COUNCIL OF THE EUROPEAN UNION

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NOTE

From:	General Secretariat
To:	Delegations
Subject:	Information about the Budapest Declaration on Agricultural Research - Information from the Hungarian delegation

Delegations will find, in annex, a note from the Hungarian delegation on the above-mentioned topic.

ANNEX

Information about the Budapest Declaration on Agricultural Research
Information from the Hungarian delegation

The conference entitled *"Transition towards sustainable food consumption and production in a resource constrained world"* was organised by the European Commission's Directorate-General for Research and Innovation, in cooperation with the Hungarian Presidency. This Conference is part of a foresight process initiated by the EU Standing Committee on Agricultural Research (SCAR) with the aim of finding solutions for such challenges as globalisation, climate change and the scarcity of natural resources.

In 2010, the SCAR established a Foresight Expert Group to examine the recent and on-going foresight studies, to analyse the problems and define solutions. Eight members were appointed in the expert group (Annette Freibauer (chair), Erik Mathijs (rapporteur), Gianluca Brunori, Zoya Damianova, Elie Faroult, Joan Girona i Gomis, Lance O´Brien and Sebastien Treyer) and worked together for ten months to prepare a report about forthcoming environmental problems, and the steps needed to achieve sustainable food consumption and a more resilient agricultural system in the long term. This report became the basis of the conference at Budapest, where experts from all over the world met to discuss these issues. The report – although it is important on its own –significantly contributes to documents related to European Innovation Partnership initiative, sustainable bio-based economy, and resource efficiency.

To close the conference the Hungarian Presidency summarised the results of the conference as the Budapest Declaration, a document which provides directions for European agricultural research on sustainable food production.

The Hungarian Presidency informed the Council of Agriculture and Fisheries (May 2011) about the event. The suggestions for amendment of the Budapest Declaration were included in the document and the final version was unanimously endorsed by the SCAR plenary in June.

The SCAR working groups currently are reflecting on a more systematic and comprehensive interpretation of the entire output of the 3rd foresight process, to make headway in identifying the necessary transformative steps towards greater sustainability in food consumption and production. The Member States are expected to contribute within their remits to this process.

The Budapest Declaration

Globally the food insecurity is increasing in the resources constrained world and is associated with political and economic turmoil. Europe must focus on research areas of strategic importance that can enable a swift transition towards sustainable food consumption and production in a resource constrained world.

- Calls for a common understanding among Member States and European institutions that a well-coordinated transition strategy is indispensable to cope with the "Grand Challenges" ahead.
- Europe also has a responsibility to contribute to the strengthening of global food security.
- The Budapest Conference has started a new phase based on a long-term view for both research priority setting and policy planning alongside the major challenges that Member States, Associated States and Europe are facing.
- Calls on decision makers in the public and private domains, the Council, the European Parliament and the Commission to take forward this process and support the recommended measures to enable the necessary transitions towards resource-efficient and sustainable food systems, for the benefit of the farming community by considering the regional differences of Europe.

The first decade of the 21st century has seen an increasing number of new "grand challenges" for food and agriculture. They include amongst others climate change, energy and water supply or (re-)emerging diseases which all affect the potential of future agriculture and food security. In addition, they are further exacerbated by the current economic and financial crisis and the increasing scarcity of natural resources and the destabilization of ecosystem services. These "grand challenges" are a real threat not only to future food supplies, but also to global stability and prosperity.

They are increasing the uncertainty about the future development of agriculture making it difficult to see how the growing demand for food and other bio-based materials in a bio-economy can be met without further compromising the provision of ecosystem services on which society and the entire economy depend. There is an urgent need to take these challenges seriously and prepare the ground for a transition towards a more efficient, sustainable food consumption and production in a resource constrained world.

Since the 1st and 2nd SCAR Foresight Exercises it has become increasingly obvious that we are facing a new "quality of change" with the effects of many driving forces combining to redefine the world food situation over the next 30 to 40 years. This increase in complexity and global connectedness might not only lead to decreased stability and increased vulnerability but also to a sharp increase in the costs of errors.

It seems clear from the 3rd SCAR-Foresight Report that the future of sustainable food consumption and production in an increasingly resource-constrained world is in our hands. The "Grand Challenges" demand an integrated and effective approach with public research playing a key role in supporting the necessary and inevitable transition towards a more sustainable development path. But agriculture and food industry has also a crucial role to play in looking for adequate business models able to manage the new challenges. Member States and Associated States in Europe need to develop a coherent and effective approach to prioritize agricultural research and innovation by targeting the "grand challenges" with a clear strategy based on a long-term view. Building such a strategy requires in particular to:

Consider the expected resource scarcities in long-term research priority setting and take planetary boundaries seriously

The predominant form of agriculture, food processing and retailing relies heavily on cheap inputs and the potential impact on this of long-term resource scarcity trends has been largely overlooked until now. Some of the scarcities, such as soil degradation or biodiversity loss, have long time lags before impacts become visible and this demands a long-term view to be taken towards the orientation of research. In an era of scarcity there is an imperative to decouple food production from the currently high or intensive resource use in order to stay within planetary boundaries and avoid crossing critical thresholds, which can trigger a tipping into an undesired stage.

Support trans-disciplinary research to understand the complexity of agricultural systems and enhance agro-ecological and resilience research

The challenge of food security has social, economic and environmental dimensions and research will need to cover all of these if improvements in food production through research are to be adapted and considered sustainable. In order to increase the productivity of agriculture in a sustainable manner and hence the resilience of systems, the interactions between these three dimensions and the many feedbacks between them need to be better understood by encouraging and strengthening trans-disciplinary research. Increasing agro-biodiversity is considered the key to strengthen the response capacity and resilience of food systems.

Give consumer-oriented research a higher priority in public funding

In an era of scarcity it is becoming increasingly important to address production and consumption jointly because of the linkages between the two. So far the focus of research and policy has been on the supply-side by providing technological innovations. However social innovations in the domain of production are as important as technological ones. Therefore, it is important to address demand-side issues, and to reduce the present unsustainable levels of consumption. Research on behavioral or structural changes in food systems and supply chains should be given a higher priority. Food processing and retail industry will play a crucial role in enabling the necessary changes in production and consumption patterns.

Take a cross-sectoral approach and make public agricultural knowledge and innovation systems (AKIS) fit for coping with the new and interconnected challenges

In the light of the major challenges and uncertainties ahead continued investment in relevant research and innovation at EU and national levels is considered critical in achieving the transitions required to make the food system more efficient and resilient. The necessary transformation towards sustainable food systems could also benefit from stronger public-private partnerships. New business models, new investments in sustainable food production or new processes with respect to the use and conservation of biodiversity in industrial processes are just a few examples for the potential to contribute with eco-innovations. A continued and increased investment in AKIS is critical in addressing the transition to new food consumption and production patterns that respect the interlinked global scarcities. It is necessary to carefully reflect current research priorities in the light of the new challenges and adjusting them accordingly.

Public funding is particularly important in those areas which do not attract private funding. The translation of R&D into innovation is also important to make better use of existing output. The European Innovation Partnership, as envisaged by the Commission, could catalyse the existing capacities towards innovation in particular by improving the connections between the areas of research, advice, market and agriculture.

Explore new ways of policy coordination and consider the trade-offs between different sector policies

The need expressed in the report for better integration of the different research areas and public-private-partnerships to stimulate innovation has to be complemented by a much stronger push in pursuing multiple goals in research policy. Sustainable food production or resource efficiency goals have to be supported in an integrated way by various other policies such as food, health, environment or energy. The trade-offs between different sector policies and between resources will become an increasingly important issue which has to be managed in an efficient way for the long-term benefit of society.

Take a long-term view for both research policy and research priority setting and enable more efficient research spending by strengthening transnational programme cooperation

Global interdependence is a fact and the economic realities are moving much faster than political reactions. Some of the main questions raised in the foresight report are of a global nature, necessitating a long-term orientation and internationally coordinated approaches in research if we are to deal effectively with the complex nature of the challenges faced. Europe is not immune to developments in other regions of the world. Considering the size and the speed of these changes, "time" has become a scarce commodity in its own right. There is an urgent need to take a longer-term view in the orientation of research priority setting by aligning research planning alongside the major challenges. As most countries are under considerable economic pressure, the effectiveness and efficiency of the use of scarce research budgets could be further increased by boosting the trans-national coordination effort, with better alignment of national programmes helping to address the range of urgent research challenges.