 it became clear, however, that the Commission intended to halt the programme. The European Parliament stated clearly that it was against this proposal. During the budgetary discussions an amendment 7540 by Mr Maat and Mr Mulder stated clearly that this measure should be maintained although the appropriations should be used more efficiently. In view of pressure from the European Parliament, a number of Member States in the Agriculture Council and the sector itself it was clear that it was not realistic to withdraw the programme completely, which led to the Commission proposal of 10 December 1999 that this provision should be co-financed in future [at rate 50-50%].

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It further identifies several advantages of maintaining the scheme, amongst others:
- maintaining the market for milk products;
- the milk quota, which is to be increased in the years to come, and the continuing task of increasing the market orientation of dairy products;
- positive effects for public health: consumption of milk products during the early years can prevent osteoporosis in later life; also, healthy eating habits are learned at an early stage.

**The Council / Member States**

The Council of the EU was the legislator on all Commission’s proposals in this field hitherto, while for the last proposal of 2014 it co-legislates with the EP. Member States’ governments, acting in the Council, have the opportunity to raise subsidiarity concerns on proposals throughout the legislative process. They are accountable to national parliaments in different ways, depending on the constitutional arrangements in each country.

**Proposal for the review of school schemes of 2014**

The two progress reports submitted to the Council in 2014 on this proposal, which give an overview of the key issues raised and positions expressed by Member States, do not indicate any concerns on the respect of subsidiarity principle. Similarly during the discussions in the Council working bodies and in their written comments, the vast majority of Member States did not raise any concerns on the compliance with the subsidiarity principle.

While the Dutch Parliament has not issued a reasoned opinion on the proposal, the Netherlands orally reiterated its opinion in different Council formations that the schemes do not address transnational problems and should be implemented at national level only. This is in line with the document of the Dutch Government of 2013 “Testing European legislation for subsidiarity and proportionality – Dutch list of points for action”. The latter identifies the SFVS and SMS among the points that should be tackled in a different way than now; more specifically calling for the school schemes to be phased out due to the lack of the transnational dimension involved.

The consultation meeting of 2 March 2015 focused specifically on the issues of subsidiarity, proportionality and better regulation. To this end, a detailed questionnaire was presented to the targeted stakeholders and Member States. The reactions show that when it comes to the subsidiarity check, all Member States, except Netherlands and Sweden, consider that the EU involvement in these programmes is justified from the subsidiarity point of view. Sweden submitted also its written answers to the questionnaire which explain that in its view, the school regime does not have a transnational dimension and should be implemented at MS level only.

**CAP 2020 reform**

The Council endorsed the Commission's proposal for significant changes to the SFVS in terms of the higher budget, increased co-financing rates and eligibility of accompanying measures for EU aid, as well as changes proposed to the SMS. On the basic regulation, Germany voted against and the UK abstained because they considered that the outcome did not respect the Council's prerogatives under Article 43(3) TFEU. On the Council fixing regulation which contained the financing provisions for the SFVS and SMS, both the UK and

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21 The reports identify the key elements of the proposal on which MS raised their concerns. One of the key issues was the legal basis where the Council unanimously held the view that the Commission did not respect Council's prerogatives under Article 43(3) TFEU as regards the financing provisions. The Council subsequently addressed a letter in November 2014 to the Commission President, requesting the modification of the legal basis.
DE abstained, presumably for the same reason related to the recourse to Article 43(3) TFEU, and CY also abstained presumably on school milk (requested higher subsidy).

Creation of the School Fruit Scheme

The Council was in fact one of the instigators for the creation of the SFVS in 2007. When discussing the reform the F&V market organisation, the Council invited\(^{22}\) the Commission to come up with the proposal for a school scheme based on the assessment of impacts.

The vote on the compromise text in the Council of Agriculture in December 2008 indicates the unanimous support for the establishment of the SFS, with only UK delegation abstaining considering that they already had in place a similar national scheme.

School Milk Scheme

The provisions enabling the creation of the SMS were agreed back in 1968 and motivations of Member States (6 at that time) are difficult to assess now. Subsequent discussions on the changes proposed by the Commission in 1999 to the SMS, where the Union action would be scaled back, indicate a strong support for the Scheme's continuation. The Commission proposal for a thorough reform was finally rejected by the Council.

Statement of the Agriculture Council from June 1999: "With regard to the Commission's proposal... Ministers for Agriculture take the view that the consumption of milk is of great importance in view of its high nutritional value, particularly for children and young people. They therefore consider appropriate to reflect further on how such consumption can be encouraged in a cost-efficient way taking account of the overall availability of budgetary resources".

Minutes of March 2000 Council discussion conclude that: "The Council discussed in detail a proposal for a Regulation concerning the programme for the distribution of milk in schools (amending Regulation No 1255/99). The European Parliament’s Opinion on the proposal is awaited. The Ministers’ discussion showed that considerable importance was attached to maintaining a system of subsidised milk for schools".

Evaluation of the SFVS and SMS schemes

Both the SFVS and SMS evaluations conclude that almost all participating MS state that only with the common EU framework and its financial involvement it was possible to set up large-scale and nation-wide schemes. For example Germany ran a pilot project in F&V distribution in Dortmund, the Netherlands a small-scale programme from 2003-2005 but a nation-wide distribution was not feasible due to budget restrictions. The authorities in Spain, Hungary\(^{23}\) and Latvia explicitly stated that a SFVS would not have been possible without EU aid. A similar situation applies also for milk, where 89% of interviewees stated during the evaluation process that the initialisation and implementation of the SMS would not be possible without the EU subsidies.

\(^{22}\) Council statement of July 2007: "In light of the dramatic increase in obesity amongst schoolchildren, which has been highlighted in the recently published Commission White Paper "A Strategy for Europe on Nutrition, Overweight and Obesity related health issues", the Council invites the Commission 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."

\(^{23}\) In its written reply to the questionnaire during the consultation process, Hungary states that if the EU involvement is discontinued at this stage of the implementation, it would be forced to narrow down the target group or shorten the scheme or reduce the frequency of distributions. This would jeopardise the effectiveness of the scheme.
Committee of the Regions

The Committee of the Regions represents the subnational levels of government through its Members which usually hold elective mandate. The role of the Committee as the defender of the subsidiarity principle has been enhanced by the Lisbon Treaty for areas where the consultation of the Committee is obligatory. The Committee established its Subsidiarity Monitoring Network as a “vital tool for improving democratic accountability and wider participation of local and regional authorities in the EU legislative process”.

The 2014 proposal was referred to the Committee for optional consultation. It adopted its opinion on the proposal in October 2014 by unanimity. It has not raised any concerns over the respect of subsidiarity but it did refer in two paragraphs to the principle as a recommendation to the Commission:

Para 17: “calls on the Commission, given that any attempt to impose EU-level requirements relating to intra-state consultations on the Member State would have to be considered a violation of the subsidiarity principle, to include in the Regulation a recommendation that the Member States make more use of feedback from local and regional authorities, since these bodies are closest to the end user and target group; in particular, local authorities should be involved in hearings taking place in conjunction with drawing up of the national six-year schemes to deliver fruit and vegetables”.

Para 41: “in consideration of the subsidiarity principle and the fact that educational programmes fall within the remit of the Member States and EU involvement in national educational programmes may therefore be inappropriate, suggests that all educational measures relating to the scheme for distributing fruit, vegetables and milk should be taken principally at the level of individual Member States and that no minimum level of funding be imposed on them”.

European Economic and Social Committee

The Committee is a consultative pan-European body which represents the interests of the organised civil society. It was consulted on the 2014 proposal on the review of schools schemes.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 19 June 2014. At its 500th plenary session, held on 9 and 10 July 2014 (meeting of 9 July), the European Economic and Social Committee adopted its opinion on the proposal unanimously by 185 votes in favour with 2 abstentions.

The Committee’s opinion does not give rise to any concerns on the respect of the subsidiarity principle. On the contrary, it reaffirms Committee’s support for the schemes and also for the new proposal, however with some comments on its content.

“The EESC strongly supports EU-subsidised schemes to supply agricultural products to children and adolescents in schools. The Committee notes that it strongly opposed an earlier Commission plan in 1999 to withdraw EU aid for the school milk scheme.”
Public consultation and stakeholders views

The adoption of the 2014 proposal was preceded by an Impact Assessment process which included also a **wide-ranging public consultation conducted** in 2013. The public was consulted on the basis of a consultation document that was structured around 9 open-ended questions. While the questionnaire did not explicitly address the issue of subsidiarity and the opinion of the discontinuation of the current schemes, the view of the public on this issue could be deducted from the feedback on the problems and objectives identified, and a possibility to present other options and views not expressed in the document.

The consultation document identifies the problems that need to be addressed via school schemes and objectives pursued. The overwhelming majority of respondents (85%) agreed with the ‘diagnoses' of problems from the consultation paper, which covered both internal problems inherent to the functioning of the schemes and external challenges. Some respondents, however, did not agree with the analysis, either fully or in part, mainly because they thought that the analysis was too narrow or on the contrary, too wide.

The Commission had encouraged respondents to the public consultation to identify other issues, problems, objectives and/or options that had not been highlighted in the consultation document, thereby giving the possibility to those who do not consider the schemes as requiring a common EU response to voice their views. There was no statistically significant feedback from the public in this direction. There was however a small percentage of respondents who argued that the SMS should be discontinued and focus should be put on SFVS only.

The [consultation meeting with MS and stakeholders of 2 March 2015](http://ec.europa.eu/agriculture/consultations/school-children/contributions_en.htm) focused extensively on the issue of subsidiarity through several questions which were put forward to stimulate stakeholders’ feedback (see Annex I). The discussion allowed for the following conclusions to be drawn in respect of the subsidiarity:

- All stakeholders supported the continuation of the programmes at EU level which would have been limited and less effective without EU's involvement.
- All Member States, except the Netherlands and Sweden, agreed that problems need common/EU action, whilst agreeing that participation should remain voluntary and that the EU framework should not interfere with national programmes.
- Without the EU aid, the majority of MS would either be forced to scale down (in terms of the scope and/or effectiveness) or discontinue their programmes.
- Without the EU aid, the access to the schemes would be available only to children from richest regions, possibly leading to territorial and social imbalances.
- Participants identified several aspects where the involvement at the EU level brings added value and benefits.
  - it is more cost-effective to have the EU framework and it enables finding most effective solutions;
  - incentive for securing national and private funds (leverage effect);
  - enables the exchange of experiences, best practices, knowledge;
– bring children closer to agriculture and citizens closer to the EU, higher visibility for EU action.

In addition to the meeting, a large number of stakeholders\textsuperscript{25} representing different interests (agriculture, public health, third countries and similar) sent in written contributions. They reflect the general tone of the stakeholder meeting and emphasise the importance of the school schemes for agriculture, public health and wider EU objectives, and call for their continuation at the EU level.

The terms of reference for this evaluation and the draft evaluation report were both published on the Commission website to allow for public's comments. The contributions received (2 for the terms of reference and 7 for the draft report) overall confirm the stakeholders' positions and support the findings of the evaluation, with only a limited number of technical comments.

2.2.2. Analysis of the legal aspects of subsidiarity compliance

When assessing if Union action in this field is justified, the definition laid down in Article 5 TEU comprises a two-fold test which needs to demonstrate that: (a) objectives cannot be sufficiently achieved by MS (necessity test) and (b) the action can therefore by reasons of its scale or effect, be implemented more successfully by the Union (added value test).

The Protocol on subsidiarity from 1997 provides guidelines to be used when assessing the subsidiarity principle. This Protocol is repealed by the Lisbon treaty but the guidelines remain of relevance.

(1) The "necessity" test

Current Treaty provisions and 1997 Protocol allow us to draw a few operational questions for the assessment of the "necessity" aspect which may have different facets.

The analysis focuses on answering the following leading questions:

\textit{To what extent do the issues addressed by the intervention continue to require action at EU level?}

The Treaty reaffirms the CAP objectives of increasing agricultural productivity, ensuring a fair standard of living for the agricultural community, stabilising markets, assuring the availability of supplies and ensuring that supplies reach consumers at reasonable prices. FV and milk markets form an integral part of the CAP Common Market Organisation (CMO) and contribute significantly to the total agricultural output. The CMO has moved away from more traditional market instruments, such as price support, and intervention mechanism is now only a targeted safety-net.

The distribution of agricultural products through schools was conceived as one of the \textbf{instruments} aimed at promoting and stimulating the consumption of F&V and milk products which would contribute to achieving the agricultural objectives, especially in promoting

stable demand for agricultural products in the long-run. Previous section establishes also the limits of the school intervention due to their scope and budgetary availabilities.

Article 168(1) of the Treaty requires that a high level of **human health protection** be ensured in the definition and implementation of all EU policies. Consumption of fruits, vegetables, milk and dairy products is contributing to public health objectives, in particular regarding efforts to reduce diet-related problems, such as overweight and obesity.

*Does the issue being addressed have transnational aspects which cannot be dealt with satisfactorily by action by Member States?*

Evidence shows that **all MS are affected by a declining consumption, albeit to a varying degree.** The problem thus has Union-wide and even partly global dimensions (other big western markets are affected as well). There have been many cross-sectoral efforts invested in reversing this trend through different instruments, from Union action through agriculture promotion, public health and research projects, to private initiatives aimed at stimulating consumption. Evidence shows how challenging it is to address those problems despite different efforts ranging from the combination of consumption promotion, trade expansion and marketing innovation. It is established that the average per capita F&V consumption has actually decreased in large consumers markets, such as in western Europe, as well as in the US and Japan.

National and sub-nation authorities are conscious of the scale of this problem and some have already made those efforts nationally before the EU’s involvement from different perspectives, either through their nutrition policy, agriculture promotion aspect and similar. Prior to the EU schemes, a few MS were implementing programmes aimed at increasing the milk and/or F&V consumption, most through small scale or pilot projects.

Most MS indicate that they would not implement ambitious initiatives, especially "poorer" regions or Member States.

*Is action at EU level required to avoid conflicts with provisions of the Treaty? Is action at EU level required to avoid significant damage to the interests of Member States? (e.g. action restricting the free circulation of goods)*

One could consider that a lack of EU action and the continuation of activities exclusively at the MS level could result in a different treatment of producers in countries that do not have an access to the school schemes as a market outlet compared to the producers from participating countries. Despite a limited direct economic impact of school schemes on the producers’ income, the latter would not be able to benefit from establishing close links with schools as potential market for their products, children as consumers and future household managers and long-term benefits this connection can bring. However, as the programme is voluntary, the same problem of different treatment vis-à-vis those currently not participating in the schemes in place is also valid.

**(2) The added value test**

This aspect will be analysed through the following two questions which are drawn from Article 5 TEU:

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Does action at Community level produce clear benefits compared with action at the level of Member States by reason of its scale?

Does action at Community level produce clear benefits compared with action at the level of Member States by reason of its effectiveness?

Experience so far and feedback from stakeholders in the consultation allows to identify concrete benefits of Union involvement:

- EU provides a common policy framework, but nevertheless with a significant degree of flexibility, which brings certainty, continuity and stability for all participants (schools, producers, children). This brings advantages over sporadic and short-term interventions. It facilitates a more homogeneous approach to a global problem.

- Financial solidarity: common response provides the funding necessary to implement valuable policy measures across the EU. If MS were thrown back on their own financial resources, most of them indicate they would not be able to establish large-scale programmes, which is more pronounced after EU enlargement and in the current financial and economic crisis. The school programmes now cover over 30 million children in 27 Member States.

- It allows for existing programmes to be extended in terms of their scale and effectiveness. In Ireland, the CAP Framework allows the Food Dudes Programme to be delivered to 160,000 children compared to 70,000 children pre CAP Framework.

- EU policy framework places a vast reserve of experience at the disposal of MS and regions in a cost-effective way. It allows member states to conduct regular exchange of information and best practices in consultative groups. It strengthens the activities of the member states through the input of a single pan-European expert group.

- The EU involvement helps to increase the credibility of the schemes in the Member States and provide a better opportunity to obtain the involvement of other stakeholders such as the educational sector and public health authorities. The active role of the Union can also contribute to the acceptance of the program, since it can create peer pressure on Member States.

2.2.3 Proportionality and limits to EU action

To comply with the principles of subsidiarity and proportionality, the EU action has to respect certain limits. The evidence shows that Member States are affected to a varying degree by the declining consumption of either F&V and/or milk, they have different needs, habits, agricultural priorities and similar. Therefore, there are some preconditions put in place for the Union action in this field:

- The participation in the EU framework has to remain voluntary,

- The EU provides the main legal and financial framework but with a high degree of flexibility in this framework which allows the MS/regions to tailor the programmes according to their needs. The 2014 proposal goes even further in this regard, as it gives higher flexibility for Member States to determine their relative priorities and consequently reflect them in transfers between their respective financial allocations (F&V and milk envelopes).
- The EU framework for the school interventions has to support any pre-existing national/regional initiatives and **does not call for their abolition or substitution**. On the contrary, EU intervention should enrich and strengthen existing national initiatives, especially through additional sources of financing which permit MS to expand the scope of their actions and increase their effectiveness. The legislative provisions of current schemes provide for clear rules that prevent crowding out of national funds for pre-existing programmes, as the EU funds cannot be used to replace funding for any existing national school schemes but can be used in order to extend or make more effective a scheme that already exists.

- Member States' **competence in education and public health is fully respected** (by the voluntary nature of the scheme, by defining the core target group by age only and allowing Member States to adapt the scheme to their school system; by requiring the competent health authorities to define the eligible list of products etc.).

As regards the latter point, the following section will first present the framework under which the school schemes operate and within it the established “delineation of powers” between the EU and the national or sub-national authorities both for the existing schemes, as well as for the new proposal. It will furthermore explain if and how are the rules set at EU level justified in terms of the objectives pursued.

**Existing school schemes**

The figure below indicates that the EU action in the school schemes field is limited in several aspects, mainly to the elements needed in order to ensure:

i. **The coherence with overall objectives of the schemes** both from the agriculture and public health perspective:

- The **EU sets the overall target group of the school programmes** (from nurseries to secondary schools) in order to ensure that the EU aid is directed at the population which the programmes specifically target in order to achieve the set objectives. Recital 6 of Regulation (EC) No 13/2009 establishing the SFVS specifies that the EU framework "should respect the diversity of Member States' educational systems". Member States then choose their focus group from this age range and have further liberties in prioritising certain groups based on different criteria (social-economic, special needs) if they deem it appropriate.

- The EU framework provides additional rules which oblige the MS to **use the funds exclusively for that purpose of the schemes**, meaning that the products should actually reach children, awareness-raising measures should focus on the objectives that the SFVS pursues and similar. This is in particular relevant due to the specific nature of the programmes which take place in the school setting and might overlap with other regular activities which could dissipate the intended impacts.

- To ensure coherence with public health objectives, the EU framework sets some basic rules **to ensure that the schemes do not cover unhealthy products**: SFVS rules banning fruit and vegetables products with high percentage of added sugars or fat (negative list of substances/ingredients); SMS rules on the nutritional composition of some of the products (such as the maximum % of sugar content) and preparation of products in line with the EU food safety and hygiene rules.. However, the EU rules stipulate that "Member States' discretion as regards their choice of products should otherwise not be unnecessarily interfered with" and the
SFVS requires the involvement of national health authorities in the approval of the list of distributed products if these nevertheless contain excluded substances.

Figure 1: The scope of EU action vs national decisions for the existing schemes
ii. The effectiveness of the programmes:

- **List of eligible products:** as the schemes focus on increasing the consumption of specific agricultural products, the EU framework sets the list of eligible products from which MS and schools may choose. This list is wide and covers the groups of those products (like fresh F&V, milk products under specific CN odes), and leaves the discretion to MS to determine the range of products they want to distribute in line with the eligible list (for example which fresh F&V).

- **Basic rules on the use of those products:** while respecting the differences in MS' educational systems and facilities (absence of canteens in some cases), the EU rules leave MS a choice on the distribution modalities but provide some basic rules on how the products should be used. For the use of milk products, it is not allowed to use them in the preparation of meals. The motivation is reflected in recital 4 of Regulation (EC) No 657/2008: "Experience has shown monitoring difficulties as regards the use of subsidised milk products in the preparation of meals served to pupils. Moreover, this is not an effective way of attaining the educational purpose of the scheme. Therefore the preparation of meals should be restricted accordingly".

  The SFVS gives preference to the consumption of subsidised products outside the regular meals in order to increase the impact of distribution and its added value. "So as to ensure the added value of School Fruit Schemes set up under this Regulation, Member States should explain in their strategy how they will guarantee the added value of their scheme, especially where regular school meals are consumed at the same time as products financed under their School Fruit Scheme."

- **Accompanying (awareness-raising) measures:** The SFVS obliges the MS to use additional accompanying measures to increase the effectiveness of the programme and strengthen the sustainable long term impact. They can be co-financed by Union funds, while the SMS makes them voluntary considering that its financing modalities do not allow for the financing of additional measures. The EU framework provides a list of eligible costs, a threshold on their maximum expenditure from EU funds (to ensure that the distribution of products is not disadvantaged) and Guidelines on their implementation (eligibility of specific accompanying measures based on MS practice and control provisions), while the MS have full freedom to choose the most appropriate type of measures which fit with their programme and established curriculum.

- **Evaluation and monitoring:** the SFVS requires periodical monitoring and evaluation by Member States "in order to assess the effectiveness of the programme, and to allow peer review and the exchange of best practices". The EU framework sets a maximum threshold on the expenditure from EU funds for these activities and provides Guidelines on the evaluation.

- **No crowding-out of national funds:** both schemes contain rules which do not allow the use of Union funds to replace the funding for any existing national school schemes.27 This was done in order not to diminish the overall effectiveness.

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27 The SMS does however allow an exemption for free distribution of meals to children in educational establishments in line with Article 26(4) of the CMO Regulation.
of the schemes and to preserve Member States’ existing achievements in introducing national school programmes distributing F&V and/or milk products. Those MS may nevertheless participate in the EU schemes but EU funds should be used to either extend the scope of existing programmes or increase their effectiveness.

iii. **Sound administration and financial management:**

- The EU framework determines the **overall budgetary ceiling**: for the SFVS the basic act established the maximum annual EU envelope and co-financing rates. The implementing rules define the initial MS allocation and the methodology for fixing the definitive one which reconciles MS requests. The SMS does not contain any budgetary envelope but caps the EU support through fixed aid per 100kg of products and maximum quantity per child per day. The ex post controls are embedded in the system to ensure that the financial resources have been spent correctly and to combat potential irregularities and fraud. MS have full freedom to choose the type of national co-financing for SFVS (public or private) and the level of national top-up for the SMS.

The results of the specific consultation conducted on 2 March indicate that **MS and stakeholders overwhelmingly consider that the current framework of the school schemes is proportionate**, leaves sufficient flexibility to Member States to tailor the programmes to their needs and takes into the account different situations across Member States.

However, certain **elements were identified where the Union action could be more proportionate**, namely as regards the administrative burden, evaluation obligations for SFVS and strategy requirements. These elements are more closely linked to the element of better regulation and have been largely addressed through the 2014 proposals.

**Proposal of 2014 on the review of school schemes**

The proposal was initiated as a response to the criticisms and concrete recommendations by the external evaluations and the Court of Auditors report to improve the efficiency, effectiveness and management of the current schemes.

While the EU framework remains largely the same, some changes are proposed to the key elements governed at the EU level (presented above), while additional changes would come later through Commission acts for provisions related to the actual implementation of the new scheme:

i. **Common framework**: The proposal would unify and consolidate the current separate frameworks of the existing schemes in order to ensure a consistent CAP approach to school distribution and maximise the management efficiency. However, this would not result in a full merger of the schemes but rather their approximation. Whilst the Commission first intended to try to fully merge the relevant provisions for fruit and vegetables and milk including the common financial envelope (option 3 from the consultation document), further analysis and the feedback form the public consultation indicated that this is not possible due to the differences between the products and their supply chains, as well as the different consumption situation across the Member States. Therefore the proposal allocates separate envelopes for fruit and vegetables and milk products, which should not alter the established supply chains. Member States additionally have the possibility to distribute either just one or both products under the scheme.
While few member States and some stakeholders have reservations and consider the Commission's response as disproportionate, many other MS and institutions (EP, EESC, COR) welcome this approach.

Key drivers behind the Commission proposal: effectiveness, management efficiency, simplification

CEPS study: “While educational establishments are free to apply for either the SFS or the SMS, many schools receive funding under both schemes. Since the SFS and the SMS have a very similar structure in terms of administrative procedures, it is not unthinkable to propose common authorisations, payment requests, and checks. ... Fruit/vegetables and milk supplies would be financed under different schemes, but schools would face a single administrative procedure for both of them. ... We are aware that this presents quite a far-reaching suggestion, but the Commission should consider unifying procedures to get access to funds under SFS and SMS”.

External evaluation of the SMS: “The alignment between the SMS and the School Fruit Scheme should be improved. Merging the administrative frameworks or even the whole schemes may provide advantages such as reducing the administrative and organisational burdens as well as the costs of distribution. Administrative burdens of the SMS can be reduced by: ... (2) Realisation of synergy-effects between the SMS and School Fruit Scheme, e.g. by a combined administrative framework.”

Court of Auditors report: “More generally, there should be greater coordination and synergy between the two schemes in order to ensure that they present a harmonised approach to nutrition and are managed efficiently”.

ii. Eligible products: the proposal provides for a two-tier system to distribution. The regular distribution of products would be scaled down to only fresh fruit and vegetables and drinking milk. Secondly, Member States would have a possibility to increase the scope of products that are occasionally featured under educational or awareness-raising measures (including some products which are currently regularly distributed such as yoghurts, cheese, processed fruit and vegetables). National health authorities would need to approve the list of products distributed and their nutritional characteristics.

The prevailing reactions towards the Commission's approach in this regard are negative. Majority of Member States in the Council, EESC, COR, many stakeholders and also the discussion in the EP indicate that this move was considered as disproportionate and unjustified. They argue that a wider choice of products would increase the attractiveness of the programmes and better reflects cultural preferences. Some MS consider that the involvement of national health authorities is disproportionate and will lead to increased burdens.

Key drivers behind Commission’s proposal

- Effectiveness:

As data on estimated consumption indicate, the most critical drop in the consumption is registered for fresh fruit and vegetables and drinking milk. The focus on these two products is expected to increase the impact of distribution by targeting it where it is needed the most, especially as financial resources are limited.

Furthermore, external SMS evaluation concludes that an extension in the choice of products under SMS in 2008 did not lastingly increase its attractiveness.
Some of the products excluded from the scope are non-agricultural products. It was considered that there is no critical need to revert to non-agricultural products in order to achieve and promote clearly agricultural objectives, considering that the new scheme should also bring children closer to agriculture and its fresh and minimally-processed products. However, as Member States point out, there is a wider scope of agricultural products for which the consumption is stable but could be used to reinforce the links with local agriculture, culture and eating habits.

- **Greater coherence** with the policy objectives related to public health:

<table>
<thead>
<tr>
<th>External evaluation of the SMS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>It has also found that while the SFS and the Strategy for Europe on Nutrition, Overweight and Obesity-related Health issues are coherent, there is room for further alignment of the SMS with that Strategy.</td>
</tr>
<tr>
<td>In order to meet the political strategies described in the white paper, the SMS in particular needs further considerations as regards its contribution to prevent overweight and obesity, its targeting of children with special needs and social inclusion, its monitoring and evaluation requirements and its accompanying communication and information measures.</td>
</tr>
</tbody>
</table>

**iii. Financing provisions**: the proposal brings some changes to the financing provisions which aim at ensuring sound and efficient use of EU funds; addressing various concerns identified by external evaluations.

- In the Commission proposal the funding for F&V remains at €150 million. The introduction of the envelope for the milk products of €80 million. The overall financing of the scheme can be accommodated within the amounts foreseen for the market related expenditure and direct payments in the MFF 2014-2020.

- Certain flexibility would be provided for, where Member States could transfer limited shares of their allocations between the two envelopes based on their needs (prioritising of intervention through strategies).

- Financing modalities would be aligned with an introduction of maximum EU spending per certain quantity of products distributed (to be set at a later stage) which would substitute the co-financing principle used so far for F&V. This was introduced in light of the experience gained which showed great disparities in the price per portion under SFVS and with a view to simplify the management. The subsidy level for milk would have to be revisited in order to help alleviate the potential deadweight effect and increase the cost-benefit of distribution.

These provisions were proposed in order to increase the efficiency and protect the Union's financial interests and were generally not questioned. MS welcomed the possibility of limited transfers between envelopes and requested further clarity about the setting of maximum levels of EU aid for products which should be done via delegated acts. The latter should not encroach on Member States' prerogatives of fixing the size and price per portion of products distributed but would just limit the EU contribution towards the price in the light of the proposed abolishment of obligatory co-financing.
iv. **Educational measures:**

- The proposal aims at bridging the gap in the design between the two schemes by introducing **obligatory supporting educational measures also for milk**. This was motivated by recommendations and requests stemming from all relevant evaluations and reports, as well as the outcome of the public consultation in 2013. This is expected to greatly increase its effectiveness and especially its long-term impact.

A vast majority of MS, other institutions and the majority of stakeholders agree that these measures should be obligatory but with flexibility for MS to decide on their design and implementation. Only a few MS consider this to be disproportionate and call for voluntary measures instead.

<table>
<thead>
<tr>
<th>External evaluation of the SMS: <strong>At present the EU Regulation concerning the SMS does not require educational measures. Messages on the role of milk consumption to substitute soft drinks and thus fighting obesity and overweight are not systematically communicated. A wide range of different educational materials and activities are offered voluntarily in the Member States, in particular by milk suppliers and dairy organisations. However, these measures are not designed to influence eating habits. The voluntary educational measures are often temporary and have a small scale. Neither their impact nor their success is documented, monitored or evaluated. Where educational measures were carried out, it turned out that children liked to participate and to learn about healthy nutrition and the production and processing of milk. SMS stakeholders and the majority of the interviewees in the surveys carried out for this evaluation are strongly in favour of obligatory educational measures in the SMS.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Court of Auditors:</strong> Regarding the anticipated long-term impact (education), the Court finds that at present the scheme takes insufficient account of the stated educational goals. In particular, distribution is not always made in a visible manner, and no other specific educational measures have been introduced.</td>
</tr>
</tbody>
</table>

*Over and above the immediate impact of distribution, both schemes have the same educational goal of influencing eating habits in the long term. However, this goal is addressed rather differently in the two schemes, and it still needs to be consolidated.*

- The proposal also foresees that the Commission **may set minimum and maximum amounts for related costs**, which would in practice mean setting minimum thresholds and maximum ceilings on the spending for supporting educational measures. This was motivated by recommendations that there should be a minimum level of spending to ensure the impact of these measures across Member States.

Whilst the requirement of a maximum ceiling on expenditure is well established for SFVS and accepted (with different opinions on its level), the approach on minimum spending was on the other hand considered as disproportionate by many MS and also by the Committee of the Regions.

- **Strategic planning, evaluation and monitoring:** the proposal aims at aligning the planning, evaluation and reporting obligations for both products in order to reduce the administrative burden. A MS would need to produce one strategy for both products (if distributing both) over 6-year periods instead of current 2 strategies annually (F&V and milk separately). Evaluation and monitoring obligations would be introduced for milk and would be aligned with F&V.
While these concepts are generally accepted by MS, the same comments are made in relation to the existing schemes where many MS call for the streamlining of these obligations.

**External evaluation of the SMS:** The SMS should be redesigned to permit for a sustainable stimulus of children’s milk consumption. The intervention logic should be based on a behavioural theory. A more strategic approach is required. A set of monitoring and evaluation indicators should be defined that allows an assessment of the implementation and impact of the SMS. Clear monitoring and evaluation obligations based on an adequate set of indicators should be introduced at the level of Member States and at the EU level.

### Conclusions of subsidiarity and proportionality chapter

- Evidence gathered in this exercise and in particular the feedback from the public consultation indicates that the underlying problems which underpin the school intervention do have a pan-European dimension and require continued concerted, coordinated and far-reaching efforts.

- The responses by MS suggest that majority of them would not act alone, especially when it comes to poorer regions due to financial constraints.

- From the political perspective, the schemes enjoy a strong backing from stakeholders and also national and EU institutions. With the exception of 2 Member States, namely the Netherlands and Sweden, all MS support the continuation of EU involvement in the schemes. Similarly, national Parliaments, European Parliament, Economic and Social Committee and the Committee of the Regions, have not raised any concerns as regards the compliance with the subsidiarity principle.

- However, in order to be in line with principles of subsidiarity and proportionality, the EU action has to respect certain limits national arrangements already in place, maintain voluntary participation, provide adequate flexibility for MS and respect national competences in the educational and public health field.

- MS and other stakeholders overwhelmingly consider that the EU action is proportionate, respects national legal orders and competences, and leaves sufficient flexibility to national/regional authorities to tailor the programmes to their needs. However, certain elements were identified where EU action could be more proportionate, namely as regards administrative burden, evaluation obligations for SFVS and strategy requirements.

- As regards the new proposal, the analysis identifies two areas where the EU action could potentially be understood as disproportionate: (i) The narrowing of the choice of products in the regular distribution to fresh F&V and drinking milk. Even though the Commission’s rationale is justified from the effectiveness and coherence point of view, it could nevertheless be understood as going beyond what is strictly needed to achieve the school schemes and CAP objectives. Similar considerations apply to the obligatory involvement and consultations with national health authorities. (ii) The accompanying educational measures provide a framework of eligible activities from which the MS may choose those that best fit with their educational systems. This is considered as proportional. However, Commission’s proposal to impose minimum amounts or requirements for those measures is considered as disproportionate and too interventionist by several MS and also the Committee of the Regions.
2.3. Better Regulation

This section will assess whether EU action under the school milk and school fruit schemes is efficient, effective, relevant and coherent, pursuing its objectives with least burdens and costs to citizens, businesses and administrations in line with the Commission's Better Regulation Package\(^{28}\) (adopted on 19 May 2015).

2.3.1. Effectiveness

The analysis of effectiveness aims at assessing the extent to which EU action under the schemes has been effective in pursuing its objectives.

Both existing schemes have been subject to several evaluations and reports which, amongst others, examined the effectiveness of either individual schemes (external and national evaluations) or jointly (ECA report). Considering the variety of approaches deployed in these sources, this section will screen the effectiveness under 3 groups of questions based on the evidence provided by abovementioned sources and also stakeholders’ views.

In general, like for many EU programmes, measuring the outputs or results of the schemes is easier while measuring the impacts generated by the schemes is more difficult, as these are influenced by a variety of external factors. In particular this applies to measuring the impacts on the market/demand for focus products and the impacts on eating habits. As mentioned in the first chapter, school schemes are designed to be a contribution and not a solution for wide-reaching problems they are addressing. Positive impacts resulting from the distribution could be partly attributed to other circumstances, and likewise, lack of measurable impacts can be caused by other external factors which may develop and counterbalance any achieved impacts.

The analysis focuses on answering the following leading questions:

What progress has been made over time towards achieving the objectives of the legislative framework of the school schemes? Is this progress in line with the initial expectations?

Which main factors have contributed to or conversely stood in the way of achieving these objectives?

Beyond these objectives, did the schemes achieve any other significant impacts, both positive and negative?

(a) School Milk Scheme

The SMS has been implemented since 1977 and it has been evaluated in 1999 and most recently in 2013 by external evaluators. Its effectiveness has been a focus of the ECA special report published in 2011.

While the ECA report and 1999 evaluation are critical towards the scheme's impact\(^{29}\), the external evaluation of 2013 concludes that the SMS is an adequate tool for increasing milk consumption by children and thus improving their eating habits. Overall, the distribution of milk and milk products increases the milk consumption of the target group and is a step

\(^{28}\) http://ec.europa.eu/smart-regulation/index_en.htm

\(^{29}\) Regarding the anticipated long-term impact (education), the Court finds that at present the scheme takes insufficient account of the stated educational goals. In particular, distribution is not always made in a visible manner, and no other specific educational measures have been introduced.
leading towards a long-term impact on consumption of milk products. This is confirmed by interviews conducted within the case study with national and school authorities who generally confirm in particular scheme’s short term impacts. However, none of the evaluations were able to assess concretely the impacts arising from the scheme. This is mainly due to 2 reasons: firstly, lack of evaluation and monitoring tools which would oblige the MS to monitor results and assess impacts, and secondly lack of targets set at the beginning of intervention against the baseline scenario.

While the external evaluation recognises that the distribution under the scheme leads to a long-term impact resulting in a sustainable higher consumption of milk products, it makes it conditional upon the introduction of accompanying educational measures. This is confirmed by the prevailing opinion of interviewees surveyed in the framework of this evaluation, as well as the feedback from 2013 public consultation.

The 2013 Impact Assessment identifies the following elements as key factors which should be addressed in order to maximise the scheme’s effectiveness.

- The educational goal of SMS was enshrined in the EU legislation in 2008 when it was reformed for the last time. However, despite this evolution, the set-up of the scheme has not evolved simultaneously. Principally, MS provide for these accompanying measures on a voluntary basis as the design does not provide for the compulsory use of specific educational tools. Educational tools are important in bringing about a sustained increase in the consumption of distributed products and a change in eating habits, which are the objectives of the School Schemes. Scientific literature points out that the availability of products is crucial but is not enough - simply giving children a product few times a week or even every day may have little impact on their eating habits. Furthermore, the financial arrangements of the SMS do not fully reflect the objectives, with a huge potential dedicated exclusively to the subsidising of products and no support for other measures (accompanying, communication, monitoring, evaluation).

- Weak link between the scheme and the products distributed under SMS: The ECA report points out that in certain cases neither the subsidy nor the product distributed were clearly visible. This is particularly evident in cases where the distribution of milk products is included in canteen meals.

- Weak evaluation and monitoring system: When trying to assess the relevance of the schemes, especially in terms of their long-term impact, it has become evident that it is difficult to assess the effectiveness of the two schemes. The ECA report concludes that the SMS does not have an adequate built-in system for measuring its medium- or long-term effectiveness.

On the other hand, the 2013 evaluation identifies that a usually high frequency of distribution, role modelling, repeated tasting and thus availability of products in many MS positively contribute to its effectiveness, in particular short-term impacts. Higher impacts resulting from the distribution are registered in Member States with high take-up of the scheme.

As regards the scheme’s agri-economic impact on the EU milk market, the evidence shows that if judged purely on the quantities of products distributed, its impact is expectedly limited (0.3%) given the financial resources deployed. However, its primary objective is to stimulate demand for milk products by affecting the consumption behaviour of children which later become parents, passing on their milk consumption habits on to the next generations. The external evaluation concludes that ‘such a long-term effect might result in a remarkable impact of the SMS on the market balance, in comparison with a counterfactual situation without a SMS’.
(b) School Fruit and Vegetables Scheme

After only 5 years of the scheme’s implementation, it is still too early to draw definitive conclusions on its impact, particularly with respect to its sustainable impact on children’s eating habits. It may nevertheless be established that, judging by the initial national evaluation results and subsequent external evaluation, the Scheme has strong potential and is an appropriate tool to exercise a positive influence on the consumption of fruit and vegetables by children and parents alike, encouraging them towards consuming more fruit and vegetables in the future, provided that the Scheme’s long-term continuation is ensured.

Bearing in mind that the national evaluations assessed only first two years of the Scheme’s implementation and that different evaluation methods were employed, the results in relation to its effectiveness cannot be conclusive, particularly when it comes to the long-term impact. The 2012 external evaluation was similarly conducted after 3 years of scheme’s implementation and judged its effectiveness to a large extent based on the findings of national evaluations, supplemented by case studies and surveys. Forthcoming 2017 national evaluations would be better equipped to provide first insights into the medium-term impact of the Scheme and its effectiveness.

The results of evaluations indicate that the Scheme has led to an increase in the amount of fruit and vegetables consumed by children. By way of an example, Poland recorded a 21% increase in consumption; Ireland 20% for fruit and even 42% for vegetables. Similar positive results were established on the basis of interviews carried out as part of an external evaluation. Only four evaluations were unable to identify an impact on consumption, either because there are not yet sufficient grounds to judge the Scheme’s impact on consumption after only one year of implementation, as in the Netherlands, or because no significant statistical differences in consumption patterns were established.

<table>
<thead>
<tr>
<th>Impact on children’s fruit and vegetables consumption</th>
<th>Increase</th>
<th>No impact</th>
<th>Decrease</th>
<th>Indirect estimation*</th>
</tr>
</thead>
</table>

Source: External SFS evaluation 2012

In some cases, encouraging children to eat more fruit and vegetables also has a positive spillover effect outside the official distribution times in schools, for example on after-school consumption in Romania or on days where fruit distribution was not planned, as in the Netherlands. However, the conclusions were different with regard to the impact of the Scheme on the lifestyle of children in general, such as the consumption of popular snacks or sweets. In certain cases it was established that there was no visible impact, while occasionally a positive change was identified. Some evaluations have furthermore observed the Scheme’s potential in terms of outputs, results and impacts, particularly in relation to socioeconomically disadvantaged groups, which have warmly welcomed the Scheme.

The scheme also generated a positive indirect impact on the parents, even though parents are not a primary focus of the scheme, a few evaluations indicate that the impact of the Scheme was positive also on parents’ behaviours towards their children’s diets. For example, parents provided more fruit and vegetable products in lunch boxes in Ireland, Poland and Malta.
There was also greater variation and availability of those products at home (Italy) and, to a lesser degree, there was a positive impact even on parents’ own consumption and this is likely to be a sustainable result.

The **key factors which positively contribute to scheme’s effectiveness** are:

- Accompanying measures which support the distribution of products with awareness-raising and educational activities (tasting classes, school gardens, farm visits) which have been obligatory from the beginning. The latter are nevertheless implemented in a variety of approaches and levels of ambition, as there were so far no specific EU rules on what constitutes a satisfactory accompanying measure. From 2014 they are eligible for Union aid and the Commission is producing Guidelines on their implementation.

- The key principles which have proven very effective in the Irish Food Dudes scheme, namely role modelling (impact of peer pressure and communal eating), repeated tasting and rewards (not used in all schemes).

- Additionally, some basic rules about the distribution and organisation of the scheme, namely the distribution outside main meals, high frequency of offering in certain MS, variety of products in most of MS and in the majority of schemes free distribution of products (encourages participation).

<table>
<thead>
<tr>
<th>The 2014 proposal is set to redesign the set-up of the current school schemes regime in order to increase the effectiveness and maximise the impact of School Schemes within a constant budget. It addresses most of the problems which were identified by the Impact assessment as hampering the effectiveness of existing schemes:</th>
</tr>
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<tbody>
<tr>
<td>- it puts a <strong>strong focus on the long-term objectives</strong>, where with the new common framework and educational tools the school regime is more likely to be more effective in sustainably changing the consumption,</td>
</tr>
<tr>
<td>- introduces a <strong>requirement of accompanying educational measures also for the milk distribution</strong>, thus bridging the gap between the current schemes,</td>
</tr>
<tr>
<td>- these measures would give <strong>more flexibility to MS</strong> through a <strong>wider choice of measures and instruments to choose from</strong>, including activities involving tasting of a wider variety of agricultural products, with a focus on agricultural issues, nutrition/health (balanced diets) and environment matters.</td>
</tr>
<tr>
<td>- with a unified legal and financial framework (contributing to the objective of simplification), the school regime would be able to better respond to the overarching problems of declining F&amp;V and milk consumption and rising obesity, as it encourages <strong>planning and prioritising through strategies and a set of evaluation/monitoring tools</strong>(^{30}),</td>
</tr>
<tr>
<td>- with <strong>increased visibility of distribution and targeted communication</strong> it can also help counterbalance the effects of the societal shifts in the consumption patterns and (re)establish the critical link between children, food and agriculture.</td>
</tr>
</tbody>
</table>

\(^{30}\) The 2013 Impact Assessment (IA) sets the general, specific and operational objectives to be achieved by the new framework of the school schemes and sets corresponding targets. In the light of the conclusions and recommendations by the external evaluations of the two schemes, the IA concludes that it is necessary to improve the monitoring and evaluation system of the schemes. The IA contains a set of key indicators that will be used to assess the progress made towards achieving the objectives pursued by the new scheme (page 60).
2.3.2. Efficiency and cost-effectiveness

The aspect of efficiency shall show "whether the best relationship exists between the resources employed and the outputs or results produced." This raises three methodological constraints: firstly, what is reasonable cost is subject to a high margin of discretion; secondly, the objectives set for school schemes in terms of the results demand for agricultural products are innately difficult to measure and monetise; and lastly, the ratio between the costs and impacts (cost-effectiveness) cannot be interpreted as an absolute parameter, as the least costly approach does not necessarily generate the most desired impact.

The efficiency will be screened based on the evidence provided by evaluations and will address the following questions:

What are the costs and benefits (monetary and non-monetary) associated with the application of the school schemes?

What good practices in terms of cost-effective implementation can be identified?

What, if any, specific provisions of the legislative framework can be identified that make a cost-effective implementation more difficult and hamper the maximisation of the benefits?

(1) Efficiency

(a) School Fruit and Vegetables Scheme

Efficiency has been addressed by the external evaluation of 2012 which focused on two aspects of efficiency related to the output indicators, namely the efficiency in reaching children (coverage of the target group with the funds spent) and the efficiency of distribution (the amount of products distributed in relation to the budget spent). The report stresses the constraints encountered when measuring the efficiency.

In general the findings show that the ratio between the quantity of fruit and vegetable products distributed and the budgets spent varies significantly between Member States (from € 0.90 to € 7 per kilo). This price, however, can be attributed partly to distribution costs, which vary considerably for a number of reasons such as the cost of life very different from the North to the South of Europe, as geographical features (remote areas, islands), population density and the choice of products offered. A low price per kilogram of products does not in itself guarantee efficient distribution. Looking at the frequency of distribution in relation to the budget spent, it appears that the most efficient schemes are those where a small amount of money is spent on products for a relatively high frequency of distribution, such as in Estonia (€0.91 per kilo of fruit with 2.6 distributions per week). The higher distribution efficiency in terms of the products distributed can be partly explained by a lower price being spent per kilo of products.

When calculating the ratio between the numbers of children in the target group reached and the budget spent per child, it is clear that 8 Member States or regions have a high share of participating children. They reach more than 60 % of their target group because their spending per child is significantly lower. Member States or regions which spend with a very high expenditure per child generally reach only a small percentage of children. There are some exceptions, such as Hungary, which on the other hand distributes only one type of fruit (apples). Moreover, the evaluation observed that the level of EU co-financing influences the extent to which the target group is covered. A higher percentage of EU aid enables Member States to reach more children within a target group.

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31 Performance audit manual by the European Court of Auditors, page 19
This leads to the conclusion that efficiency is subject to different factors. The report established that there is no easy way of calculating which schemes are the most efficient. Additionally, output indicators are not an indicator of an impact on the sustainable consumption habits; however in the short term the output indicators show at least an increase of the consumption. For example, it is difficult to say whether reaching more children with a lower consumption increase would be better than reaching fewer children with a higher consumption increase. There are also other elements which have not been factored in, especially as regards the market and health/social aspects in terms of the number of children which receive a daily portion of fruits that would otherwise not.

(b) School Milk Scheme

When analysing its efficiency, the external evaluation of SMS focuses primarily on two key elements which could affect either positively or negatively the efficiency of the programme:

- the administrative costs associated with the implementation (see next section), and
- the deadweight effect which is a special case of programme inefficiency and refers to effects which would have arisen even if the intervention had not taken place.

In order to measure SMS efficiency, a common indicator has been developed for all MS: spending per child as an input and the share of participating children compared to all children in the country as an output indicator. The latter was chosen as an auxiliary indicator considering that the primary output indicator, namely increase in the milk consumption, was not available. The analysis reveals that comparable subsidies lead to quite different results in MS. The evaluation found a statistically significant correlation between the spending per child per year and the share of participating children. However, a high spending per child does not automatically lead to a higher participation share. The evaluation also claims that a relatively high spending per child maximises the interest of the target group to participate (due to distribution free of charge) but often leads to a smaller scale of the scheme due to budgetary limitations.

The report concludes that in general every reduction of avoidable administrative costs increase the efficiency of SMS. The analysis shows that the efficiency and potential of the scheme could be compromised by the low cost-benefit ratio of implementation, caused by the low EU subsidy level in relation to the costs associated with the implementation.

By contrast, any existence of deadweight effect leads to a strong reduction in its efficiency. The ECA report links the potential deadweight effect to the low EU subsidy level. Namely, the latter can in certain cases generate the "deadweight" effect as it does not permit distribution free of charge but extends only to the sale of product at a reduced rate. This potentially benefits children who would have chosen to buy the products even without the subsidy. In addition, it creates an additional organisational burden associated with the purchasing of products and collecting payments from recipients. According to the SMS external evaluation, additional potential for a deadweight effect to occur can come from the distribution model where products are offered or included in canteen meals (that would have been served even if unsubsidised) and is associated also with the products with an in-elastic price elasticity of demand32.

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32 The SMS external evaluation concludes that for certain milk products the demand increase behaves under-proportional to the price reduction. For products such as pure drinking milk the financial effort to reach a higher participation is much higher than for products with elastic price elasticity.
**The 2014 proposal** addresses most of the drivers which are perceived by the ECA report and external evaluations as limiting the efficiency of the current schemes. It aims to:

- increase the management efficiency of the schemes with the new financing arrangements which would be common for both products,
- the level of EU contribution towards the price of products for fruit and vegetables and for milk would be limited through a maximum EU aid per certain quantity of products (corresponding to a portion with a choice for MS to set fixed levels of aid and determine portion sizes). This would replace current co-financing approach for F&V, would help alleviate the huge disparities in the price for products distributed and would imply a simplification in terms of a management.
- the level of EU subsidy for the milk would be increased in order to reduce the deadweight effect by enabling the distribution free of charge or close to it and providing for higher visibility of distribution. Additionally, the planned reduction in administrative burdens should also contribute to reducing deadweight and increasing the cost-benefit of distribution.

(2) **Cost-effectiveness**

None of the evaluations or reports so far produced a comprehensive cost-effectiveness assessment of school schemes intervention, mostly due to the overarching problem related to the measurement of impacts they are designed to confer. This section will endeavour to provide such an analysis based on the evidence provided by studies, reports, stakeholders’ opinions and scientific literature about the confirmed and expected impacts.

In order to provide the basis for the general assessment of cost-effectiveness of the existing schemes and also the new proposal, this section will:

- provide an analysis of costs incurred by the EU and national budgets;
- administrative costs for involved parties resulting from the implementation of the schemes, and
- assess in approximate terms the cost-effectiveness of intervention (both for the existing programmes and the new proposal).
## Mapping of budgetary costs

**Table: Costs incurred by the EU and national budgets**

<table>
<thead>
<tr>
<th>Budgetary envelope</th>
<th>SFVS</th>
<th>SMS</th>
<th>New proposal</th>
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</thead>
<tbody>
<tr>
<td>Overall EU envelope for school schemes</td>
<td>€90 mio, increase to €150 mio from 2014</td>
<td>No limit but max EU aid set for 100kg/product</td>
<td>€ 230 mio total: €150 for F&amp;V and €80 milk (possibility to transfer between products based on MS priorities)</td>
</tr>
<tr>
<td>National top-up</td>
<td>From 2014: Obligatory co-financing 25% or 10%, €32 mio in total; Before 2014: average 42% national contribution, €65 mio</td>
<td>Voluntary, approximately €44 mio per year + significant parental contributions</td>
<td>n.a. Voluntary national top-ups</td>
</tr>
<tr>
<td>Actual use of funds</td>
<td>n.a. for €150 mio envelope (first year of implementation) €74 mio in BY2014 (0.15% of EAGF expenditure)</td>
<td>€68 mio in BY2014 (0.17% of EAGF expenditure), ranging between €62-€74 mio over last seven years</td>
<td>n.a.</td>
</tr>
<tr>
<td>Spending per child*/year</td>
<td>Average €9.6 per year with €95 mio total budget (70 mio EU + 25 mio national), estimated €11 from 2014 on</td>
<td>Huge disparities: from €0,20 to €16,7 per child per year; average €2,6</td>
<td>F&amp;V no change, Milk: min EU aid per child when allocating funds (estimated €2,2)</td>
</tr>
</tbody>
</table>

*varies across MS and depends on distribution modalities (frequency of provision, products) and costs of products

## Table: Comparison of EU costs for school scheme vs other schemes outside the EU framework

**Comparison with other school schemes outside the EU scope**

<table>
<thead>
<tr>
<th></th>
<th>Fresh scheme in the US</th>
<th>F&amp;V UK national scheme</th>
<th>Milk: US programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall annual budget</td>
<td>$ 165.5 million for 2013/2014</td>
<td>£40 million for 2014/2015</td>
<td>Milk distribution is a part of school lunches (annual budget of $11 billion, milk is 0.1% of that budget). Separate Special Milk programme: budget fell from $145 mio in 1980s to $12.3 mio in 2012 due to milk's integration in lunch programmes.</td>
</tr>
<tr>
<td>Spending per child</td>
<td>$50.00 - $75.00 per child per year33</td>
<td>2.2 million children Roughly £18 per child (distribution frequency is very high)</td>
<td>Separate Special Milk programme: $0.25 per portion per child to eligible children.</td>
</tr>
</tbody>
</table>

33 In School Year 2008-2009 the total funding for FFVP was $40 million and rose to $150 million in school year 2012-2013. [http://www.fns.usda.gov/sites/default/files/FFVPFactSheet.pdf](http://www.fns.usda.gov/sites/default/files/FFVPFactSheet.pdf)
Direct regulatory and enforcement costs

Study "Assessing the costs and benefits of regulation"\(^{34}\) provides one way of mapping the regulatory costs and benefits resulting from the implementation of certain policies at EU level. The most relevant regulatory costs for this analysis are **direct costs arising from the administrative burdens**. ‘Administrative burdens’ are those costs borne by businesses, citizens, civil society organizations and public authorities as a result of administrative activities performed to comply with information obligations included in legal rules.

Both external evaluations and the CEPS study carried out detailed mapping and quantification of administrative burdens for both schemes in 2011. The CEPS study mapping is however not complete as they do not cover costs incurred by national administration related to the management of the scheme (not recorded) and organisational burden incurred by schools in the organisation of the distribution of products (logistics, waste management etc.). The latter may minimise the benefits arising from the scheme. The external evaluations also mention limitations in finding more reliable data, given the difficulty to obtain complete information, even when specific questionnaires were sent to national/regional authorities and other actors involved in the implementation of the schemes.

Tables below present the 2011 quantification of certain administrative burdens under both schemes. They however do **not encompass the burdens related to the accompanying measures** under the SFVS which became eligible for EU aid only in 2014. Therefore it is difficult to estimate them at this juncture. They will also depend on the levels of controls that will be imposed by the EU legislation for 2015/2016 school year, especially considering that the overall EU funding for these measures is limited to 15% of national EU allocation.

The CEPS study concludes that the administrative burden represents in quantitative terms **around 4% and 3%**\(^{35}\) **out of the total budget used for SMS and SFVS** respectively. This indicates that it is on average level compared to other CAP policy measures and should not constitute an obstacle or deterrent for participation in the scheme. This value translates to roughly just over €30 per school per year and less than €0,30 per child per year.

The report also concludes that several burdens behave like fixed costs independently from the number of children/volumes distributed, meaning that their share over funds used decreases when the up-take of EU aid increases.

CEPS study: quantification of administrative burden for SFS and SMS

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\(^{35}\) The latter number for SFVS was calculated based on the previous lower budget and also relatively low use of funds at the beginning of the scheme. However, CEPS study concludes that administrative burdens behave to a large extent like fixed costs and do not increase with increased participation share, therefore it can be estimated that the increase in the overall budget and use of funds should have not resulted in a significantly higher administrative burdens.
Evaluation report on SFS confirms the above figures by estimating administrative burden in 1 to 2 hours work per school and school year (with weighted averages of salary amount estimated at €15), based on case studies (one MS and two regions). This is in line with data provided in the EU Database on administrative burden, where the EU average hourly earnings is €17. For SMS, evaluation report shows very different costs per child in different Member States based on implementation survey, confirming that they behave like fixed costs. The EU average administrative cost would be more than €0.35/child.

External evaluation of the SMS: quantification of administrative costs
However, from stakeholders’ perspective the level of administrative and organisational burden associated with the implementation of both schemes is perceived to be rather high, especially if this burden becomes disproportionate compared to the level of aid received and in relation to the scale of the scheme in MS. In relation to the latter, the external evaluation indicates that the average administrative costs in Slovenia for the SMS amount to approximately €13 500 who has a very low participation of schools and pupils. This gives a very high administrative cost of over €23 per child, which is very high compared to the majority of other examined MS where this cost was under €1 euro per child.

The administrative burden is high on the administrative level (ministries) and for suppliers. For authorities responsible for the management of the scheme, the burden results mainly from the procedures related to the approval of applicants, execution of on-the-spot checks, record keeping, documentation and the implementation effort to install the scheme. For the SFS there is an additional requirement of national strategies (which will apply also to SMS from 2015), evaluation, monitoring and accompanying measures. Most suppliers under the SMS evaluate the burden, like providing the securities guarantees and applying for licences, as disproportionate.

On the other hand, schools are mostly affected by organisational burdens which depend on the amount of obligations imposed upon them. The difficulties most often stem from organising the ordering and distribution of products (if this is not organised by the supplier), which can be quite heavy considering huge variety of eligible products, and the collection of payments from children or parents (under SMS, if not integrated in school fees).

Drivers behind this problem are different and often combined:

**Regulatory:** originating from the EU rules, including the ones on the eligibility of products, and/or additional national rules (sometimes more stringent than required). Some avoidable burdens come from the separate frameworks for SFS and SMS, which causes doubling of obligations.

**Institutional:** depending on the MS decision on how to implement the scheme and the level of responsibilities entrusted to schools. In certain cases schools are even entrusted with securing and managing the contracts with suppliers. In most participating Member States and regions schools are faced with tasks related to the logistics and delivery of products, as well as managing their preparation and distribution to children. This is time-consuming and requires additional manpower. There are some positive examples where MS strived to reduce the burdens in the SFS: for example, in order to alleviate logistical difficulties, the Netherlands has reduced the number of suppliers. In Italy, there is only one supplier for the country. Consequently, the administrative efforts and control costs have been reduced. Poland introduced a flat rate per portion, which has had a positive effect on simplifying and streamlining the process of granting aid.

Impact assessment of 2013 establishes that the number of all information obligations arising from the separate frameworks of current schemes amounts to **54 obligations**. CEPS study estimates that there is avoidable administrative burden which could be reduced with the approximation or synergies between the schemes. This is confirmed by the external evaluations. The 2014 proposal aims at eliminating the doubling and overlapping of reporting obligations and other processes where this is possible.

Concrete examples are national strategies which became obligatory for the SMS as of 2015. This in practice means that in 2015, the MS will have to produce and notify to the Commission separate strategies for SMS and SFVS, some of which are regional (thus
multiplying the number of documents). The Commission will therefore receive most likely 27 strategies for milk (estimated on the number of participating MS) and 25 strategies for SFVS, in total **52 or more strategies** if regional ones are sent separately. The proposed simplification under the 2014 proposal is for MS to submit 1 common strategy over 6-year periods. This would be a real strategic document, outlining the objectives, targets and priorities, rather than "annual statement of intent", as it was established by the SFVS evaluation.

It is estimated that by aligning the legal provisions of both schemes this would lead to the reduction of administrative burden estimated in terms of number of quantifiable obligations of at least 30% (from 54 to 39 obligations).

### i. Cost-effectiveness: behavioural consumption impacts

<table>
<thead>
<tr>
<th>IMPACTS</th>
<th>SFVS</th>
<th>SMS</th>
<th>New proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distribution</strong></td>
<td>10 mio children, 67,000t expected after 2014: higher output in terms of products and children covered <em>(ration depends on MS focus: either higher intensity of distribution or higher coverage)</em></td>
<td>22 mio children 385,000 t</td>
<td>n.a. increase in the subsidy rate for milk could lead to reduced participation form EU funds but higher impact</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>Max total €155 (EU + national), move to total €182, cca 3% administrative costs</td>
<td>Total approximately €110 mio (EU + national); cca 4% administrative costs</td>
<td>Budget neutral: total €230; national top-ups voluntary; Estimated reduction of administrative costs</td>
</tr>
<tr>
<td><strong>Direct consumption</strong></td>
<td>Most MS indicate increase in the amount of F&amp;V consumed after 2 years of implementation: <strong>21 % increase in PL</strong>. Irish Food Dude programme: fruit consumption increased by circa <strong>20%</strong>, vegetables consumption by <strong>42% (from 11.5% to 53.5%)</strong>.</td>
<td>No obligatory measurements and evaluations. Impact depends on scheme's scale; in MS with high up-take, positive impacts</td>
<td>Target: <strong>15% direct increase</strong> in F&amp;V and milk resulting from the distribution</td>
</tr>
<tr>
<td><strong>Spending per child/year</strong></td>
<td>Before 2014: average €9.6 (€5.6 from EU budget), out of <strong>which average €7 for distribution</strong> (€9.6 - 20% other costs) After 2014 estimated total €11, out of which <strong>€8 for distribution</strong> (calculated as total €11 - 30% for other costs)</td>
<td>Average €2.6 (range €0.20 to €16.7)</td>
<td>New proposal: average €3.1 for milk; same for F&amp;V</td>
</tr>
<tr>
<td><strong>Indirect consumption</strong></td>
<td>Noticeable indirect impact: after-school consumption in RO, on non-distribution days in NL; US evaluation: 3% increase in indirect impact.</td>
<td>No obligatory measurements and evaluations.</td>
<td>Target: <strong>5% indirect increase</strong> on account of educational measures</td>
</tr>
<tr>
<td><strong>Cost of educational measures</strong></td>
<td>Cca €1.5 per child/year (calculated as 15% out of</td>
<td>No financing from EU funds</td>
<td>Still to be set at EU level</td>
</tr>
<tr>
<td><strong>Spill-over</strong></td>
<td>Food Dudes evaluation: snack provision dropped by an average of 6%. Positive spill-over effect to periods outside F&amp;V distribution in schools established in RO, NL positive influence on parents: providing more F&amp;V products in lunch-boxes (IE, PL, MT), variation and availability of those products at home and to a lesser degree even on parent's consumption (29% in NL). SMS: substitution effect noticed in DE, NL, PL (milk replaces soft drinks).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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36 *Food Dudes Programme/ EU School Fruit and Vegetables Scheme - Department of Agriculture, Food & the Marine*
Long-term impact on the consumption | Too early to judge for SFVS after 5 years of implementation Evaluations due for 2017 might give indications. | No obligatory measurements and evaluations of long-term impacts. | n.a. |
---|---|---|---|
Evaluation of pre-existing Irish Food Dudes scheme confirms a long-term impact arising from the scheme. Confirmed by other scientific studies. 37

| Contribute to reducing diet-related health problems | Difficult to measure and assess. Every increase in consumption of healthy products confers health benefit (dietary changes are habits are incremental and difficult to achieve). Eating 5 portions of F&V per day: estimated 20% reductions in overall deaths from chronic diseases (cancer etc.). Milk plays an important role in decreasing the risk of osteoporosis later in life due to its nutrients, essentially protein and calcium. Both products as alternatives to less healthy options. |

Cost-effectiveness in terms of agri-economic impacts

<table>
<thead>
<tr>
<th>Expected impacts</th>
<th>Effectiveness of existing schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>Annually average 67,000t of F&amp;V and 385,000t of milk delivered to schools; on aggregate this is only 0.3% of overall market volume Individual cases record higher impact: HU (milk consumption and helped to stabilise the dairy market: milk under SMS makes up a big part in the supplies of small/regional dairies). RO (milk distributed through SMS represents over 5% of the total milk supplied to dairies) SFS: almost all MS give priority to local products US evaluation: Individual benefits for farmers from Farm to School programme can be large: for one farmer sales of fruit to school district represented up to 40% of total direct sales. In addition to the income, reported benefits include increased market diversification, positive relationship with schools, parents and community, establishment of grower cooperatives to supply institutional markets, job creation.</td>
</tr>
<tr>
<td>Long-term</td>
<td>Difficult to quantify and assess at this stage</td>
</tr>
</tbody>
</table>

Analysis of the cost-effectiveness

Tables above attempt to provide an overview of cost-effectiveness of existing school schemes and also the school regime under the new proposal by comparing the relative costs to the outcomes (impacts) achieved or expected. This analysis is the closest approximation which can be carried out at this moment due to the constraints related to:

- the lack of data to fully assess and monetise the benefits arising from school schemes, both due to the nature of expected impacts and also due to the lack of evaluation and monitoring tools in place for the SMS;
- quantitative targets and baseline were not set and measured for either schemes before their implementation;

37 As regards the long-term potential of these interventions, a review of the literature (De Sa and Lock, 2007) related to F&V distribution indicates that from 25 studies which had follow-up periods greater than 1 year, the evidence shows that both large and small-scale F&V schemes can have a long-term impact on consumption. Data from those studies furthermore demonstrates that 65% of school children across all age groups showed statistically significant increases in F&V intake at the follow-up.
SFVS is a rather new initiative; therefore any long-term impacts have to be estimated from pre-existing programmes which have been evaluated after a significant time lag which is sufficient to generate long-term impacts.

The overall costs for the school schemes represent a very minor percentage of the EU budget dedicated to the CAP. If compared to the total value of F&V and milk sectors, the budget invested to increase the consumption among children is very limited. However, the EU financial intervention was not construed to be the main driver of school policies but rather as a catalyst for action, while a more ambitious scope could only be achieved with additional public and/or private funds (like sector participation). The EU's involvement is comparable to individual schemes running for example in the UK (even though lower scale compared to the number of MS participating) and the US Fresh Fruit and Vegetables Programme. The EU's intention was not to embark on fully-fledged school meal programmes as they are run in US under the USDA's school meals programmes or from farm to school initiatives.

Spending per child per year is limited compared to the other programmes outside the EU framework but this enables the programmes to reach more children. However, the US F&V programme is focused on achieving higher impact through more intensive distribution and spending per child, rather than reaching more children. The data available for SFVS indicate that with a very moderate spending per child, the effects could be substantial, both in terms of the output: over 30 million children, average €7 for distribution and impacts in some MS 20% or even 40% increase in the consumption.

The spending per child for milk is in general rather low and in many MS it is below average €2.3 per year. Even though the estimations show that the scheme has a high coverage of the target group, mainly also due to parental contributions, the question is whether such a low spending is sufficient. The latter was not measured so far and can be only estimated from surveys. The main concern behind it was a low EU subsidy level which represents only from 10-25% of the value of distributed products. Additionally, the financing model of the scheme as it is now (aid directly linked to the quantity of product and no national allocations) does not allow for the financing of other measures, such as the accompanying educational measures or evaluation. The Court of Auditor's report raises this issue: "if the Milk Scheme is to have a real impact on the volume of milk consumed in schools, the subsidy paid per kilogram should be increased very significantly to a level where milk can be distributed free of charge. However, this recommendation would not entail increased EU spending; on the contrary, it would mean focusing resources on a narrower target population, which could also effectively contribute to addressing the problem of deadweight. The population to be targeted would have to be determined in the light of a scale of nutritional needs."

This recommendation was to a large extent reflected in the 2014 proposal on the review of school schemes. The Commission announced its intention to revisit the subsidy level of milk via delegated act and proposed a new financing system which would give annual allocations to MS. The latter would allow the financing of accompanying measures and other costs related to the implementation. The purpose of this reform is to maximise the impact arising from the distribution with the support of accompanying measures but without significantly increasing the overall budget. This might mean that the overall output in terms of the number of children might be lower based solely on the EU funds, thus requiring national top-ups by MS to maintain the current scope of estimated 22 million children.

The long-term benefits cannot be measured at this stage due to the lack of data for SMS and too short intervention period for SFVS. However, available evaluations from pre-existing programmes (Irish Food Dudes) and scientific literature confirm that these are achievable, provided that the at least medium-term continuation of the schemes is assured. The expected
2017 evaluation of the SFVS might bring more concrete information on the medium-term impact of implementation.

When judging the cost-effectiveness of agri-economic target dimension, the aggregate numbers show that the output of school schemes is commensurate to the budget invested in the distribution and expectedly as the budgetary envelope is small compared to the value of the markets of these products, does not affect the market balance significantly in terms of direct impacts. However, these numbers show the situation at the aggregate level. For specific Member States and at local levels, individual impacts on farmers could be higher, depending to a large extent on the sourcing of products (direct sourcing without too many intermediaries). The evaluation system needs to be improved in this regard to better assess the agri-economic impacts.

As concerns the general public health impacts, it is difficult to assess and attribute any possible reductions in the obesity/overweight prevalence or chronic diseases directly to the school schemes. As explained in the first chapter, these problems are complex and result form an interplay of different factors. Consumption habits are just one of them.

2.3.3. Coherence

Evidence put forward by evaluations indicate that the school schemes, as CAP policy instruments, are coherent with the overall CAP objectives, especially with the specific objectives of contributing to farm income, maintaining market stability and maintaining a diverse agriculture in Europe. The extent to which the schemes contribute to these objectives is however difficult to monitor and measure.

The schemes are coherent with the EU Strategy for Europe on Nutrition, Overweight and Obesity-related Health Issues38. There is room for further alignment of the SMS with the four principles specified in the Strategy: (1) Reduction of all risks associated with excess weight (2) Action across all groups, policy areas and a wide range of instruments (3) Requirement of actions from all organisations, industries, political and private stakeholders involved (4) Monitoring and assessment of the prevalence of obesity, overweight, eating patterns and measures undertaken to implement the strategy. The schemes are also in line with the Action Plan on Childhood Obesity39, which aims to halt the increase of obesity in children by 2020.

It can also have links with SANTE project on increasing the consumption of fresh fruits and vegetables in vulnerable population groups.

The evaluation has furthermore identified that even though the SMS and the SFVS share their objectives and have similar intervention logic, both programmes are hardly linked, neither at EU level nor in the Member States. The evaluation concludes that there is scope for improved alignment between the two instruments. Merging the administrative frameworks or even the whole schemes may provide advantages such as reducing the administrative and organisational burdens as well as the costs of distribution.

This finding results among others from the competition between both schemes for human resources e.g. for personnel in schools. School personnel have to cope with the organisational burden of the scheme which has been found to be a challenge for the SFS; the SMS adds its share of organisational tasks drawn on more or less the same persons in educational

establishments. Since the administration of the scheme as regards to record keeping, product controls and monitoring of both programmes have not been aligned so far, avoidable burdens occur. Competition between both programmes is likely also as regards the educational time, attention and stakeholders’ support. Therefore, it is advisable to harmonise at least the administrative frameworks of both programmes as much as possible to also consider further synergies. They are seen e.g. in combined educational and communicational measures, combined product distribution and in establishing strong partnerships with all relevant stakeholders focussing on a balanced and healthy diet.

2.3.4. Simplification

The most recent consultation process via a special stakeholders’ consultation meeting on 2 March 2015 and a detailed questionnaire identified that key stakeholders, in particular national authorities, see the need for simplification with regard to a few points.

✔ Strategies

This element in particular relates to the existing SFVS and the new proposal. The Commission proposes for the current SFVS and also the future scheme that MS strategies should be more strategic documents, setting out targets to be achieved by Member States and their priorities. If possible, the targets should be quantified in order to enable the evaluations to assess the impacts and attainment of objectives. Member States should be allowed to update them regularly, in particular in light of the evaluations and reassessment of priorities or targets.

This element was criticised by many MS which consider this to be too demanding, especially the targeting aspect where quantitative targets are difficult to establish.

However there is a need for quantified data in order to be able to evaluate adequately the scheme, as we have seen in previous chapters. A balance has to be found.

✔ Evaluations

Monitoring and evaluation are systematic processes essential to evidence-based policies. When trying to assess the relevance of the schemes, especially in terms of their long-term impact, it has become evident that it is difficult to assess the effectiveness of the two schemes. The SFS is a relatively new intervention and it has put in place evaluation and monitoring requirements, but mostly uses output-based monitoring information not focussing on the impacts. The SMS does not have an adequate built-in system for measuring its medium- or long-term effectiveness. Both schemes are also faced with an insufficient impact and result indicators.

With regard to the SFS, the external evaluation concludes that there is a need to set up a common format for MS evaluation reports (as it is already the case for the monitoring reports) in order to simplify them (reports vary from 50 to 300 pages) and to reduce the burden for MS and making a more stringent link with the strategies (these should also be harmonised in their structure). The MS evaluations should also be made into useful tool to evaluate longer term effectiveness of the scheme. Therefore, the evaluator recommends building the basis for a better evaluation by setting some standards concerning the evaluation methods and indicators.

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40 Regulation 288/2009 obliges MS to submit annual monitoring reports in November each year, containing information on the implementation of the scheme in the preceding school year. For the national evaluations, Guidelines were prepared and distributed in 2011, followed by an update in 2013 prepared by the SFS expert group.
to be used by MS and unifying the structure of the evaluation reports. To this end, the independent Group of SFVS Experts produced Guidelines for the evaluation of the scheme with a set of methodology and indicators that MS may use.

With regard to the SMS, the external evaluation recommends that a set of monitoring and evaluation indicators should be defined to allow as assessment of the performance and the impact of the SMS and on its contribution to the fight against obesity and overweight. Clear monitoring and evaluation obligations should be introduced at the MS and the EU level, with defined parameters to gain all relevant information.

MS consider for the current SFVS that this requirement is too demanding and costly, even though MS may use 10% of their annual envelopes for the purpose of the evaluation and monitoring. The national evaluations should assess the scheme in terms of its implementation, efficiency and effectiveness (impacts on consumption of children, parents). Reports are due every 5 years and should cover 5-year periods.

The Commission considered that in order to evaluate the impact of such schemes and be able to assess its cost-effectiveness, it is important to put in place right from the beginning “indicators” in order to follow/evaluate the increase of the consumption of fruit, vegetable, milk or milk products at different times (T0, T1, T2, T3 and similar). Follow-up is also important, even when the programme is discontinued in order to evaluate the sustainability of the scheme at longer term. It is important also to associate that with the accompanying measures to assess the effectiveness of accompanying measures. This will also allow measuring the minimum time needed to influence the consumption of fruit, vegetable, milk and dairy products of children in a sustainable way.

However, some of the evaluation requirements for national evaluations indeed overlap with the external evaluation contracted by the Commission which is carried out every 6 years. There is therefore a scope for reflection how the evaluation exercises could be organised to avoid doubling of this exercise. The optimal distribution of responsibilities between MS and Commission in the evaluation framework for the schemes could be discussed with Member States.

✓ Controls

One of the most recurring requests is related to the control requirements stemming from the EU legislation. These are for both schemes perceived as too excessive compared to the financial resources involved. This is acknowledged also by the Curt of Auditors' report which establishes that "under most present arrangements, both the authorities and applicants are faced with a workload that is very significant when compared with the often very small available amounts. The problems highlighted must therefore be resolved bearing in mind the cost-effectiveness of the controls and requirements established in the regulation".

There is therefore scope for further improvements in this regard, while on the other hand ensuring that mechanisms are nevertheless in place to protect Union's financial interests against fraud and irregularities. This can be done via the simplification exercise for the existing schemes and in the drafting of implementing provisions for the new scheme if becomes operational.
Conclusions:

- The evidence from external and national evaluations indicates that the school schemes have the potential to exercise a positive influence on the consumption of targeted products by children and in certain cases also parents.

- The effectiveness of the school schemes in reaching its long-term objectives is acknowledged by the external and national evaluations, even though it is difficult to adequately assess these impacts due to different reasons (SFVS is a recent instrument, SMS does not require evaluations of impacts). External evaluation of the SMS suggests that the effectiveness of the programme could be conditional upon some improvements, in particular as regards its educational dimension and visibility of distribution. This has been addressed by 2014 proposal which foresees educational and awareness-raising measures to support the milk distribution. Several national evaluations of the SFVS indicate a considerable increase in the consumption and also indirect impacts outside the distribution. It is too soon, however, to measure its long-term impacts after only 5 years of implementation.

- Efficiency of the schemes has been judged as difficult to measure and assess. The efficiency and the potential of the SMS could be compromised by the low cost-benefit ratio of implementation, caused by the low EU subsidy level in relation to the costs associated with the implementation. For the SFVS the evaluations establish that its efficiency is subject to different interpretations. It is namely difficult to conclude whether reaching more children with a lower consumption increase would be better than reaching fewer children with a higher consumption increase.

- Based on the evidence provided by studies, reports and stakeholders' views, the report provides an approximate analysis of the cost-effectiveness of the school intervention, subject to the main methodological constraint related to the inability to assess and monetise the impacts. The analysis shows that the costs incurred by EU and national budgets are low and are comparable, if not lower, to other international and non-EU programmes. It indicates that even low spending per child per year may lead to increased consumption, which has been confirmed for the SFVS.

- The cost-effectiveness in relation to long-term impacts cannot be assessed at this juncture, nor can be agri-economic impacts on the farmers/producers (besides the output indicators of distributed quantities) due to the lack of data. Impacts on public health targets in relation to the costs incurred cannot be neither assessed nor attributed solely to the school intervention due to the complexity of problems involved and their causes.

- The evidence shows that the schemes are coherent with the overall CAP objectives although their contribution to these objectives is difficult to measure. There is potential for further coherence in the school regime itself which can be achieved by approximating or merging the current separate schemes.

- Recent stakeholders' consultation identified areas for improvements in terms of simplification, in particular requirements related to the strategic planning, evaluations and controls.
2.4. Overall conclusions and perspective

This report delivers an analysis of compliance of the school schemes regime with the key principles of Union law-making. It was conducted in line with the applicable standards and guidelines for the conduct of evaluations and impact assessments\(^\text{41}\). The exercise relies on an evidence based approach and covers all the evaluation parameters, such as the relevance, efficiency, effectiveness, added value and coherence.

In addition, this exercise was subject to a consultation process, both in the preparatory phase, once the evaluation parameters were established, and on the draft deliverable. The main tools therein were a targeted stakeholder consultation through a specific meeting and based on a questionnaire, supplemented by the web consultation both on the terms of reference which set out the evaluation approach as well as on the draft evaluation report.

The main conclusions\(^\text{42}\) from the evaluation indicate the following:

i. The relevance analysis proved that the hypothesis which led to the creation of the schools schemes is relevant as continuous declining consumption of F&V and drinking milk, further exacerbated by modern consumption trends, continue to be a problem. The experience gained and the analysis carried out also indicates that the design and intervention logic of the current schemes will need to be improved in order to follow scientifically recommended approaches to a more successful school intervention.

ii. As regards subsidiarity, an extensive analysis of both political and legal aspects has been carried out. Article 5 of the Treaty on the European Union specifies that the "Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level." From the political perspective, the evaluation firmly establishes that the schemes enjoy a very strong legitimacy from the interested stakeholders, national and Union institutions. All Member States except 2 support the continuation of EU involvement in the schemes. Additionally, the European Parliament approved with a strong majority its negotiating mandate on the 2014 proposal, which amongst others strongly endorses the schools schemes and their continuation at the EU level. The stakeholders and public have also been univocal in supporting the objectives of the programmes and the need for the continuation of the EU involvement.

From the standpoint of satisfying the legal requirements of the subsidiarity principle, the analysis is less unequivocal. Member States are affected by declining consumption but to a varying degree. Before the EU involvement, national and sub-nation authorities have already made efforts to tackle the problem. Most Member States today indicate that they would not act alone at national or sub-national level, especially when it comes to poorer regions due to financial constraints.

The feedback from the consultation identifies a number of elements where the EU involvement brings added value, both in terms of increasing the effectiveness of intervention

\(^{41}\) The evaluation was launched and to a large extent completed prior to the adoption of the new Better Regulation Guidelines on 19 May 2015. The draft report was published for consultation on 12 May 2015, i.e. under the old regime.

\(^{42}\) The conclusions were approved by the College of Commissioners on 7 July 2015.
and its scope. The stakeholders in particular emphasise that a common EU policy framework brings certainty, continuity and stability for all participants, places a vast reserve of experience and tested policy approaches at the disposal of participants and is judged to be more cost-effective.

iii. The analysis of proportionality examined in detail the delimitation of the competences between the EU and national/regional authorities, with a view to verifying whether the EU action stays within the boundaries of what is strictly necessary to achieve the objectives. In this process, a strong consideration is given to the positions of national/regional authorities, national and Union institutions, as well as stakeholders. The results indicate that all these actors overwhelmingly consider that the EU action is proportionate, as long as it respects national legal orders and competences, and leaves sufficient flexibility to national/regional authorities to tailor the programmes to their needs.

As regards the new proposal, the analysis identifies two areas where the EU action is needed but where the prevailing opinion of stakeholders is that it should be adjusted or scaled back: in particular the narrowing of the choice of products in the regular distribution to fresh F&V and drinking milk, and secondly in relation to the proposed delegated empowerments to impose minimum requirements as regards the spending for accompanying educational measures.

iv. Regarding its compliance with Better Regulation principles, the findings of the evaluation identify that the school schemes are in general cost-effective, as they have the potential to reach their objectives and yield positive results with relatively low costs incurred by the Union and national budgets. The analysis identifies that some improvements could increase the effectiveness of the milk scheme in reaching its long-term objectives (both in terms of its design and evaluation tools), as well as certain deficiencies which hamper the full potential and efficiency of the existing schemes. However, the document acknowledges that the 2014 reform proposal was put forward by the Commission to address some of those shortcomings.

v. The stakeholders' consultation conducted during the evaluation process identified areas for improvements in terms of simplification, in particular requirements related to the strategic planning, evaluations and controls.

vi. The evidence and the public feedback on the school schemes demonstrate that the relevance of the school schemes to their overall objectives remains.

vii. Certain specific shortcomings have been confirmed by this evaluation in relation to the existing schemes which hamper the full use of their potential. The Commission intends to address those weaknesses in the context of the proposed modification to the school schemes.
III. LIST OF ANNEXES

Annex 1 - Minutes of the Stakeholders’ consultation meeting of 2 March 2015 (Group of Experts and the Civil Dialogue Groups)

Annex 2 - Summary Account of the Results of the online consultation

Annex 3 – Bibliography
Subject: Minutes of the consultation meeting on school schemes, 2 March 2015

In the context of fulfilling the requirements of the Commission Work Programme 2015, a targeted consultation meeting was organised on the School Fruit and Vegetables Scheme and the School Milk Scheme. The consultation brought together representatives of Member States' administrations in charge of both schemes, stakeholders from the Civil Dialogue Groups for fruit and vegetables and milk, as well as representatives of the secretariats of other Institutions.

Director Schaps explained the purpose of the meeting and informed that the results of this targeted consultation will feed into the assessment which is currently under way to verify the compliance of the school schemes regime with the principles of subsidiarity, proportionality and better regulation. This consultation will supplement the results of the wide public consultation which was carried out in 2013 in the context of the review of the school schemes. The final analysis will be submitted to the College for a political decision on how to proceed with this file.

The discussion was conducted on the basis of a questionnaire, with questions grouped in 4 clusters: relevance, subsidiarity, proportionality and better regulation. The discussion was in general dynamic and the majority of stakeholders expressed their views on the topics under discussion.

The main conclusions resulting from the discussion were the following:

1. Relevance:

   - All participants agreed that the problems which led to the creation of school schemes are still relevant, with a declining consumption of fruit and vegetables and milk, and consequently negative impacts both on agriculture and public health. Children are most affected by this trend and subject to increasing pressure from competing products (highly processed products with added sugars, fat etc.), heavily promoted by multinationals. The high level of overweight and obesity in children is still a particular concern.

   - There was a wide agreement that there is a need for a long-term action to reverse these trends.
• The participants largely agreed that the school schemes have the potential to achieve the set objectives, with following expected benefits:
  
  - for agriculture: they may provide market outlet for agricultural products, especially if faced with the loss of export possibilities (Russian ban), an extra source of income for farmers, niche for local products, small farmers and organic products; they may contribute to the stabilisation of long-term demand for essential agriculture products;
  
  - for public health: the schemes including the additional educational measures contribute to installing healthy eating habits and addressing overweight and obesity and related chronic diseases.

2. Subsidiarity:

• All participants, except two Member States (NL and SE), agree that problems need common/EU action, whilst agreeing that participation should remain voluntary and EU framework should not interfere with national programmes.

• Without the EU aid, the majority of MS would either be forced to scale down (in terms of the scope and/or effectiveness) or discontinue their programmes.

• Without the EU aid, the access to the schemes would be available only to children from richest regions, possibly leading to territorial and social imbalances.

• Participants identified several aspects where the involvement at the EU level brings added value and benefits.
  
  - it is more cost-effective to have the EU framework and it enables finding most effective solutions;
  
  - incentive for securing national and private funds (leverage effect);
  
  - enables the exchange of experiences, best practices, knowledge;
  
  - bring children closer to agriculture and citizens closer to the EU, higher visibility for EU action.

3. Proportionality:

• Participants overall consider the schemes as proportionate as they leave enough flexibility to Member States to tailor the programmes to their needs.

• Certain Member States requested some additional flexibility on certain operational elements (strategies, products, accompanying educational measures…).

4. Better regulation:

• Participants identified areas which could be further simplified (mostly technical elements).
Subject: Summary Account of the Results of the publication for feedback of draft Terms of Reference and draft Final Report of the Evaluation

The Terms of Reference have been developed by the Commission services which steered the evaluation process. The Commission invited the interested public to provide their views and comments on this document by publishing it on its website from 27 March to 17 April 2015. This was done with an intention to best capture the elements that from the public standpoint need to be examined in this process.

Only 2 feedbacks were received on the terms of reference which mainly reiterated of two stakeholders associations which were already expressed in this consultation.

The draft evaluation report which contains the findings of this assessment has been published on the Commission website on 12 May 2015. Interested parties were invited to comment by 3 June 2015.

In total 7 contributions were received, out of which 5 from the Member States (Slovenia, Greece, Hungary, UK, Belgium) and 2 from the stakeholders (European Dairy Association and the School Milk and Nursery Alliance). All contributions received generally welcome the findings and draft conclusions of the evaluation report. Hungary put forward a few comments of more technical nature which were examined, while the UK and School and Nursery Milk Alliance proposed minor additions to the report.
ANNEX III: BIBLIOGRAPHY

1. CEPS study "Measurement of administrative burdens generated by EU legislation – AB quantifications of SFs and SMS", 2011


3. Court of Auditor’s Special report No 10 of 2011 ‘Are the School Milk and School Fruit Schemes effective?’

4. De Sa and Lock (2007), "School-based fruit and vegetable schemes: a review of evidence"


7. EU Action Plan on Childhood Obesity


14. Freshfel – European Fresh Produce Association [www.freshfel.org]


16. INRA report, "Dietary behaviours and practices, determinants, action, outcomes", June 2010

18. Joshi, Azuma and Feenstra (2008): "Do Farm-to-School Programs make a difference?"


20. Other strategic documents related to the School Fruit and vegetables Scheme implementation (national strategies, monitoring reports), http://ec.europa.eu/agriculture/sfs/eu-countries/index_en.htm


23. The benefits of farm to school, National Farm to School Network; www.farmtoschool.org.


