

WORLD TRADE ORGANIZATION

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**Committee on Trade and Environment
Committee on Technical Barriers to Trade**

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ECO-LABELLING PROGRAMMES

At the informal joint meeting of the Committees on Trade and Environment and Technical Barriers to Trade of 27 February 1996, delegations were invited to make presentations of their national eco-labelling programmes. Attached is information provided by the delegations of Canada, Chile, Czech Republic, European Communities, Norway and United States at the meeting regarding their national and regional eco-labelling programmes.

1. CANADIAN ENVIRONMENTAL CHOICE PROGRAMME

Mission

Reduce the stress on the environment by encouraging the supply of and demand for environmentally preferable products and services

Objective

- Underlying Premise
- Environmental Improvement
- Consumer Education

Principles

- Voluntary
- Environmental Leadership
- Science Based

Process

1. Product Selection
2. Criteria Development
3. Application
4. Verification and Testing
5. Contracting and Licensing
6. Follow-up

1. Product Selection

- Environmental Benefit
- Volume Sales
- Industry Interest
- Consumer Orientation

2. Criteria Development

- Technical Study
- Life Cycle Review
- Establish Review Committee
- Draft Criteria
- Public Review
- Finalize Criteria
- Publish

Current Product Categories		
Office and Schools: Paper Products Business Forms Envelopes Office Furniture Office Machines Batteries Printing Services Printing Cartridges Adhesives Car Care: Lubricating Oil Ethanol Fuel Engine Coolant Car Wash Services General Repair Services Collision Repair Services	Construction and Home Materials: Surface Coatings Wallboard Particle Board Fibre Board Floor Covering Water Conserving Lamps Insulation Roofing Driveway Sealers Sealants Appliances Composting systems Cleaners	Others: Diapers Plastic Film Marine Coatings Dry Cleaning Photofinishing Marine Oil Chain Saw Lubricants

3. Application

- Promote Interest
- Receive and Process Applications

4. Verification and Audit

- Receiving Supporting Document
- Review and Verify
- Collect audit fee (includes travel costs)
- Audit Facility
- Report

5. Contracting and Licensing

- Prepare contractual documents
- Signatures
- Collect fees
 - Varies by sales volume
 - Assessed annually
 - \$300 to \$5000 CDN

6. Follow-up

- Surveillance
- Customer Relations
- Communication
- Marketing

ECP and International Product Certification

- North American Companies
- Asian Products - North American Importers

GATT - obligations under the standards code

- A. Non-discriminatory treatment
- B. No unnecessary obstacles to trade
- C. Use of international standards where possible
- D. Promotion of compatibility/equivalence
- E. Performance rather than design
- F. Transparency

ECP Evaluation

A. Non-Discriminatory Treatment

ECP treats foreign and domestic companies and products equally.

B. No unnecessary obstacles to trade

ECP welcomes all products, including imported goods, providing requirements are met.

C. Use of international standards where possible

ECP uses international test protocols and standards where appropriate in conformity assessment.

D. Promotion of Compatibility / Equivalence

ECP is actively promoting the development of mechanisms which allow for harmonization and equivalence.

ISO, UNEP, WTO and GEN

E. Performance rather than design

ECP criteria for product requirements are based on performance to highest degree possible.

F. Transparency

Proposed action is notified by ECP in national publications which are accessed routinely by foreign trade consulate and embassies.

ECP makes available information on proposed measures upon request.

- A 60 day comment period is normal for new proposed ECP actions.
- ECP gives due consideration to all comments regardless of origin.
- A dispute resolution process is available through ministerial channels.

2. ECO-LABELLING SCHEME IN CHILE

The Chilean Ozone Seal of Approval System was created to carry out the Montreal Protocol to protect the ozone layer. The implementation of this programme is linked to a campaign to educate public opinion and to promote the consumption of products which do not damage the ozone layer. It is an ecological label given to all products which do not damage the ozone layer, including those which do not contain ozone depleting substances and those which at no time during the course of production have used substances which damage the ozone layer.

The Seal is intended not only for those companies which do not use ozone depleting substances but also for those which because of technological reconversion have stopped using them. It can be given to companies which traditionally worked with ozone depleting substances but have implemented systems for their recycling and recovery. This then provides additional incentive for companies to engage in technological retooling.

The logo of the seal belongs to the National Corporation for the Environment, a national authority which authorizes its use for companies which meet the requirements. It can be voluntarily requested by companies producing goods or services. Their products and production processes have to be analyzed by certifying agencies accredited by the National Corporation for the Environment. The seal is granted for two years.

3. ECO-LABELLING PROGRAMME IN THE CZECH REPUBLIC

The National Eco-labelling Programme of the Czech Republic has been initiated by the Resolution of the Czech Government in 1993. It aims to identify consumer products which do least harm to the environment and to provide information for consumers who wish to buy them.

In accordance with the labelling schemes of OECD countries, the Czech National Programme respects the following principles:

- voluntary application of producers,
- eco-label serves as a positive information for consumers and users,
- credibility, transparency and public participation,
- environmental impact of the production, consumption and disposal of labelled products must be significantly lower when compared with average products which serve similar purposes and have equivalent uses,
- equal access for domestic as well as imported products.

The conditions for awarding the eco-label are defined for individual product categories. Specific, clear, precise and objective environmental criteria were established for each category to achieve a high level of environmental protection. Life cycle assessment of the impact of production, utilization and disposal is used whenever possible.

The Minister of Environment is the authority to grant the eco-labels and approve the criteria for individual categories. Anyone may submit proposals for product categories to the Board of the Czech National Programme which is an advisory body to the Minister supervising the whole labelling process.

An Agency, established by the Minister of Environment to administer producers' applications, examines together with testing laboratories and the Czech Environment Inspection authorities the compliance of products and production technology with the criteria. The Minister of Environment provides around 1,5 million Czech crowns annually to support the Agency. Producers pay an application fee (7,000 Czech crowns) and a percentage of the production volume or annual sales after having been granted the eco-label. Contracts on use of the label are valid for three years.

Twelve product categories have been selected so far to be labelled namely:

- thermal insulation made from recycled paper,
- low-emission gas heaters for homes,
- biodegradable lubricating oil for chain saws,
- phosphate-free detergents,
- liquid household detergents,
- recycled printing paper,
- recycled toilet paper,
- water based paints,
- water based glues,
- agglomerated materials on the wood basis and products from them,
- domestic boilers on solid fuels,
- briquets from wood waste.

Further categories will be introduced this year namely:

- hydraulic liquids,
- environmentally friendly cosmetic products,
- gas infra-red radiators (heaters),
- paper bags and sacks,
- wood toys,
- packages from recycled paper,
- filters and air cleaners,
- washing machines,
- refrigerators and deep freezers.

The Czech National Programme does not include food, beverages or pharmaceuticals. So far approximately 141 eco-labels have been granted to 21 firms of which four are German, three Italian and one British.

4. THE EC ECO-LABEL AWARD SCHEME

The EC Eco-Label Award Scheme was established by Council Regulation (EEC) No 880/92 of 23 March 1992 (Ref. No L 99/1 of 11.4.92). The Regulation provides for Eco-labelling Competent Bodies in each of the Member States and a Consultation Forum of interest groups at Community level. The interest groups represent industries, commerce (including international trade), consumers, environmental groups and trade unions. The national Competent Bodies are also made up of the various interest groups and Member States must ensure that the competent bodies are "neutral and independent".

The objectives of the Eco-label Regulation are (i) to promote products with a reduced environmental impact over their entire life cycle and (ii) to provide consumers with better information on the environmental impact of products. A further objective is to avoid proliferation of national eco-labels (public and private) throughout the Community.

Eco-label criteria are based on a cradle-to-grave approach, taking account of environmental impacts during pre-production, production, distribution, use and disposal. The criteria must ensure a high level of environmental protection and be based as far as possible on the use of clean technology.

The European Commission has developed two guidance documents to assist in the development of eco-label criteria. They are (i) Procedural Guidelines for the establishment of product groups and ecological criteria (EC Eco-label Newsletter Issue No. 6 of June 1994) and (ii) Guidelines for the Application of Life-Cycle Assessment in the EC Eco-Labelling Scheme (Final Report of First Phase, September 1994 and EU Eco-label Newsletter Issue No. 9 of May 1995).

This first document outlines the various phases in the setting of criteria - Phase One: Feasibility Study, Phase Two: Market Study, Phase Three: Inventory of Environmental Impact, Phase Four: Environmental Impact Assessment, Phase Five: Setting of Criteria, and Phase Six: Presentation of Draft Proposal for Commission Decision, including formal opinion of the Consultation Forum and Member States. At the end of each phase there is consultation with the Competent Bodies and interest groups.

The LCA document was developed by a group of European experts, who participate in international work on LCA, in particular SETAC work. They have applied the latest international understanding on LCA to the context of EU Eco-labelling provided practical advice for this stage of the eco-label setting process. Life-Cycle Assessment (LCA) is central to the EU scheme because it compares different products on the basis of their common function, it relates environmental impacts at all stages from cradle-to-grave and it helps to identify from objective data well founded ecological criteria.

Once the criteria have been decided, manufacturers or importers into the Community apply for the eco-label to the Competent Bodies. The Competent Bodies check if the product meets the ecological criteria and award the label. They conclude a contract with the applicant. There is a fee of ECU 500 for the application and, if successful, a royalty of 0.15 per cent on the turnover of the eco-labelled product. The validity for the criteria for each product group is for three years. At the end of that period the criteria setting process starts again.

The EU Eco-Label Scheme is completely voluntary. Manufacturers and importers can judge whether it is in their commercial interest to apply for the label. The EC Eco-label is offered as a marketing tool to give greater credibility to producers' environment claims.

The European Commission has also developed a document setting out the Policy Principles of the EC Eco-labelling Scheme: A Framework of Policy Principles For the Establishment of Product Groups and Ecological Criteria (Draft 2, May 1994). These policy principles define the scope of EU eco-labelling criteria. Criteria should only be related to impact on the environment and use of natural resources from cradle-to-grave. References should be made to international or European standards. Product groups should be defined, bearing in mind relevance for the environment, interest of consumers and the public, interest of industry and taking into account international aspects.

Criteria should be focused on environmental issues of general or broad relevance, in particular global and transboundary regional issues. Criteria should be expressed in terms of effects on the environment and natural resources or in terms of factors of interaction with the environment, e.g. emission of substances into the air or water. Criteria relating to specific technologies or to intrinsic characteristics of products are to be avoided.

There is a specific chapter on the International Dimension of the EU Eco-label Scheme. The important principle here is the one of equal access for non-European producers to the same information which is given to European Union producers and the same opportunities to submit data, observations and comments. The Consultation Forum has a special duty of care to ensure adequate consideration of the non-European union producers' point of view.

Important principles apply also for transparency and openness of the process to define product groups and establish criteria. All interest groups should have access in an organized way to the information concerning the various stages of preparation of criteria. Balanced participation of all the interest groups in the preparatory work should be ensured. No single interest should prevail. Neutrality of studies and data collection must be ensured.

In order to aid transparency, the Community has Enquiry Points at the European Commission, in the 15 member States and in EEA participating countries. Interested parties both within and outside the EU, can request information from and submit comments to the European Commission and all the Competent Bodies.

The Commission publishes the product groups, the specific ecological criteria and the list of products for which an eco-label has been awarded in the Official Journal of the European Communities. The Commission also publishes a quarterly Eco-label Newsletter, which has a print-run of 10,000 copies and goes to subscribers in over 50 countries worldwide. The Newsletter gives the Work Programme for each six month period and gives updated information on the progress for each product group. It tells the stage at which each of the product groups is in the criteria setting process and how, where and by when to submit comments. It lists the addresses and details of the 20 contact points, addresses of the coordinating bodies of the interest groups and of the Consultation Forum secretariat.

EU Eco-label criteria have been defined for eight product groups

- washing machines
- dishwashers
- toilet rolls
- kitchen paper
- soil improvers
- laundry detergents
- single-ended light bulbs
- paints and varnishes.

It is hoped to finalize soon eco-label criteria for double-ended light bulbs, tee-shirts, bed linen and photocopying and writing paper.

So far eco-labels have been awarded to one manufacturer's washing machines and one manufacturer's tissue products.

There are also Member State eco-labelling schemes in Germany, the Netherlands, France, Spain, Austria, Sweden and Catalonia. Two EU Member States participate in the Nordic Environmental Labelling Scheme - the White Swan. All these schemes are voluntary, market led Type 1 eco-labelling schemes incorporating elements and principles of the EU scheme.

5. THE NORDIC SWAN - NORDIC ENVIRONMENTAL LABELLING

The Nordic Council of Ministers (the ministers responsible for consumer affairs) decided in November 1989 to implement a harmonized, voluntary and positive Nordic environmental labelling system for products. In June 1991 the first set of criteria was approved by the Nordic Coordination Body and in December 1991 the first Nordic environmental licences were awarded.

This is the world's first multinational eco-labelling scheme. The Nordic environmental label is a neutral, independent label which guarantees that the labelled products meet high environmental and quality standards. Only products which satisfy strict environmental requirements on the basis of objective assessments are allowed to display the environmental product label.

The objectives of the Nordic eco-labelling scheme are to provide consumers with guidance to help them to choose the products and services that are least hazardous to the environment from the range available on the market, and thereby encourage product development that takes into account environmental factors in addition to other quality considerations.

How it is organized

The programme is administered in Norway, Sweden, Iceland and Finland by national boards organized under the Nordic Coordinating Body. The members of the national boards represent consumers, environmental authorities and NGOs, as well as trade and industry, and research institutes.

In Norway the agency for eco-labelling is organized as a foundation, while in Sweden and Finland it is incorporated as part of the national standardization organization. In Iceland the agency forms part of the Ministry of the Environment. The work of the national agencies is subsidized by the individual Nordic governments. The same agencies have been appointed by their governments as competent bodies in the EU eco-label award scheme.

The Nordic Coordinating Body decides priority of the product groups for which new criteria should be developed. When the decision is made that criteria should be worked out for a specific product group, it is also decided that one of the participants will be "lead country" for that product group. The Body has the final decision as to the contents of the criteria.

The Nordic Coordinating Body consists of the Director and the President of the Board from each country. Each country has one vote and decisions must be taken by consensus. The "Regulations/Rules for Nordic Eco-Labelling" which is adopted jointly by the national eco-labelling organizations describes the certification, administration and ongoing verification schemes in the programme.

Criteria Development

The criteria are defined from a "cradle to grave" approach. Similarity to the EC eco-labelling system, the criteria are supposed to take into account environmental factors throughout the product's life cycle from raw material, during production and distribution, during use and as refuse. Criteria validity is normally two to three years.

Proposals for the formulation of the product categories and criteria are normally done in Nordic expert groups with representatives from business (national branch organizations or

industry, importers or/and dealers), governmental authorities, research institutes, and NGOs such as national environmental associations. A broad participation from all interested parties is desirable and the composition of the boards and the expert groups reflect this aim. The members of the expert group are nominated by the national boards and formally appointed by the Nordic Coordinating Body. The goal is in principle a broad representative Nordic group with all interests represented.

All proposals for criteria are sent out for public review, for practical reasons normally to interested parties in the Nordic countries only, before being approved nationally and finally on a Nordic level. Anyone may have proposal for review and comment at this stage of the process. The proposals can be obtained from any of the national secretariats. The original proposals are always written in a Scandinavian languages, Swedish or Norwegian, but are translated to English as fast as possible on behalf of the scheme.

General Information

All four national organizations function as "enquiry points". The addresses are on the last page. Inquiries from outside participating countries are normally forwarded to the lead country when very special questions concerning criteria are asked.

The list of ongoing criteria work with the lead country and responsible officer and names of members of the expert groups can be obtained on request. The proposals for criteria are not public before the formal public review.

The lists of licences in the different product groups are public. As the aim of the scheme is to give consumers in the Nordic countries the possibility to choose labelled products, many of the licensees are importers of products produced outside the Nordic countries. The origin of the product is irrelevant for the award of the eco-label.

Status of Licenses and Criteria Development in February 1996

The environmental awareness and the consumption needs and preferences are very similar in the participating countries, though the distribution of licences and labelled products in the national markets is very uneven. Differences in production and/or distribution patterns account partly for these discrepancies. Moreover public focus in media on specific products or producers bring about demands for labelled products in a non-systematic way. The general recognition and the credibility of the label have been measured among consumers in the participating countries and show high scores in all of them.

Up until February 1996, the Nordic Coordinating Body has approved criteria for 37 product groups of which 26 groups a total number of 271 licences have been awarded to more than 800 products or brands.

Status of Licenses and Criteria Development in February 1996

Approved criteria (Lead Country)	Licenses	Approved criteria (Lead Country)	Licenses
Adhesives (FI)	1	Hand dish washing detergents (N)	-
All purpose cleaners (N)	14	Kitchen and toilet paper (S)	1
Automatic dish washing detergents (S)	7	Lawnmowers (S)	6
Building boards and panels (N)	6	Light bulbs (S)	-
Button-cell batteries (S)	1	Marine engines (N)	1
Car care products (S)	35	Newsprint (FI)	-
Chain lubricants (N)	1	Oil burners (N)	1
Closed toilet systems (N)	-	Oil burners/boiler combinations (N)	4
Composting systems (FI)	9	Paper envelopes (FI)	12
Copying machines (N)	3	Personal computers (FI)	-
Correction agents (N)	-	Printing paper (N)	-
Detergents for sanitary facilities (FI)	5	Processed fine paper products (N)	31
Detergents for textile (S)	42	Refrigerators and freezers (S)	-
Diapers, disposable (FI)	4	Rechargeable batteries (S)	3
Diapers, washable (FI)	-	Textiles (S)	3
Dishwashers (S)	-	Toner cartridges (N)	11
Fine paper for copying and printing (N)	65	Washing machines (S)	1
Flooring materials (N)	3	Wooden furniture and fitments (N)	1
Greaseproof paper (N)	-		

Criteria sent out for review

- Coffee filters (FI)
- Graphic products (FI)
- Non-rechargeable batteries (S)
- Pens (N)
- Shampoo and soap (N)
- Towels in public places (FI)
- Wall coverings (N)

Criteria under development

- Boat care products (S)
- Concrete and additives (S)
- Fax machines (FI)
- Floor care products (N)
- Folders and ring binders (FI)
- Heat pumps (S)
- Heating systems for solid fuels (S)
- Printers (FI)
- Sanitary products for women (FI)
- Timber and forestry (S)
- Vacuum cleaner bags (FI)
- Windows (FI)
- Wrapping paper (S)

(The indicated lead countries are (FI) Finland, (N) Norway and (S) Sweden)

How to apply

In principle, the eco-label will be awarded to any product which satisfies the specific criteria. Manufacturers, importers or dealers in Norway, Sweden, Finland or Iceland send their applications to the eco-labelling agency in their own country. Others apply, preferably, to the agency which has prepared the criteria for the product group in question (lead country marked above).

Applications are submitted on an official application form. The application must be accompanied by technical documentation, test reports, measurement results, etc. as specified in the relevant criteria document. As far as possible, tests and controls are based on already existing ones (such as controls decided by the authorities) and international standards. The criteria documents regularly require quality assurance and internal control procedures. The eco-labelling agency may also request further information. When a product has been approved for eco-labelling in one country, the licence is also valid in the other Nordic countries without any further evaluation. Nevertheless products must be registered in all the participating Nordic countries in which the label is used.

Each eco-labelling agency has the right to perform repeated control checks. If the company's products no longer satisfy the requirements in the licence, it may be revoked.

What does it cost?

The fee rates are formally decided by the national boards. A fixed application fee, approximately US\$ 2000 is paid when the application is entered. Costs for different control checks, tests, etc., are paid by the company directly to the testing institution. The annual fee is 0.4 per cent of the approximated annual turnover of the product in its respective market/country. The maximum annual fee is approximately US\$ 60 000 per country.

For more information concerning i.e. criteria for special product or application, please contact:

Sweden

SIS Eco-labelling, the Swedish Standards Institution

Telephone: +46 8 610 3000
Telefax: +46 8 34 20 10
Address: P.O. Box 6455
S-103 82 Stockholm

Visiting address: St. Eriksgatan 115
E-mail: ragnar.unge@sis.se

Norway

The Norwegian Foundation for Environmental Labelling

Telephone: + 47 22 36 07 10
Telefax: + 47 22 36 07 29
Address: Kristian August gate 5
N-0164 Oslo, Norway
E-mail: jan-erik.stokke@ecolabel.no

Finland

The Finnish Standards Association SFS, Environmental Labelling

Telephone: + 358 0 149 9331
Telefax: + 358 0 14993320
Address: P.O. Box 116
FIN-00241 Helsinki, Finland

Visiting address: Maistraatinportti 2
E-mail: joutsen@sfs.fi

Iceland

Umhverfismerki, Ministry of the Environment

Telephone: + 354 5 68 88 48
Telefax: + 354 5 68 18 96
Address: P.O. Box 8080
IS-128 Reykjavik, Iceland

Visiting address: Àrmùli 1
E-mail: tore@hollver.is

6. US ENVIRONMENTAL MARKETING GUIDES (16 CFR 260)

General Principles

- Qualifications and disclosures should be clear and prominent
- Claims should make clear whether they apply to the product, the package, or a component of either
- Claims should not be overstated
- Comparative claims should be clear about the basis for comparison

General Environmental Benefit Claims

- General claims can be vague and confusing to consumers
- Unless all express and implied claims can be substantiated, broad environmental claims should be avoided or qualified
- General claims need to be qualified to clarify the specific attribute to which the general claim refers

Degradable, Biodegradable, and Photodegradable

Unqualified degradable claims mean the product will:

- completely break down and decompose into elements found in nature
- within a reasonably short period of time
- after customary disposal

May need qualifiers regarding:

- whether the product will degrade upon customary disposal; and
- the extent and rate of degradation

Compostable

Unqualified compostable claims mean that:

- all components of the product
- will break down into usable compost
- in a safe and timely manner
- in an appropriate composting program or facility

May need qualifications regarding:

- environmental benefit when disposed of in landfill
- whether the product can be safely composted in a home compost pile
- the availability of composting facilities

Recyclable

A recyclable claim means that:

- a product can be recovered from the solid waste stream
- for use as raw materials
- in the manufacture or assembly of a new product

Unqualified recyclable claims are presumed to apply to the entire product

May need qualifications regarding:

- availability of recycling collection programmes when they are not available to a substantial majority of consumers
- the phrase "recyclable where facilities exist," by itself, generally is not adequate

Recycled Content

Claims of recycled content mean materials have been recovered or diverted from the solid waste stream:

- either during the manufacturing process (pre-consumer)
- or after consumer use (post-consumer)

must be able to substantiate that pre-consumer materials would otherwise have entered the solid waste stream

Unqualified claims mean the entire product is made from recycled material:

- if only partially made of recycled material, qualify to indicate the amount, by weight
- advertised recycled content may represent the average recycled content weight of different components
- calculations may be based on the annual weighted average of the source of recycled material

Source Reduction

Source reduction claims are claims of reduction in:

- weight
- volume, or
- toxicity

Should be qualified regarding:

- the amount of source reduction, and
- the basis for any comparison asserted

Refillable

An unqualified refillable claim requires a system for:

- **the collection and return of the container for refill; or**
- **the later refill of the container with product sold in another container**

Should not be made if:

- **it is up to consumers to find ways to refill the container**
- **there is no means for consumers to refill the container**

Ozone Safe and Ozone Friendly

- **Unqualified "ozone safe" or "ozone friendly" claims mean that the product will not harm the ozone layer**
- **Should not advertise as "ozone safe" or "ozone friendly," or as not containing CFCs if the product contains any ozone-depleting chemical (e.g., Class I or Class II chemicals under CAA Amendments)**
- **Claims about the reduction of a product's ozone-depletion potential must be adequately substantiated**