



Department
for Environment
Food & Rural Affairs

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Sustainable Economy Evidence Plan

Policy portfolio: Food and Sustainable Economy

**Policy area within portfolio: Sustainable Business
and Sustainable Development**

Timeframe covered by Evidence Plan: 2013/14 -2017/18

Date of Evidence Plan: March 2013

This evidence plan was correct at the time of publication (March 2013). However, Defra is currently undertaking a review of its policy priorities and in some areas the policy, and therefore evidence needs, will continue to develop and may change quite rapidly. If you have any queries about the evidence priorities covered in this plan, please contact StrategicEvidence@defra.gsi.gov.uk.

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Contents

1. Policy context.....	1
2. Current and near-term evidence objectives	2
3. Future evidence needs	4
4. Meeting evidence needs	5
5. Evaluating value for money and impact	7

1. Policy context

What are the key policy outcomes for the policy programme/area?

Defra is undertaking a review of its priorities which will continue into the next financial year. Accordingly, the policy priorities listed below will be subject to change as a result of this process and should be considered as interim only.

The **Sustainable Business** programme works with partners across government, business and civil society to improve the integration of social, environmental and economic drivers to build a sustainable approach to growth that will ensure the long term health of the UK economy.

The **Sustainable Development Unit** aims to make significant progress in ensuring sustainable development is mainstreamed across Government. This will be achieved by securing effective Ministerial leadership and oversight on Sustainable Development, exemplifying best practice and leading by example, extending transparency and independent scrutiny of Sustainable Development and effective integration of sustainable development principles in policy development across Whitehall.

The programme delivers against a number of key Ministerial priorities:

- Improve productivity and competitiveness of food and farming businesses, with better environmental performance
- Reduce the rate of biodiversity loss in England, in line with our goal to halt overall biodiversity loss by 2020
- Achieve a more sustainable balance between demand for and availability of water, with improving water quality
- Lead the way as a Government in sustainable operations and policy
- Encourage a more sustainable approach to the use of materials and management of waste throughout society
- Encourage society to plan ahead effectively to address the risks and opportunities of the impact of climate change
- Adopt a proportionate approach to regulation and remove unnecessary burdens
- Negotiate for an increased commitment internationally to sustainable use and management of natural resources

Current policy priorities are:

- Influence businesses to produce, and consumers to demand, sustainable products and services, with Government providing relevant support, tools and guidance.
- Defra works to embed sustainable economy outcomes into EU policy.
- Defra works to ensure Government incorporates sustainable growth and sustainable development in its policies and Government through its own operations is seen as an example for driving a sustainable economy.

The policy and evidence priorities described here relate principally to England. However, in developing evidence to support this policy programme, we work in partnership with the devolved administrations on a number of areas.

2. Current and near-term evidence objectives

What are the current and near-term objectives for evidence and how do they align to policy outcomes?

The Sustainable Economy evidence programme supports the delivery of a number of policy priorities. These include:

1. Influence businesses to produce, and consumers to demand, sustainable products and services, with Government providing relevant support, tools and guidance.

Evidence priorities:

Primary and secondary research to understand consumption behaviours and approaches to encourage a shift to a more circular economy. This will include building our understanding of how regulatory burdens can be streamlined to improve development and uptake of innovation and new sustainable technologies (**High Priority**); identifying opportunities for pre-competitive research which will deliver greater resource efficiency (**High Priority**); further developing our understanding of how the principles of behavioural economics and behavioural theory can help shift consumption patterns towards ones that are more beneficial to the consumer (**High Priority**) and identifying which institutional structures and processes would enhance the transition to a more sustainable economy (**High Priority**).

Engaging Industry in partnerships to understand the potential benefits of new business models and operationalise innovative outputs from sustainability research through small scale action based trials (**Medium Priority**).

Building our understanding of the socio-economic dynamics of consumption systems, including systems of provision, the impact of new technologies, consumer attitudes and social norms to understand how consumption practices are formed and develop (**High Priority**).

Developing our understanding of business (and in particular SME) behaviours and understand the systemic drivers and barriers that influence the sustainability (including resource efficiency) of their operations (**High Priority**).

Identifying and mapping supply chains for high profile/impact commodities (**Medium Priority**); evaluating and improving methods of environmental foot-printing on key products (**High Priority**); evaluating the effectiveness and providing evidence to facilitate the improvement of the enforcement regime for energy using products (**High Priority**).

2. Defra works to embed sustainable economy outcomes into EU policy.

Evidence priorities:

Provision of evidence to support the development of EU measures that contribute to emission reductions from products; evaluation of existing policy measures including; the impact on consumer and producer behaviours of energy labelling (Energy Using Products), Publicly Available Specification (PAS2050) foot-printing standard and green claims guidance **(High Priority)**.

Work to develop our understanding of household consumption behaviours including a secondary analysis of the Household Electricity Study and further work to understand rebound effects **(High Priority)**.

3. Defra works to ensure Government incorporates sustainable growth and sustainable development in its policies and Government through its own operations and is seen as an example for driving a sustainable economy.

Evidence priorities:

Primary and secondary research to understand the barriers to achieving sustainable public sector procurement in the UK and internationally; develop the evidence and metrics to drive sustainable public sector procurement across Government **(High Priority)**.

Build our understanding of how we can utilise the buying power of the public sector to drive sustainable product innovation by demanding new and more resource efficient products **(Medium Priority)**.

Developing better understanding of how water and energy use and other production processes can be brought into Government Buying Standards in a way that drives improvement in production processes **(Medium Priority)**.

Developing our understanding of international construction standards and how they compare to UK BREEAM (Building Research Establishment Environmental Assessment Method) standards, to inform our work on the Construction Government Buying Standards **(Low Priority)**.

4 .Monitor application of sustainable development principles.

Evidence priorities:

Base-lining through a cross-Whitehall review of the extent to which policy Impact Assessments have considered the breadth and time horizon of impacts required to ensure sustainable development **(High Priority)**.

Maintain, develop and publish the Sustainable Development indicators, as well as filling potential data gaps from across government **(High Priority)**.

3. Future evidence needs

What are the longer-term evidence needs for the policy area/ programme?

The Sustainable Economy evidence base requires significant long-term development in a number of key areas. This is especially true in terms of evidence that will help us shape policy programmes moving forward. Future activity will need to build on the objectives and needs outlined in section 2. It will also gather evidence to understand the impacts of longer-term issues including resource scarcity, climate change adaptation, demographic and social change. The programme will need to link-in with and be informed by the Horizon 2020 work programme and the outputs from relevant Foresight reports¹ such as the future of manufacturing. The need to evaluate policy across the Business Plan outcomes, its rationale, cost-effectiveness and benefits and impacts will also continue to be important.

Longer-term evidence needs under each policy objective are as follows:

1. Influence businesses to produce, and consumers to demand, sustainable products and services, with Government providing relevant support, tools and guidance.

- Understanding how businesses investment decisions are made and their impact on behaviours across the supply chains and for SMEs in particular. **(High Priority)**.
- Building our understanding of how innovation can be driven and its effects on sustainable consumption practices **(Medium Priority)**.
- Horizon scanning to understand the sustainability risks to the UK economy – climate change, scarcity, population change etc **(Medium Priority)**.
- Understanding pathways to a circular economy and the opportunities for the UK **(High Priority)**.
- Understanding societal consumption trends – how can we work with them and what are their impacts? **(High Priority)**.
- Build our understanding of the societal drivers for consumer behaviour **(High Priority)**.
- Improving understanding of the value of materials to the economy, and the case for business action to improve resource efficiency (cost savings, competitiveness and access to new markets) **(High Priority)**.

¹ <http://www.bis.gov.uk/foresight/our-work/projects/current-projects/future-of-manufacturing>

- Improving our understanding of the impact of policy/regulation (UK and EU level) on UK business and economy and how this can be streamlined to reduce burdens **(High Priority)**.

2. Defra works to embed Sustainable Economy outcomes into EU policy.

- Further develop our understanding of how existing interventions can be improved to deliver greater benefits for the retailer and consumer **(High Priority)**.
- Work to support and inform the Horizon 2020 programme particularly with reference to resource efficiency sustainable innovation and consumer behaviours **(High Priority)**.

3. Defra works to ensure Government incorporates sustainable growth and sustainable development in its policies and Government through its own operations and is seen as an example for driving a sustainable economy.

- Build our understanding how can we develop cross-government action on issues like sustainable procurement **(High Priority)**.
- Trial more collaborative approaches which facilitate sustainable innovation jointly between business and the public sector **(Medium Priority)**.

4 .Monitor application of sustainable development principles.

- Mapping of sustainable development plans in the private sector and assessment of the impact of those plans on costs, growth and social impacts **(Low Priority)**.

4. Meeting evidence needs

What approach(es) will be taken to meeting evidence needs?

Evidence needs are identified and prioritised through an established process. To ensure a coordinated approach, priorities are determined through extensive consultation with policy leads across Directorates, other Departments, Devolved Administrations, research funders, industry, enforcers, the research community and third sector (workshops, strategic engagement activity). We are in the process of establishing a policy-led Programme Management group of cross-Defra policy leads and multi-disciplinary evidence specialists which will meet quarterly to review the existing evidence base and outputs, decide what type of evidence is needed and agree how these should be provided (internal analysis, externally commissioned R&D, collaborative activity with other funders) and prioritise developing evidence needs. Decisions will take account of emerging priorities

and longer term strategic needs, evidence activity across Food and Sustainable Economy, other Directorates and externally, programme outputs and resource constraints. Programme priorities are reviewed at a strategic level across Directorates at Deputy Director level and externally through the joint Waste, Resource Efficiency and Sustainable Consumption Evidence Programme (WRESCe) (Waste and Resources Action Programme (WRAP), Environment Agency, Devolved Administrations, Defra) to identify collaboration opportunities.

The Sustainable Economy Evidence Team is multidisciplinary and includes economists, social scientists, statisticians and natural scientists who manage the R&D evidence projects as well as build partnerships with research networks and organisations, undertake in-house desk studies and produce technical guidance documents and translate evidence and analysis into policy advice. The Evidence Team has an integral role in supporting all stages of the policy cycle, from identification of the problem through the development and targeting of policies and then evaluation and monitoring.

An increasing proportion of the evidence is prioritised and delivered in partnership providing opportunities to leverage funding and expertise from public research providers. Key partnerships exist with the ESRC, the Scottish Government, the Welsh Government, the Energy Saving Trust, the Technology Strategy Board, the National Measurement Office as well as a number of other government departments including the Department for Energy and Climate Change and the Department for Transport. We also have strategic engagement through a number of national, EU and international forums.

Specialist skills and knowledge are drawn from other Defra Evidence Programmes covering Sustainable Farming Systems, Biodiversity, Crops, Sustainable Water Management, Waste, Agriculture and Climate Change. Economics, statistics, social/behavioural science and food science expertise are mainly from within the Food and Sustainable Economy Directorate. Economists use the Agricultural and Environmental Economics Academics Panels to inform analysis and research direction and social researchers draw on Defra's Social Science Expert Panel. Expert external specialist advice to support labelling policy (analytical methods for authenticity testing) and innovation (food technology) is provided through independent Advisory Groups, steering panels, Programme Advisors and experts in other departments (nutrition) – at all stages of the research process. The supply base for the Programme is drawn from BBSRC Institutes, Universities, Defra agencies and a wide range of consultancies. Projects also utilise in house expertise and datasets to develop evidence (e.g. Family Food Survey, food statistics).

5. Evaluating value for money and impact

What approach(es) will be taken to maximise and evaluate value for money and impact from evidence?

The evidence programme has a strong focus on delivering value for money, both in terms of ensuring that the evidence is policy relevant and that it meets the required quality standards. Individual evidence projects are closely monitored by dedicated project leads who are supported by evidence and policy colleagues through project board arrangements to ensure that they have clearly defined outputs and that these remain consistent with policy needs.

Evidence is quality assured during its development and delivery through making use of the available evidence/analysis, independent peer-review and expert external challenge (e.g. via steering Groups, and provision of expert advice (e.g. WRAPs Product Research Forum, Advisory Committees) to ensure its fit for purpose and in line with standard Defra procedures. Expert consultation through stakeholder workshops is used regularly to develop and evaluate the science evidence base, economics and statistics. Contractors are proactively encouraged to publish outputs in peer-reviewed journals and disseminate to the wider community. Primary statistical evidence (is required to conform to high statistical standards (i.e. national Statistics Code of Practice) which are audited by the UK Statistics Authority. Socio-economic analysis is quality assured through the Defra Heads of Profession and impact assessments (IAs) undergo a formal sign-off process – either (i) by the economist Deputy Director for smaller scale IAs, or (ii) with an internal peer review followed by Chief Analyst sign-off for larger scale IAs.

Impact and evaluation are a key priority of the programme and draw on the skills and expertise of a number of analytical disciplines (e.g. economists, social researchers, statisticians)

Governance of the Programme through the policy-led Programme Management Group (PMG) will ensure that evidence is prioritised effectively and targeted towards business plan/Ministerial priorities. The new PMG, policy seminars, external workshops, and strategic engagement activities support dissemination of outputs and policy development. The Programme also supports knowledge transfer activity directly (to industry, enforcers).

Programme success measures are defined by a robust evidence base incorporating a range of evidence sources to establish the nature and priority of a problem, review and appraise policy options, define effective metrics and related targets and appropriately evaluate the impact of any interventions. Policy decisions are taken in light of these evidence sources which are continually reviewed and evaluated.