



Revision of the EU Eco-label scheme
- preliminary EEB response to EC discussion paper

August 2006

This document is EEB's initial response to the Commission's *Revision of the EU Eco-label scheme discussion paper* distributed to the EUEB on 29 March. This paper reflects some key issues of concern to the EEB, which can be divided into the following areas:

- The role of the ecolabel within the wider environmental policy agenda
- The ambition level of the ecolabel
- Procedural aspects that could improve current inefficiencies in the ecolabel process
- Other issues

Before looking at these in more detail, some general points are worth making:

1. The EEB welcomes the discussion of the *discussion paper* by the EUEB as an attempt to establish a transparent pre-consultation debate on the direction that the revision of the regulation should take. We would like to make the observation that the transparency is made largely possible by the presence (and continuity of presence) of the stakeholder representation (including Competent Bodies) at the EUEB. We hope that this good example of dialogue and consultation can illustrate its value and serve as a constructive example for other policy fields.
2. Given the EEB's continuing view of the eco-label as a central tool of the EU's product eco-design policy and its status as one of the few EU level processes on product eco-design that is setting clearly defined requirements and acting as a 'best in field benchmark', our response will not address the suggestion that the eco-label be abandoned. This is not an option EEB would consider at this moment.
3. Following on from the EEB's study 'What we wanted what we got' the EEB Ecolabel working group discussed what was **the overall function of the ecolabel as a policy tool**. The discussion resulted in the following description. *An Ecolabel as a policy tool should create an interaction, back and forth, between manufacturers and consumers (supply and demand) on the basis of environmental performance. Essentially, at the end of the day the EU Ecolabel should actively seek to 'disturb' the business as usual of manufacturing in the sector, creating a pressure for evolution in performance of the products. We can call this **creating 'market or manufacturing dynamics'**. Creating such dynamics towards better performance implies that you have an accelerated rate of product development and evolution in terms of environmental performance, as opposed to a static or very slowly evolving situation.* (For a classical example of creating such dynamics see the historical description of market dynamics created by the Good Environmental Choice ecolabel in Sweden at <http://www.snf.se/bmv/english-more.cfm#3> – under the chapters *How it started* and *Unwilling manufacturers*. Note that this does not mean we are implying that all manufacturers are unwilling to change and we are aware that the EU level has different dynamics to those existing at the Swedish level. But many parallels can still be drawn)

Broadly speaking labelling in the wider societal sense can provide a tool for democratisation of manufacturing and service provision, assuming that producers generally want only to change when optimal from a production (or profit) point of view whereas consumers (or achieving environmental objectives for the wider society) require a constant

change for the better. Whilst the usefulness of this vision of the ecolabel's function is maybe not immediately apparent to the discussion surrounding the revision of the regulation we believe it is important to provoke this more fundamental level of reflection among those contributing to the debate and also make it clear what the perspective of the EEB is concerning the flower's function as a policy tool.

4. Is less stringency and greatly increased number of criteria categories the solution?

The discussion paper states that *"on the number and stringency of criteria our aim should obviously be to maximise the environmental benefits from the scheme. Lowering the stringency of criteria could increase the diffusion of the scheme by making it easier to access,"*. The EEB questions this assumption. There is no proof that companies apply more if criteria are less strict despite their claims to this effect. The idea that fewer or less stringent criteria would attract more companies to the ecolabel does not appear to be the result of analysis presented in either the EVER study or other research. There is a difference between drafting criteria more succinctly and more simply, which EEB supports, and reducing the *number* or *stringency* as a proxy of simplicity, on which we have our doubts.

The discussion paper also states *"We definitely need more product groups – the development of one of two a year is not acceptable. To be competitive the Flower will need to at least double or triple the number of product groups it covers"*. We wonder - to be competitive to what?

The paper further states *"This could equate to the development of perhaps five or more product groups per year. We need to consider new ways of developing/adopting criteria - the new scheme needs flexibility to allow different criteria to be developed in different ways. (The revised Ecolabel scheme would aim to rapidly expand the portfolio of product groups, with up to ten new product groups a year)* The experience/assumptions that are behind this proposed level of expansion and whether it is really necessary needs to be more closely examined. Whilst we are support an increased efficiency in the development of criteria (aiming to reduce criteria development from 2 years to one year for example), such a high rate of criteria development could also mean significant needs for 'shortcuts' on procedures. The EEB is particularly concerned with the suggestion of outsourcing including *"Development of criteria managed by an industry representative"* and *"Development of criteria managed by another association"*.

Quality not quantity should be the focus in the EEBs opinion. The ecolabel scheme is already a 'cheap policy tool' apparently, it is questionable as to why should we be worried about 'increasing its productivity' over increasing the use and impact of its current 'products' ie working on the uptake and use of existing criteria, which could have considerable effects. Is there evidence or experience that suggests that massive expansion in the 'product portfolio' (with or without criteria stringency reduction) is a superior strategy to promotion campaigns and use of criteria in green public procurement?

The focus on increasing the *quantity* of product groups as a means of making the ecolabel a 'success' too simplistically assumes that more product groups will mean more visibility and therefore more success. **Experience with ecolabelling or ecolabelling history do not necessarily lead us to draw the conclusion that many criteria lead to huge success.** The Nordic Swan apparently has a large number of criteria but possibly only a few with major impact, the Canadian scheme apparently has a similar situation. We would like to point out that ecolabel schemes with smaller numbers of products have had considerable success (in terms of both shelf presence as well as effecting 'manufacture dynamics'). For example the Good Environmental Choice (GEC) label of the Swedish Society for Nature Conservation has only 13 product groups but the GEC still appears to

have had significant impact on the manufacturing practices on the products it has addressed and on awareness of labelling in Sweden in general. (Note: Despite a probable higher success to number of criteria ratio the GEC still has two criteria with very few licences.) If the GEC can operate a fairly successful ecolabel with only 13 product groups we challenge the conclusion that a constant flow of product criteria will solve anything, despite the obvious differences in context (Sweden versus EU). The reasons for the impacts of the GEC scheme is probably due to very active communication and promotion on the part of the Swedish Society for Nature Conservation, in particular mobilising consumers towards a label with a very high credibility.

We suspect that the ecolabel operates as a sub-optimal level for a number of reasons - among which are

- a. lack of a common shared ambition/selectivity level and more robust procedural methodologies to implement it when setting the criteria level,
- b. shortcomings in the resources of many National Competent Bodies due to lack of political prioritisation, budget etc,
- c. lack of or low member state promotion, marketing and communication activities (for the same reasons) and
- d. shortcomings in the resources available to do the background work (studies and assessments) for developing criteria
- e. excessive weight of special economic interest groups on the decision making process both at National level and during Commission inter-service consultation.
- f. lack of political will in determinedly developing a broader EU Ecological Product Policy framework within which the ecolabel would sit more clearly (eg Eco-design framework legislation and the absence of any horizontal requirement on manufacturers to make ecological product performance information available). Without the existence of `minimum requirements` it is difficult for the ecolabel to position itself as the `requiring the best benchmark`.

We do not see how increasing the number of criteria or product groups is a solution to these bottlenecks and therefore focus on such as approach risks not to result in a revised regulation that improves the current situation.

5. The Commission's discussion paper clearly takes the recent EVER study as the primary source of analysis of the scheme's success and a starting point for its discussion document. Whilst the EVER study is a useful insight in many aspects it is EEB's view that the study primarily represents industry's perspective because its main focus was in seeking companies' views on the ecolabel. **The EVER study is therefore not a comprehensive analysis of the ecolabel scheme's performance, and should not be the sole or main basis on which the regulation revision is formulated.** Indeed, the ecolabel Policy Management Group involving national competent bodies has discussed at length the implementation of the ecolabel, mainly, but not only, from the competent body perspective. A series of reports are detailed in the January 2004 Discussion Paper Nr 4¹ which also need to be considered in the Commission's reflection on the regulation revision. In particular, we draw attention to the policy recommendation to: *'Establish, in the light of this vision, concrete objectives and targets against which the performance of the scheme can be measured'*.

In addition to the above we would like to draw the attention to some of the conclusions that were obtained from the EEB study - *EEB evaluation of the European Eco-Label criteria and*

¹ Nuij, R; *Summarising the work of the Policy Management Group*, pp 9-11, ERM, January 2004. The reports detailed include a vision paper on how eco-labels could be used in the context of IPP (which argued for the establishment of a product chain information system whereby Environmental Product Declarations could be used for generating basic environmental product information); a Danish EPA study on possible synergies between environmental management systems and eco-labels; a European Commission study on the direct and indirect benefits of the EU Ecolabel scheme; and an ANEC study looking at the potential of ecolabelling in establishing minimum performance standards for products.

scheme 'What we wanted - what we got...', July 2004. The conclusions contained a variety of recommendations - some are directly relevant to regulation revision process. For ease of reference extracts from the conclusions of the study are annexed in this document. The full study may be found at http://www.eeb.org/activities/product_policy/EEB-Ecolabel-evaluation-What-we-wanted-what-we-got-July2004.pdf

1) The role of the ecolabel within the wider environmental policy agenda

The EEB would agree that the overall general objective of the Ecolabel as quoted in Part 1 of the discussion document (Vision) is still valid and relevant and should be kept. We are not convinced however that it is 'precise, easy to understand and to use' (as will be explained below). The EEB also has some concerns with the vision for the EU Eco-label elaborated in the Commission's discussion document (p3), in particular:

- No precise environmental ambition level is mentioned. We suggest a clear message positioning the ecolabel as a benchmark of 'environmental excellence' and further specifying this ambition level by specifying that this environmental excellence should be understood as **products that represent 'the 'best in field' (eg the 5-15% best products on the market) or a completely new and innovative class of products'**. This would serve to more clearly communicate the ambition level and enable (data allowing) its translation into a specific level of criteria selectivity (see below 'the ambition level of the ecolabel' for more details).
- The Commission's 4th point in the vision, making the eco-label '**much more influential in terms of setting benchmarks for companies**' is a positive one, and needs to be seen as a success of the ecolabel despite the fact that companies might still choose not to apply for the label. A key EVER study statement, reiterated by the Commission in its discussion document, identifies that '80% of companies that do not participate in the EU scheme declare they use the Ecolabel criteria as informal benchmarks to measure the environmental performance of their products.' This is an extremely positive secondary effect of the ecolabel. We would note however that to implement this vision it is however necessary to measure it.
- An ecolabel that can be a '**useful tool for driving the environmental agenda**' is also supported, particularly as the focus is on the environmental *agenda* rather than environmental *policy*. This relates to the ambition level of the ecolabel, identifying criteria and setting their stringency levels high enough so product performance meets the actual environmental impact reduction needed, rather than specific policy targets. This means, if necessary, going beyond legislation and politically negotiated objectives. We would like to caution however that without other policy tools around to implement the politically agreed policy objectives (for example design requirements and data supply requirements from legislation established within the implementation of the IPP Strategy), the ecolabel, burdened with both (driving the agenda as well as implementing the objectives) is unlikely to be able to drive the environmental agenda.

2) The ambition level and selectivity of the ecolabel and criteria set

As with the last regulation revision, the ecolabel's ambition level (and how robustly and clearly this can be translated into a clear level of selectivity or ambition for the product criteria) is a very important issue for consideration for environmental NGOs. In 2004, the EEB undertook an analysis of the ambition level achieved by the product criteria over the 10 years of its development, gathering views of its members and ecolabel experts. The evaluation found that the ambition level of 75% of the product groups assessed were considered by the evaluation to be 'mediocre', while only 3 product groups (footwear, soil improvers and hand-dishwashing

detergents) were considered to have a good level of ambition.² Too often, political factors driven by claims of lack of 'achievability' of the criteria by economic actors over-ride scientific or technical factors in deciding criteria stringency levels.

Ambition level should be more clearly defined than 'better than other'. A clearly defined ambition level can help to ensure that science/policy factors counter balance political factors, thereby helping to reduce or eliminate some of the elements that currently hinder the development of the ecolabel.

Article 1 of the Regulation currently describes the ecolabel ambition level as promoting *products which have the potential to reduce negative environmental impacts, as compared with the other products in the same product group, thus contributing to the efficient use of resources and a high level of environmental protection.* i.e. 'better than other' products. The reference to how this general ambition level is to be translated into criteria ambition level is in article 4.2 c which establishes that *the selectivity of the criteria shall be determined with a view to achieving the maximum potential for environmental improvement.*

The objective of 'better than other' and the selectivity level of 'achieving a maximum potential for improvement' are not further specified in the regulation or subsequent Decisions. For example is the 'better than other' better than the average of all products or better than average 'greener products' and how should the maximum potential improvement be defined. The Ecolabel Regulation recitals seem to recognise this – recital 9 states - *The principles for establishing the selectivity level of the eco-label should be clarified, in order to facilitate consistent and effective implementation of the Scheme.*

The Ecolabel's workplan from 2000 (for the period 2000-2004) gives some hints of direction on this. Mentioning specifically under the implementing measures set (chapter 2 (c)– objectives for environmental and improvement p34) that :

- *The maximum potential benefits should be systematically estimated for each product group when establishing new or revised criteria. A strategy should be set in place for monitoring, evaluating and increasing the indirect environmental benefits of the eco-label criteria.*
- *The EUEB should develop and improve the methodology and parameters for estimating the direct and indirect environmental benefits of the eco-label during the first three years of this plan.*

We note that the workplan also sets the objective that *In the long-term, more than half of European consumers should recognise the Community eco-label logo as a label of environmental excellence* (chapter 2 (b) Market penetration, visibility and consumer awareness (p33))

One possible approach is to establish an additional and clearer description of the ambition/selectivity level that can be more easily translated into numbers and values. It may even be necessary to have several alternative approaches, given the fact that for different products there are different realities. For some product groups it may be relevant to focus on a specific innovative design that delivers the same function (eg bio lubricants versus mineral oil based lubricants) and for others it is a question of more gradual differences in levels and efficiencies (eg shampoo CDV, energy efficiency) within the product group.

Thus we could imagine a two pronged additional ambition/selectivity level definition to specify further the selectivity/stringency of the EU Ecolabel. Namely that the EU ecolabel criteria should either reflect:

- a) a product 'innovation' ecolabel - given to a separate 'class' of products that is intrinsically (environmentally) superior to the other products that deliver the same function - eg bicycles and bio lubricants
- b) ecolabel criteria that select the 'best in class' in a continuum of product performance - for example between 5-15% of the best available market sample of products based

² Schiesser, Philippe, and Shinn, Melissa, *EEB evaluation of the European Eco-Label criteria and scheme 'What we wanted - what we got...'*, EEB Special Report, p28, July 2004.

on the most important environmental criteria, taking into account public perception and civil society expectations.³

Ambition level should primarily relate to the fundamental aim of the ecolabel - reduction of environmental impacts - not to market-related factors. This is not to say that market factors are not to be considered, rather that environmental performance must remain the primary focus of the ecolabel. This is what consumers and professional procurers expect of an ecolabel, and is the basis of the ecolabel's credibility.

The Commission discussion document addresses the stringency of the ecolabel criteria suggesting that " *What is needed is a clear position/strategy for the revised Eco-label, that does not currently exist in written form. Should the label be aiming at reaching 5%, 10%, 30% of the market? It seems clear that setting the Flower as a 'front runner' scheme (eg available for 5% of the market) is not the best way to maximise the benefits coming from the scheme at this time. Rather, priority should be to increase the diffusion, knowledge and understanding of the scheme, with criteria that are aimed at being possible for more like, say, 30% of the market.*" We question whether 'front runner' necessarily means it is only available for 5% of the market (it depends on the 'market in question'). Similarly we wonder on what basis striving for a 'frontrunner' label is not appropriate at this time. With an increased awareness of the label, especially if coupled to a higher credibility, the motivation among consumers to look for labelled products and services could increase the value of the label tremendously, regardless of stringency.

It is a good step to try to be more concrete, but company numbers alone are not enough. In some instances, requiring a percentage of *companies* to be able to be compliant with ecolabel criteria could result in the majority of products being ecolabeled. In actual practice, each product needs to be assessed individually according to its production market - sectoral make-up (how many companies, what proportion of SMEs or (multi)nationals make up the market, are the companies single- or multi-product manufacturers, state of technological innovation, etc.). (See

Annex II of the current regulation makes reference to more 'scientific' aspects such as 'improvement potential' and 'technical feasibility of improvement'. The problem is that these criteria - such as the 'improvement potential' have never been developed and quantified to allow them to be used. (see Procedural aspects and Box1 below for some suggestions on how these could be developed).

3) Procedural aspects that could improve current 'inefficiencies' in the ecolabel process

The discussion paper addresses several procedural aspects that need improving. The comments below select some of the important ones from the EEB perspective but do not react comprehensively to all aspects addressed in the paper.

In addition to which some procedural aspects that are not covered in the paper are discussed. The most important of these is the criteria development procedure. In order to carry through any level of ambition set a **more formal, systematic criteria development procedure needs to be developed**. The current criteria development process includes market analysis of current production processes in order to help establish criteria issues and their stringency levels. The level of market data that can be collected depends upon what information is publicly available, upon industry goodwill in providing information, and is usually supplemented by industry expertise held by the competent body (or the contractor they use) responsible for developing the criteria. Any member state is currently free to submit a tender for a contract let by the Commission to develop or revise criteria for a specific product group. In practice this means

³ Clearly terms such as 'market sample', 'most important', 'public perception' and 'civil society expectations' need to further specified .. and the methodology of how such a % age would be determined would need to be defined ...including what kind of sampling is needed etc

differing approaches to the criteria development, and often a different ambition level between product groups.

A more formal criteria development methodology would help to more strongly link individual product group criteria stringency to an overall ecolabel ambition and selectivity level. It would also help to harmonise the criteria development process between different competent bodies, or could form the basis of the methodology to be used or further developed by an 'outsourced' ecolabel agency should this be created.

The box below sketches some elements of a systematic approach to the criteria development procedure which would more formally link to an agreed ambition level. Without presuming to have a fully worked out methodology at this point in time we would like to put forward some ideas for how such a methodology could be approached. These ideas are not definitive and as such are so far incomplete but we hope that by laying them out we can provide some basis for discussion

Box 1: Concepts for developing a more formal criteria development methodology

A formalised methodology could address key factors in criteria development, on a product by product basis. Such key factors could include:

- Having a data sample - the starting point for the criteria based upon a data sample (ie performance data on key criteria eg ingredient formulations for shampoos, substance-free status or energy efficiency levels)
- Selecting a data sample profile - is the starting point for the criteria based upon a data sample from a full market spread or only from better-performing front-runners? To what level of detail is relevant and quality LCA data available on the product, which can be supplemented by individual company data?

Depending on the market profile (including elements listed in the first paragraph above), one of two approaches could be taken. The first is to take data for as many products as possible, to gain as whole-market an image as possible, and then to set criteria stringency levels against a top percentage of the product market (e.g. 10%, 15%). The second is to accept data only from 'front-runner' companies who are already at the leading edge of a product market, and to base criteria upon their current performance. This second approach could work for specific environmentally 'innovative' products such as was the case for bio lubricants, or could be used in cases of 'data boycott' from industry.

- Criteria choice and level setting - criteria prioritisation and stringency levels can be chosen more objectively and strategically according to key environmental impact areas and agreed reduction objectives or relief potential. ^(a)

Proposals for changes in stringency level can then be directly assessed against their changing contribution to quantified objectives or relief potential (eg decreasing a given level of stringency would mean loss of 50% of the relief potential per functional unit) as well as serve as a basis for communication of the potential benefits of the scheme (marketing and procurement uses). This is already required by the existing regulation but has not been developed so far.

(a) 'Relief potential' ideas are based upon the RELIEF project undertaken by the International Council for Local Environmental Initiatives (ICLEI), which resulted in a book entitled, *Buying into the Environment: Experiences, Opportunities and Potential for Eco-Procurement*. Relief potential is the potential benefits (environmental impact reduction), per functional unit, to be achieved by the use of a given ecolabelled product in comparison to a similar 'non-green' or 'standard' product.

- The ecolabel process needs to more formally involve front-runner companies. These types of companies have more forward-looking, strategic approaches to environmental issues, and are more likely to have progressive internal decision-making processes towards issues such as environmental impacts. This will help to improve the quality of discussion on criteria, and have the knock-on effects of more immediately identifying companies that would apply for the label (other front-runners) and encouraging the wider take-up of innovative production processes by non front-runners. Competitiveness, rather than something nearer 'status quo' would result.

In reaction to some of the procedural aspects addressed in the paper:

- The paper proposes that *"The idea of giving the Eco-label more autonomy in general is attractive, taking it away from some of the bureaucratic EU processes that are currently restricting it. Perhaps running the scheme from a Commission bureau or agency, with a more representative EUEB given the decision making power on criteria and product group development, should be considered."* (chapter 4 then describes the tri-partite division of labour into Management Board, EUEB and the externalised ecolabel secretariat in the form of an agency or bureau). In order to understand the implications of this proposal a far more detailed description of the procedures and conditions under which such a bureau or agency would operate is needed (for example what would make the *"balanced representation of all stakeholders: Member States; NGOs; SMEs; consumer organisations; and industry."* In the new EUEB foreseen, especially given its proposed responsibilities for voting rights). In absence of a more detailed description for the time being we would just like to emphasise the following. In the EEBs opinion an autonomous agency outside the Commission regulated decision making structures should ensure that at least the following conditions are met:
 - the outsourcing of adoption procedures and the subsequent change in status of the EU Ecolabel criteria (no longer published in the OJ) do not in anyway reduce the perceived level of political priority for funding at either EU or National level or the credibility of the criteria themselves
 - the outsourcing is accompanied by an associated level of increase in budget (EU or National or both) to ensure it has the expertise and staff necessary to carry out the administrative and expertise (technical background studies, assessments and data collection etc)
 - a clearly defined and environmentally ambitious selectivity/ ambition level was agreed and the methodology for translating this into individual product criteria was established in the revised Ecolabel Regulation
 - the criteria development procedure was elaborated in sufficient detail to ensure a more robust and harmonised approach in identifying significant environmental impacts and the appropriate criteria level
 - **Voting rights** are a controversial issue if these are to be severely restricted in number for the member states and if industry is to be given them. The voting structure needs to be designed in such a way that no one sector can influence the outcome of a vote on its own- for example business interests (whether retailer, SME or general business - or all 3)
 - Similarly the balance of voting powers should be such that the 'common interest' can predominate over the specific interests of specific economic sectors- eg consumer, environmental, social and national governance over economic and retail interests. It should be evaluated very carefully what effect reducing the number of votes allocated to member states would have on the societal representation and democracy of the scheme
 - the criteria development procedure was elaborated - to make the link to ambition level and ensuring that a harmonised approach was taken in identifying significant environmental impacts and appropriate criteria to reduce these significantly
- Criteria development easier with more or less involvement of industry?

The discussion paper proposes that *“changes in the structure of the Eco-label management are needed to modernise the scheme. Clearer, more efficient decision making processes are needed and more clearly defined roles as to who does what. ... It is currently tangled up in bureaucratic processes and this is not allowing the job of developing and promoting the EU Eco-label brand to be properly undertaken.”* We generally agree with this analysis however we caution against the assumption that a more ‘distributed’ decision making will make it easier to decide on criteria (seeking greater stakeholder engagement or ‘buy in’ for example from industry). The risk of this approach is that we end up with a standardisation situation where decision are made on lowest common denominator level. Ownership comes from seeing that you get what you want through the tool. It is very hard to imagine that industry, organised civil society will generally have the same goals, unless we are specifically addressing the frontrunner companies.

- **One label or harmonised labels are the objective?**
The paper states *“The aim should not be to get rid of national labels - this will not work - but rather to work together to provide understandable environmental labelling for European consumers. If labels work in competition it is resource intensive, pointless and it bad for all labelling schemes in the long run.”* We wonder if this is really the case? And whether competing schemes are indeed bad or pointless from an environmental point of view. It is often the case that independently set criteria in national or even private NGO schemes are used in a comparative and often positive way to encourage stronger stringency levels. Especially as traditionally these schemes come from countries that are by cultural tradition more pro-active in environmental policy making. It is important to remember that from an industry perspective if there is only one label - there is only one label to boycott.
- **The development of core criteria is supported by EEB if these are a result of a scientifically-robust assessment of product environmental impacts and linked to a clear ecolabel ambition level.** The idea of core criteria should be to focus more closely on the larger environmental impacts of a product, not to ‘simplify’ the ecolabel for companies. These criteria should link to targets in strategies such as the Sustainable Development Strategy and the Thematic Strategies helping to deliver the 6th Environmental Action Programme. Creating such a link would also help in communicating the aim of the product ecolabel to manufacturers, consumers and professional purchasers. (However, this link between the ecolabel and other strategies should not prevent the criteria stringency levels from going beyond these objectives.) For example, in areas such as eco-toxicity (the impact of chemicals on the environment and human health), where very little impact data and knowledge is available to help build a robust policy agenda, the ecolabel needs to address these issues.

4) Other issues

- **Mutual reinforcement of the flower with other schemes:** EEB supports the idea of building stronger synergies between the flower and other ecolabels and ‘sustainability’ labels such as Fair Trade and organic labels. However, this mutual reinforcement does not extend to self-declaration initiatives by industry sectors and individual companies, which continue to proliferate. The ecolabel should work to encourage companies to engage with ecolabelling, thereby building a clear communication tool for consumers and professional purchasers.
- **Green public procurement (GPP):** EEB sees GPP as an important market driver for ecolabelled products and creating secondary benefits through use of individual criteria in tender specifications. We therefore support the development of product group criteria documents that can more easily be introduced into procurement contracts. A ‘green procurement’ version of the criteria for each product group could be created, to achieve this. Additionally, the ecolabel would benefit from continuing involvement of local

authority organisations that could make a strategic link to green public procurement activities. Organisations such as ICLEI (International Council on Local Environmental Initiatives) should be considered for more formal involvement. A recommendation made by a group of European and international environmental organisations, the G10, in a report⁴ earlier in 2006 called for an operational objective on GPP: That 100% green government procurement in EU and Member States be achieved by 2010. The ecolabel should work to help achieve such an objective.

- **Marketing:** More consistent and regular member state promotion of the ecolabel needs to be ensured. It is notable that most of the 2000-2004 workplan was dedicated to this issue but, and the 2004-2005 flower campaign was to a great extent the first successful output of this. However, important elements of communication, marketing and promotion campaigns - such as the development of quantifiable benefits (for example through the systematic calculation of 'relief potential' per functional unit) that can be communicated on every product have not been developed. The regulation should commit to this and describe how and when and who should do this specifically.

The Eco-label work plan indicates that, as an implementing measure for the qualitative and quantitative evaluation of environmental benefits, *the EUEB should develop and improve the methods and parameters for estimation of direct and indirect impacts by the end of 2004. It also requires that the maximum potential benefits should be systematically estimated for each product group when new or revised criteria are being established. Furthermore, a strategy should be set in place for monitoring, evaluating and increasing the indirect environmental benefits of the eco-label criteria.* However, to our knowledge, this has so far not been done. It would be advisable to dedicate some resources within the scheme in regularly collecting some data on some key indicators that could be set up for these aspects.

Consistent and regular communication to the public and industry would help to ensure a more recognised ecolabel. **The Commission should allocate an a specific budget to develop an annual marketing programme**, running indefinitely, with member states and other stakeholders (e.g. retailers, local authority organisations, NGOs, etc.) as partners.

⁴ *A programme for Sustainable Development for the European Union*, G10, March 2006. The G10 is Birdlife International, CEE Bankwatch Network, Climate Action Network Europe, European Environmental Bureau, European Federation for Transport & Environment, European Public Health Alliance-Environment Network, Friends of the Earth Europe, Greenpeace, International Friends of Nature, and WWF European Policy Office.

Annex 1

Extracts and Conclusions from the EEB study on the 10 years of the EU Ecolabel - 'What we wanted, what we got', July 2004

3.4 Conclusions

... By Melissa Shinn

The evaluation aims to answer, to the degree possible the questions:

1) Was the process organised properly and were we (the EEB) able to make a difference – namely through the appropriate balance of stakeholder participation, EEB comments and recommendations being taken into account, and the right studies being performed.

Taking into account the points evaluated in the PCEFs, it seems clear that, whilst there has been a relatively high level of continuity in the EEB's involvement in the development of the criteria (from AHWG level through to EUEB level, albeit with a lack of continuity still evident in some AHWG procedures), and whilst this has definitely led to a satisfactory uptake of the EEB recommendations in some product areas, this is not true for the majority of products, approximately 57%, as only 42.5% of the cases showed satisfactory uptake results..

There is still too frequent evidence (at least 25%) of industry participation 'overload', with no guidelines available to clarify this. This appears to happen particularly in the individual materials cases, whereby individual material representatives rather than final product representatives become implicated in the criteria-setting process, which is far from ideal. Normally a material supplier has very conservative ideas about being substituted for another (something that is not necessarily so relevant to the final product manufacturer). It is recognised, however, that such participation is sometimes necessary, for example when setting production-process requirements for materials.

It would be advisable therefore to establish some clearer guidelines on stakeholder balance and guidelines on pro-active steps that should be taken to consult and integrate recommendations from product eco-design frontrunners. A process which seems at the moment to be either left very much to chance (i.e. whether the Competent Body in question has good contacts and is able to integrate these actors in the process) or is left to ENGO experts to bring information from such actors to the debate (which means the proactive 'voices' are reduced in number).

2) What was the quality of the criteria (level of ambition) as compared with our original demands during the decision-making process (based on information available from the EEB's archives of old position papers) and compared to other labels?

Using a list of our original demands for the revision or development of an eco-label as a benchmark, and comparing these demands with the results after the AHWG and EUEB/inter-service process, as well as comparing the criteria level with other labels, we see that the quality (the level of environmental ambition) is, at best, mediocre. Clearly, the high level of involvement has not automatically translated into quality of criteria results. Only three products (footwear, soil improvers and hand-dishwashing detergents) were evaluated as showing a good level of ambition, and two products (mattress and dishwashers) were evaluated as showing a mixed good/mediocre level of ambition. Most, 75% of, evaluations were mediocre.

The evaluation of ambition level was admittedly particularly tricky, given that there is a normally a process of compromise involved. However, it was often clear that the EEB demands were technically feasible (the EEB experts are invariably instructed to verify that EEB demands are technically possible), but some participant Member State representatives simply felt that they were too restrictive. This position is often justified on the basis of not providing an excessively high hurdle to the entrance of applicants, so avoiding that potential applications are discouraged. Given

the low level of some criteria, and the continued low level of applicants in some product categories, our conclusion is that the applicant deficit is more likely to be due to active producer boycott (such as in the case of electrical goods and copy paper) and a lack of leverage from retailer and consumer demand due to a lack of, and lack of continuity in, national promotion activities. This lack of promotion (and the producer boycott) could also be addressed by a more active uptake of the Eco-label in ENGO campaigns. However, this would depend on two factors:

- higher ENGO confidence in the ambition level of the criteria, either generically, or on specific emblematic issues (relevant to the ENGO campaigns)
- more resources for better communication and coordination between the ENGO EU Eco-label coordinator (at this moment represented by the EEB) and other NGOs and their relevant campaigns.

The original intention to attempt, in relation to influences on ambition level, to distinguish between the pre-EUEB stages (ie the AHWG process) and the EUEB/ inter-service stage, was not possible, mainly because of a lack information allowing this distinction.

As regards comparing the EU Eco-label to the ambition level of other labels, this information was not readily available from the criteria development documents or the EEB's background documents. However, some preliminary evaluation done here showed that in most cases the EU Eco-label (on key) criteria were not better or equal than other eco-labels it was compared to. However it is true that due to differences in scope of labels a one-for-one criterion comparison is not so fair. However it was confirmed that this type of comparison, although incompletely carried out here can be very useful as an ambition benchmark procedure. This information could be more systematically provided in the development and revision of criteria in the future..

During the EEB's eco-label working group meetings that accompanied this study it was recognised that whilst the ambition level of the criteria are the relevant aspects for evaluation of the scheme's performance, also relevant were other aspects related to the bigger Product Policy picture. These include the fact that the eco-label scheme is the only concrete EU Product Policy and EU network on eco-design national competent bodies at the moment (given that the current status of the EU Integrated Product Policy activities is limited to studies and voluntary reporting on national IPP activities – and is foreseen to remain that way till 2007), the fact that there continues to exist the necessity for a credible alternative to producer self-claims and producer own eco-labels and a more suitable consumer communication tool than Environmental Product Declarations and given that it can and does deliver several indirect benefits. These indirect benefits include:

- a) use of eco-label criteria in greening public procurement⁵,
- b) informal eco-design benchmarking for individual companies,
- c) creation of an information database on the best available technologies, substitution feasibility and a network of expertise and contacts with frontrunners on different product areas and
- d) possibly keeping the pressure on other labels (although this is doubtful given the low level of ambition so far).

3) What has been the impact on the market? Is the label making a difference and delivering environmental improvements and market dynamics (changes in manufacturing/consumer demand)?

Although this was the hardest question to evaluate, it is probably the most important one. The proxy of number of applicants as an estimate for environmental improvements and impact reduction is far from satisfactory and contributed heavily to the negative evaluation of these aspects. Direct environmental improvements (or reduced environmental impacts) was judged to be poor to mediocre in more than 3/4 of the cases and there was no clear evidence available of

⁵ Article 23.6 of the recently adopted [Directive 2004/18/EC](#) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (30.04.2004) reads "they may use the detailed specifications, or, if necessary, parts thereof, as defined by the European or (multi-)national eco-labels".

market dynamics created (or at least no data is available). It seems fair to say that if the data does not exist the scheme has not been sufficiently active in attempting to create some transparency about its own benefits, which for a consumer communication tool is not a strong recommendation.

It would be advisable to invest some resources, officially within the scheme (the Commission and the EUEB), in regularly collecting some data on some key indicators that could be set up for these aspects, as is, in fact, required by the Eco-label work plan adopted by a Commission decision in 2001⁶ but has not been done. This could be done both for environmental impact reduction potential and for market dynamics. The former could involve purchasing, or otherwise acquiring, data on the market share of Flower-labelled products and calculation of key impact reduction potential indicators/unit for each product. The latter could involve more concerted efforts to enable (i.e. provide the resources for) the monitoring of uptake of criteria in consumer magazines, procurement guidelines or contracts, and informal benchmarking use (e.g. the only evidence we have so far is the example of Computers, where our experts reports use of the criteria as a benchmark by the industry in question).

Operational recommendations

The above discussion has already highlighted some general operational recommendations for the EU Eco-label scheme and the EEB's involvement in the scheme. Through the experience of evaluating the scheme, it has become obvious that one of the important methods for influencing the evolution of the quality of the criteria is missing from the EEB's activities: namely the benchmarking exercises and methodology for continuous evaluation of the criteria. Furthermore, in order to make use of the methodology developed here it would be desirable – as was mentioned above in chapter 3.2.1 to foresee a wider debate on the EEB methodology (one suggestion is to consult the Competent Bodies and other members of the EUEB and include these comments in an annex – a kind of peer review. This can still be carried out). However, it is clear that, in order to allow the EEB to improve on its involvement, more than 10% of one person's time is required⁷. It is probably necessary to seek dedicated funding to allow full-time coordination of the ENGOs' engagement with the scheme. At the same time, a clearer internal NGO benchmark of objectives and goals and indicators needs to be established (in process) and more active engagement of EEB member organisations needs to be sought (only 7 are actively contributing to the eco-label working group at the moment).

Overall Conclusions

Although we suspect that the EEB's involvement in the scheme may indeed result in criteria with a higher level of ambition than if the EEB was not involved, even these meagre results have a low market dynamics impact eventually due to the problem of lack of promotion of the label. As a result little is harvested in terms of direct benefits of the EEB's investment. What is gained through indirect benefits may be much greater at this point.

The discussion of the studies results by the EEB Eco-label working group and eco-label experts made it clear that the expectations are that the label deliver (and document clearly) benefits in both terms of direct and indirect results. Similarly it was consensual that it was not sufficient that the EEB simply settle for a passive 'watchdog' of the scheme (preventing undue erosion of criteria

⁶ The Eco-label work plan indicates that, as an implementing measure for the qualitative and quantitative evaluation of environmental benefits, *the EUEB should develop and improve the methods and parameters for estimation of direct and indirect impacts by the end of 2004. It also requires that the maximum potential benefits should be systematically estimated for each product group when new or revised criteria are being established. Furthermore, a strategy should be set in place for monitoring, evaluating and increasing the indirect environmental benefits of the eco-label criteria.*

⁷ At the moment the EEB allocates only 10% of one policy officers time to coordination of the EEB's engagement with the Flower. This is due to the Flower coordination having to compete with legislative and strategy policy work that can bring direct and far reaching (obligatory) environmental improvements.

ambition or attempting to make small improvements), the scheme must start to deliver direct and indirect benefits and these should be documented.

It is clear that simply increasing the resources of the EEB is evidently not sufficient to bring about the changes necessary in the scheme. Also needed is a reduction of imbalance in conservative industry influence (more proactive counterbalance with frontrunners and guidelines on industry involvement – especially individual material representatives), stronger political base for a high ambition level of the label in the regulation, an active promotion of the scheme (possibly using key emblematic issues identified on each product for which potential for environmental improvement can be demonstrated) at national level, proper market share studies (of labelled and non labelled products at least, and possibly also on key criteria/levels) and some kind of support to the eco-label process in the form of a centralised EU expertise Bureau would greatly support informed criteria decision making processes (to do adhoc research on recommendations made etc).

It was also noted that whilst industry is still giving some importance to the eco-label process then this can be taken as an indicator of some power for creating market dynamics (in terms of changes in manufacturing) , otherwise we can presume they would not bother.

In response to the ultimate question “should a consumer be advised to purchase an EU eco-labelled product?” the answer is yes, alongside products with other credible third party certified environmental labels. Most are better in some aspect than Business-As-Usual products or at least are transparent and verifiable in their claims. BUT, in order to introduce significant change in production and consumption the EEB continues to maintain that the responsibility of any eco-label scheme is to be ambitious in criteria (to create the best of class) and to be aggressively promoted in a way that the consumer can identify with (key issues and illustrations of potential reduction in impact that can be achieved through an individual's purchasing power). In this sense the EU Flower is going in the right direction (for example the recent LIFE 2004 flower promotion campaign) but still has large margins for improvement.

... By Philippe Schiesser

If we go back the original questions of ENGOs' involvement in this scheme, we could make the following remarks:

1. Why we originally wanted the EU Eco-label?

- To raise awareness that PRODUCTS are important for the environment

This approach is partly successful in the case of the EU Eco-label scheme - when the level of ambition is high enough to protect the environment and consumers. This is not always the case in our evaluation. (Only five or six product categories could be ranked as 'positive'.) This does not mean, of course, that the EU Eco-label products are not clearly beyond minimum legal requirements. (They are, by definition, in the majority of the criteria.) The criteria are not always strict enough to clearly distinguish 'good' solutions from 'bad' ones. In economical terms, the benefits of image and sales are not big enough for proactive producers (which may go beyond the EU Eco-label requirements) to enter this scheme. These producers use then their own images and trademarks without needing to enter a scheme in which they may find themselves in competition with "polluters".

Also to be noted, although not a topic to develop here, is the fact that NGOs themselves develop awareness-raising campaigns linked to the debate around the REACH Directive project. The link to use EU Eco-label as a benchmark and as a proof of alternatives is not clearly done yet in all campaigns.

- To provide a counterbalance to the producer self-claims that were surfacing everywhere

More than 700 labels exist in the world, and there are more than 60 in the textile category alone⁸. This does not mean that we are still in the trend of non-credible self-claims. Even some producers found the need to develop their own schemes so as to have a more relevant set of criteria than the official ones. However, the fact that the EU Eco-label scheme is offering NGOs a concrete democratic platform and that the EEB could also send experts to meetings, publish position papers and react to the published criteria, is certainly a major argument for following the work in the scheme.

- To make life easier for consumers who are confronted with too many eco-labels

This vision is linked to a 'unique response', which is certainly not the best way to have good criteria. The fact that, even in the Eco-labels, a bit of competition is certainly necessary so as to have a good set of criteria should be analysed more deeply. The experience of the Swedish NGO (with Good Environmental Choice) should also be evaluated to check where the EU Eco-label could also be improved (eg in terms of leadership).

2. What were our expectations of the EU Eco-label and what was it supposed to achieve? Best in the class (top 10%), or did we accept less at some point?

- The level of ambition of criteria is not sufficiently reflecting the best available options (eg in terms of technologies, materials, improvements, etc) and the ENGOs' requirements (eg in terms of bans on certain substances).
- The market share of the companies in the scheme is far from the objective of 20-25% and is not high enough to gain sufficient direct environmental improvements (not clearly measured in all cases yet).

⁸ Écoeff data.

- A clear lack of data about the indirect improvements needs to be rectified, and a question about the 'right' directions shown could also be a topic of discussion.

We clearly recognised that there was a failure in terms of achievements: no eco-labelled product category is covering 20% of the market. The idea of having less strict criteria in order to attain this objective was not successful. In parallel, the idea of defining the best standards (more an NGO position) was not attained either.

The role of industry should also clearly analysed (from 'negative' lobbying to boycotts to avoid EU Eco-labelled products on the shelves). As the system is, by nature and definition, voluntary, we could clearly ask when the EU Eco-label scheme will deliver all its promises: in five, ten or twenty years, or more?

Many other tools than a voluntary label could be used to achieve sustainable consumption:

- a ban on chemicals in products, and other minimum performance standards/requirements
- taxes (e.g. on energy or CO² content)
- training of (public) purchasers
- eco-design guidelines
- mandatory labels (like the energy ones).

The main achievement of the scheme is to prove that product alternatives are possible, and are easily recognisable by consumers (a goal of the Life Flower campaign project).

The involvement of the EEB in the scheme clearly links in with the building up of the EEB knowledge base and of its network of experts (particularly national-level experts on product policy). It also ties in with its support for substitution-principle demands in relation to chemicals, its work on waste disposal and its lobbying for product-focus legislation.

Major improvements in the scheme are still possible (as the Commission itself outlined in the EUEB minutes on the revision of many of the categories).

Could the scheme achieve better results in ten years' time, or even before? We hope to have clarified some indicators for progress.

END