

FOOD4SUSTAINABILITY

WP3. Implications for the design of innovative governance arrangements

Work package 3 deepens the analysis proposed in WP2. In WP3, we will analyse and evaluate existing hybrid governance arrangements for involving the broadest possible set of actors of the food systems, and actors related to the transition of the food systems, in transition pathways, with a view to proposing innovative model arrangements. The result of the work in WP3 will be the formulation of roadmaps with possible measures, actions and initiatives that various actors could take. These actors include of course the agricultural producers and their unions, the agrifood corporations and the retailers, but also the industries providing services for the food system actors in the field of energy or transport/logistics. But they also include the public authorities at different levels, the consumers, and other stakeholders, such as NGOs (both environmental NGOs and fair trade organisations) and unions. Understanding how these actors interact with one another and how they can be encouraged to work collaboratively – even though their preferences can be largely heterogeneous – is key for succeeding the transition towards sustainable food systems.

Our hypothesis is that even diverse preferences can be reconciled, provided we set up processes in which the various preferences or priorities of different actors can be recognized and valued through appropriate governance arrangements (sometimes called "partnerships" or "multistakeholder initiatives", depending on the context). Heterogeneity of preferences should not be treated as an obstacle: instead, acknowledging such heterogeneity, and the associated diversity of perspectives, is important to design governance systems that can work. Moreover, once such governance arrangements are established, this can lead the actors involved to revise their preferences, and to identify new convergences and alliances, that may never have been explored hitherto: the relationship between governance arrangements and preferences of actors is dialectic and involves constant feedback and revision.

Based on our study of the governance arrangements that allowed for transition initiatives to develop, we shall develop roadmaps -- pathways -- identifying some of the various trajectories to evolve towards a low-carbon and resource efficient food system, in the different food systems, and at different segments of food chains, from production to consumption. These roadmaps are not intended as blueprints: only the actors themselves, facing their specific constraints and with their specific constituencies, are in a position to identify the trajectory that can suit them best. But the roadmaps we have in mind can be facilitative: they can broaden the imagination of actors, and lead these actors to assess whether the way they define their interest (whether they resist moving towards a transition or whether they prefer one pathway to another) should not be re-examined. What we shall propose is intended to be used by private and public actors as a detailed and user-friendly manual for realizing and stimulating low carbon impact and resource efficiency.

A synthesis of the organisational principles of collective processes in successful governance of transition pathways will provide the basis for the work of WP3. This will be based both on the results of the research in WP2 and a literature review ([Task 3.1](#)). In a second step, an in depth analysis will be conducted of a set of new prototypes of governance frameworks for organising collective processes, which build upon the key features of these organisational principles ([Task 3.2](#) and [Task 3.3](#)). Finally, in a third step, a roadmap with a set of model agreements for governing collective processes in the various transition pathways analysed

under WP2 will be developed, taking into account the specificities of the various actor and stakeholder communities that are involved in the food system (Task 4.2).

Two main governance options for building collaborations between governmental, private for profit and private non-profit actors will be considered under this work package. The first option is based on the governance of collective processes in market transactions, as for example in participatory product labelling schemes (on the model of IFOAM's participatory guarantee system or, in part, on the model of GLOBALG.A.P., a certification scheme that covers the production process for farm inputs to the farmgate) (in [Task 3.2](#)). The second option is based on the governance of collective processes in governmental incentive or regulation schemes. An existing initiative that illustrates this option is the deliberative assessment of agro-environmental measures (for national implementation of the second pillar of the CAP) ([Task 3.3](#)). The two options can of course be complementary, and hybrids can emerge. Thus, State-based regulation may be based on existing standards, initially developed by private actors. A well-known example in the European Union is Regulation (EC) No. 853/2004 of 29 April 2004 on the hygiene of foodstuffs, which seeks to protect food safety "from farm to store". That regulation essentially encourages food business operators to establish and operate food safety programmes based on the principles of "hazard analysis and critical control point" (HACCP), that had been initiated by the food industry.

Task 3.1. Organisational principles of collective processes in successful governance of transition pathways (CPDR)

A synthesis of the organisational principles of collective processes in successful governance of transition pathways will provide the basis for the work of WP3. This synthesis can build to a certain extent upon the analysis of up-scaling of niche innovations and regime transformation in various fields such as energy, food or mobility (Grin et al., pp. 331-336). However, this project aims to go beyond niche innovators and address collective processes at all levels of the food systems, and with a broad and heterogeneous set of private sector and public sector actors.

Task 3.1. of WP3 will therefore identify organisational principles for collective processes through (1) an analysis of the commonalities and differences between the existing collective processes in transition pathways analysed under WP2, and (2) a systematic literature review of the organisational principles in the case study literature on these processes both in Belgium and in other countries.

Task 3.2. Governing collective processes in market transactions (CEB - BIOECONOMICS)

In Task 3.2. an in depth analysis will be conducted of a set of new prototypes of governance frameworks for organising collective processes in market transactions, covering both frameworks that address the collective processes to involve all the actors of the mainstream and short supply chains in the food system as frameworks that address the involvement of consumers and broader stakeholders in the transformation of diets and nutritional standards. A limited number of governance arrangements will be analysed and developed, based on the main existing prototypes already established in practice, and covering respectively two categories: (1) governance of collective processes in the development of market standards and labelling; and (2) governance of collective processes in coordination agreements amongst actors in the transition pathways. Examples of the first category that will be considered are participatory certification schemes or stakeholder consultation in the establishment of carbon labelling. Examples of the second category are government support for the standardisation across retailers of codes of conduct that include environmental commitments (such public intervention being justified to establish a common level playing field or in order to improve the information of the consumer). Based on the results of WP2, and more specifically on the results linked to financial issues, a third aspect which is related

to both these categories will also be investigated which is the role innovative financial instruments. Based on our experience in microfinance (Hudon, 2009; 2011) and complementary currencies that include a market dimension (e.g. WIR system in Switzerland or RES system in Belgium), we will analyse which institution could be the most efficient in promoting the emergence and success of some of the identified collective processes. Examples where this aspect could be developed in the Belgian context include community supported agriculture, vegetable box schemes (microfinance) and business to business systems for mutual credit (complementary currencies).

Task 3.3. Governing collective processes in governmental incentive/regulatory schemes (CEB -CPDR)

Task 3.3 will consist in conducting an in depth analysis of a set of new prototypes of governance frameworks for organising collective processes in governmental incentive/regulatory schemes. We will cover both schemes that seek to provide incentives to individual actors (but do so through participatory collective processes) and schemes that are addressed to collective entities such as municipalities or schools instead of individuals. We will direct our attention in particular to what seem to us to represent three particularly promising innovations : (i) the combined reliance on class economic incentives and non-financial incentives, which build on the heterogeneous set of intrinsic motivations of the actors; (ii) the use of incentives and subsidy schemes that are allocated directly to collective entities, instead of individuals, with the expectation that the beneficiary entities allocate the incentives and subsidies through participatory processes, which allows for priority-setting at the most decentralized level : this is experimented successfully in certain German Länder, for instance, for the use of agro-environmental subsidies that are going to municipalities; and (iii) the reliance on systems of complementary currencies.

This third innovation -- the reliance on complementary currencies -- deserves a more detailed explanation. Our study shall be based on the review of existing complementary currency pilot projects used as policy instruments for sustainability, such as E-portemonnee in Limburg; Torekes in Ghent, Eco-Iris in Brussels and the Belspo research project INESPO. Using those innovations as a departure point, we intend to explore the possibility of designing innovative system(s) of complementary currency that can enhance the role of the collective initiatives analysed in WP2, bearing into mind the key factors for success and failure that have been identified. The design of this innovative policy instrument will strongly benefit from the experience the CEB (ULB) has achieved in designing such projects, in particular through the Innovative Instruments for Energy Saving Policies (INESPO) Belspo project and the feasibility study of the Eco-Iris project for Brussels Environment.

But designing what systems based on the idea of complementary currencies is insufficient, unless combined with an analysis of the legal framework that is required for such systems to reach a certain scale and to be fully integrated into society. Indeed, the current experiments, though still largely pilot projects, already allow to identify three key legal issues which have to be considered: (1) issuing currency; (2) the relevance of corporate law and rules applicable to companies such as competition, VAT, taxes, etc.; and (3) the aspects linked to services offered within the complementary currency systems, such as labor law, undeclared work, etc. This part of the research will track the emergence of those issues in existing complementary currency projects and question the legal framework regarding those aspects. It is intended to provide first guidelines to develop a sound legal basis for complementary currencies to find a place in our societies.

**For the reference of the literature, please see the global project description available on the website: www.food4sustainability.be*