



ANALYSING THE SUCCESS DRIVERS OF EMAS IN SELECTED MEMBER STATES

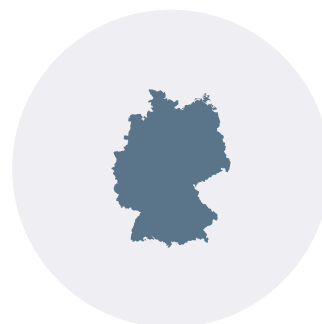
THREE CASE STUDIES



ITALY



AUSTRIA



GERMANY

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EMAS, the European Union Eco-Management and Audit Scheme, is available in the 28 EU Member States but also beyond the EU thanks to its “EMAS Global” extension. EMAS counts as the premium standard among environmental management schemes, bringing together solid environmental management and transparent reporting structures. It targets frontrunner organisations, both public and private, that aim to achieve a continuous improvement of their environmental performance and demonstrate this through public and third-party verified reporting. On their part, public authorities can benefit from EMAS by tailoring their environmental policies and incentives toward those organisations that can demonstrate verified environmental performance. As a result, authorities often save resources in terms of time and money and can effectively support environmental protection.

Yet, a large disparity is observed in terms of numbers of EMAS registered organisations between the different Member States. While some, like Germany, Italy or Spain have reached more than 1,000 registered organisations, others achieve more modest results.

For this reason the European Commission has decided to investigate the key drivers and initiatives in more detail that have allowed some Member States to achieve a highly successful uptake of the scheme. As a result, case studies were carried out in Italy, Austria and Germany. The objective of these case studies is to identify some of the main drivers to EMAS implementation and to extract key learnings that can be replicated by other authorities desiring to achieve a similar level of successful implementation.

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THE EUROPEAN COMMISSION EMAS TEAM



1. CASE STUDY ON ITALY

KEY LEARNINGS

- ✓ The national CB of Italy clearly distinguishes between temporal versus structural measures with long term benefits, the latter of which tend to encourage a long term registration with EMAS.
- ✓ The example of Italy shows that it is important to create the right mix of measures: funds will initially attract new organisations, prompting them to register, while structural measures offer continuous support to those already registered, encouraging them to stay with the scheme and keep improving their environmental performance.
- ✓ Policy-makers in Italy strongly support EMAS because it provides a guarantee for continuous legal compliance, creates transparency through its reporting requirements, and ensures a reduced risk of accidents. In such areas where EMAS registered organisations can demonstrate that they go beyond the activities of non-registered organisations, this provides clear justifications for giving them support in the form of regulatory and/or financial relief.
- ✓ Actors at national or sub-national level could develop many more measures if EMAS was considered in further Directives and Regulations.

BACKGROUND

In Italy, the top three sectors of activity since 2011 have consistently been waste, energy and public administration, with the food industry taking up the fourth spot. Casting the view back further to 2006, the top four spots have been filled by the same four sectors, with the food industry gradually experiencing a downward trend from 2006 to 2014.

The *positive trends for energy and waste* can largely be ascribed to the great number of financial and policy support measures at both national and local levels which concentrate on these sectors. From 2003 onwards a great deal of *measures with structural character have been introduced both at national and local level, as opposed to the previously largely short-term or one-off support measures*, such as direct funding support. The largest proportion of structural measures provides incentives to organisations falling under the Industrial Emissions Directive (IED – previously the IPPC Directive). A selection of such measures is described below in more detail.

Developments in the public administration sector primarily result from the activities of one single region in Italy, named Trentino Alto Adige. Within it, the province of Trento provided strong financial support to local municipalities from 2007 to 2013. The municipalities which decided to join the scheme as a result accounted for the greatest share of registrations in this sector nation-wide. Currently, however, the number of EMAS registrations in the public administration sector is falling. Many administrative bodies are leaving the scheme due to limited financial resources after having reached the end of financial support, a trend that has been exacerbated by the financial crisis. In certain cases, these organisations have also named unfulfilled expectations in terms of recognition for their environmental dedication as a reason for leaving. Some municipalities had hoped that tourist flows may increase due to their EMAS registration, but were disappointed due to a lack of promotion about their efforts among the general public. In part, the loss of registrations in the public sector can also be attributed to a reorganisation of the smallest municipalities in Trento.

Across Italy, *some local governments have given funds to specific sectors* and have invested in improving their environmental awareness. This case is reflected for example in the region of Emilia Romagna, which has supported EMAS within the food industry. The resulting positive impact on that sector can be seen at a national scale. Further detail on this case is provided below.

METHODOLOGY

Data for this case study consists of snapshots of Italy's registration numbers for the years 2006, 2011 and 2014. These figures were divided by NACE code in order to provide a basis for analysing the trends across the different sectors of activity, and by region to examine the geographical distribution of EMAS registrations in Italy. Furthermore, information was gathered from the national Competent Body (CB) in the form of a questionnaire and a follow-up interview.

From a geographical perspective, the regions of Lombardy, Emilia Romagna and Tuscany have consistently reached high EMAS registration numbers. These are also *the regions that reportedly have enacted the greatest numbers of laws with benefits for registered organisations.*

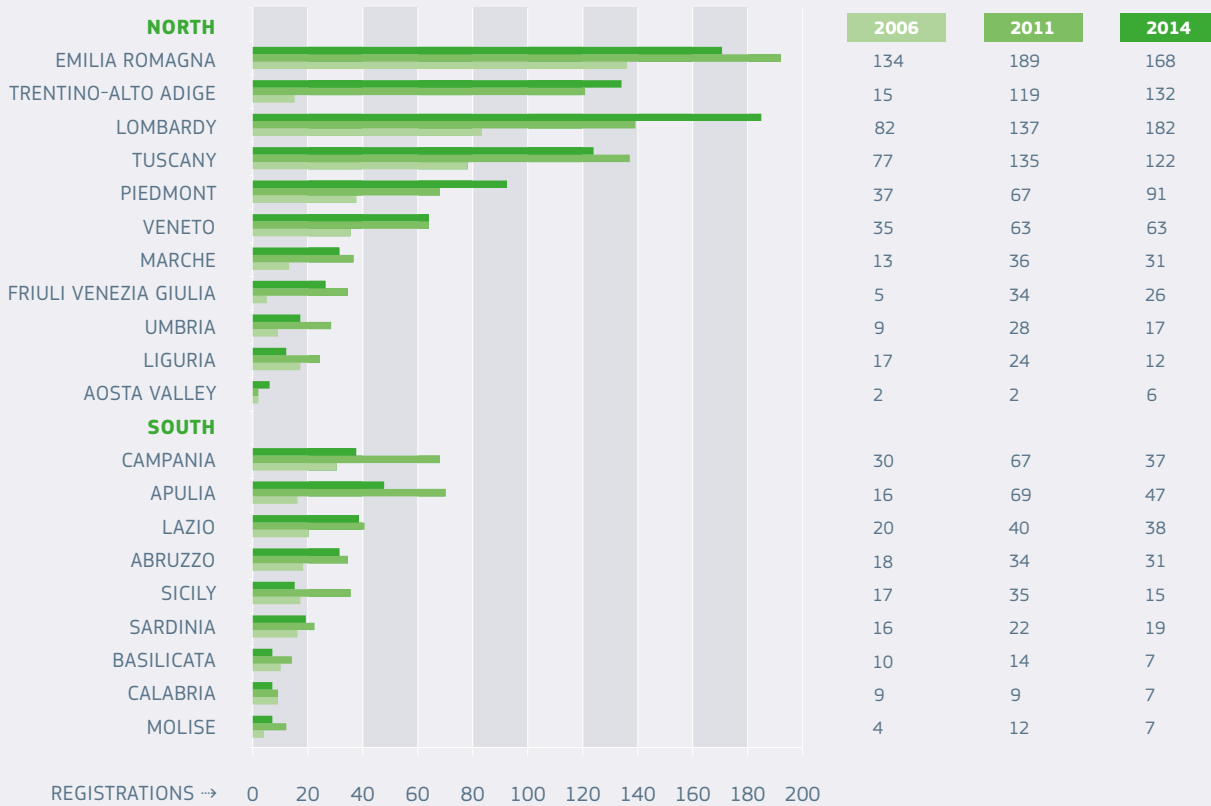
In general, the regions of the South have often opted for direct funding mechanisms (temporary benefits) to increase EMAS registrations. The national CB has pointed out that these types of support measures are often not effective at retaining EMAS registrations, with many organisations leaving the scheme once the benefits are no longer experienced.

The regions of the Centre and North have generally adopted a *more heterogeneous mix of measures, providing both direct financing (but for specific projects), and structural incentives that make a continued EMAS registration attractive* by enhancing the competitiveness of EMAS registered organisations.

The existing trends appear to reflect these observations: most Southern regions, including Sicily, Campania and Puglia experienced an increase in registration numbers between 2006 and 2011, followed by a decrease in the following years until 2014.

An additional factor that may be encouraging both the implementation of favourable measures and a resulting increase in registration numbers is the *existence of more active local environmental agencies (with greater resources) in the North than in the South.* For example, the environmental agency of Friuli Venezia Giulia is very active in supporting EMAS; they often organize seminars and conferences and also work in close cooperation with the EMAS Club of the region. (NB in Italy, local environmental agencies are responsible for carrying out inspections and are also often involved in the EMAS registration procedure).

ITALIAN EMAS REGISTRATIONS PER REGION FOR THE YEARS 2006, 2011 AND 2014



SOURCE: ITALIAN COMPETENT BODY

SPECIFIC POLICIES

The national CB of Italy clearly distinguishes between *temporal versus structural measures with long term benefits*, the latter of which tend to *encourage a long term registration* with EMAS. Moreover, the national CB perceives that the regions with the greatest numbers of registrations not only have the highest numbers of favourable measures in place, but have also succeeded in *creating the right mix of measures*: funds initially attract new organisations, prompting them to register, while those already registered experience continuous support in the form of structural measures that encourage them to stay with the scheme and keep improving their environmental performance.

Similarly, where robust support measures and notable benefits exist, registration numbers tend not to have been negatively affected by the economic crisis.

Organisations falling under the IED can benefit from a host of structural measures that policy-makers in Italy have implemented. These developments at national, regional and local levels were facilitated by the fact that *the IED explicitly mentions EMAS as a means for fulfilling its obligations*. At national level for example, regulatory agencies have lowered inspection costs and the frequency of inspections for EMAS registered organisations. Since the IED largely addresses organisations from the energy and waste sectors, these benefits have tended to focus on organisations from these sectors. In addition, in 2006 a financial benefit was introduced for organisations from the waste management sector, cutting their mandatory bank guarantee by 50 % if they are EMAS registered. Furthermore, these organisations enjoy a simplified procedure for renewing the authorisation for their plants. Over the years, such policies have contributed to *a robust increase in the waste management sector*, with the total number of registered organisations increasing from 73 in 2006 to 175 in 2011 and to 255 in 2014, with numbers continuing to rise.

Focussing on one of the most successful regions in terms of EMAS registration numbers, the *region of Emilia Romagna offers a comprehensive mix of policy and financial support*, largely to organisations falling under the IED. Since 2004, the region offers a reduced time schedule for EMAS registered organisations to obtain the required IED authorisation, and since 2008, a reduced fee. In addition, going beyond IED requirements, Emilia Romagna has introduced a series of reduced inspection costs for EMAS registered organisations, such as a reduced cost for landfill inspections and a reduced cost for inspections in plants at risk of major accidents (both from 2004). These measures have resonated well with organisations located in the region, and many of them have *not only decided to join EMAS, but also choose to stay with EMAS long term*. Already in 2006, Emilia Romagna topped the Italian table in terms of registration numbers, with the number rising from 134 in 2006 to 189 by 2011. There has been a slight drop since, with numbers falling to 168 by 2014, but most recently numbers are reportedly picking up once again. The region has also supported EMAS within the food industry, mainly by providing grants for the implementation costs and raising environmental awareness in this sector. This support has contributed to high registration numbers, particularly in the early years of EMAS.

It is important to note that many measures and concessions – such as those focused around the IED – also apply to organisations certified with ISO 14001, albeit at a lower rate. For example, an IED authorisation lasts 16 years for EMAS registered organisations and 12 years for ISO 14001 certified organisations. According to the Italian national CB, this constitutes a relatively small difference in terms of benefits between the two schemes and does not tend to encourage organisations to move from ISO 14001 to EMAS, hence resulting in a limitation for the European scheme.

In general, it also needs to be noted that *EMAS in Italy suffers to a certain extent from not being well-known by the general public*. As a result there is no *pressure from society* to implement the scheme and in turn, *a lack of recognition* when an organisation does decide to register with EMAS. Certain organisations reportedly have become disillusioned by this fact and have left the scheme as a result. In fact, in Italy measures tend not to have focused on EMAS promotion in the form of any nation-wide initiative. Both the national CB and the BRAVE study on EMAS support measures indicate that such activities would likely provide even greater benefits to EMAS in Italy.

“It is great to get some recognition for our efforts to protect the environment. With the help of EMAS we can guarantee that our operations – already respectful of the environment and environmental legislation – contribute to continuously improving the environmental performance of our waste treatment plants, as well as taking advantage of financial benefits acknowledged by our Region in the waste sector.”

HERAMBIENTE S.P.A.

LARGE EMAS REGISTERED WASTE TREATMENT COMPANY IN ITALY

In summary, the *greatest proportion of measures* to date has focussed on providing *incentives to the industrial sectors*. In 2016, a series of new measures were introduced at national level providing advantages to EMAS registered organisations in Green Public Procurement (GPP). One such measure provides a 30% cut to the guarantee that a contracting organisation needs to deposit, if they are EMAS-registered. The national CB attributes great importance to this development, expecting a positive impact on registration numbers based on experiences to date. These measures are the first of a structural nature that address organisations beyond industrial sectors and are therefore expected to also have a positive impact on sectors not reached by long term benefits so far, such as the service sectors.

REASONS WHY POLICY-MAKERS TRUST AND SUPPORT EMAS

In Italy, the European scheme has received a great deal of support from the very beginning, not only at a political level, but also from other actors, such as chambers of commerce and universities. In many regions chambers of commerce have provided direct funds to specific sectors, which has helped to kick-start an up-take of EMAS. Later on, in particular from 2003 onwards, such *funds were replaced by more structural measures, a transition that was instrumental in ensuring long term registrations*. Universities have helped spread knowledge about the scheme and create pressure for greater environmental action.

Policy-makers in Italy strongly support EMAS because of its *strengths in providing a guarantee for continuous legal compliance, creating transparency through its reporting requirements and ensuring a reduced risk of accidents*. These environmental safeguards have motivated policy-makers at both regional and national level to grant special conditions to EMAS registered organisations, making use of the situations where registered organisations can guarantee that their activities go beyond those of other organisations in terms of environmental protection and legal compliance.

Decisions to implement such measures have been *greatly helped by research indicating where there is room to integrate EMAS into existing policy making*, notably the results emerging from the BRAVE project. As a result, there has been and still is a strong uptake of the scheme. The right mix of measures in general, and structural measures in particular has proven to be very successful in Italy. In areas where EMAS registered organisations can demonstrate that they go beyond the activities of non-registered organisations, this provides clear justifications for giving them support in the form of regulatory and/or financial relief. In Italy, this has created a win-win situation in the waste and energy sectors, and more generally for organisations affected by the IED. In future, further benefits are expected beyond these sectors in view of the new measures focussed around GPP. The measures created for both policy areas refer to European-level legislation, making a potential introduction in other EU Member States relatively straightforward. What is more, the high number of measures in Italy related to the IED indicates that *actors at national or sub-national level could develop many more measures if EMAS was considered in further Directives and Regulations*.

“We became EMAS registered in order to improve our environmental performance, also through the involvement of all employees in environmental protection activities, to strengthen the organization's image outside and to help manage our legal compliance. We would appreciate if the government recognized our commitment by further reducing the number of inspections and inspection costs for registered plants and by performing better information activities, aimed at increasing knowledge about the value of EMAS.”

EDIPOWER

LARGE EMAS REGISTERED ENERGY PRODUCER IN ITALY

GET IN TOUCH

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2. CASE STUDY ON AUSTRIA

KEY LEARNINGS

- ✓ According to the Austrian Competent Body (CB) financial incentives alone should never be the primary incentive for organisations to join EMAS. Once organisations enter the scheme it should provide them with structural, long-term benefits.
- ✓ The Austrian CB is effective in their information and promotion efforts by spending their budget on promotion measures for EMAS in a targeted manner, selecting and addressing relevant stakeholders rather than the full extent of the general public, and relying on these to act as multipliers.
- ✓ Due to its specific features, such as third party verification and data collection on core performance indicators, EMAS lays a solid foundation for proving sustainable → practices that can be used to fulfil GPP criteria.
- ✓ Despite the proven quality standards that EMAS fulfils it is important that EMAS representatives at ministerial or Competent Body level take an active role in making the benefits of EMAS known to regulators in order to achieve regulatory relief and economic benefits for EMAS registered organisations.
- ✓ In order to be effective nationwide, the way EMAS is being administered in a Member State should ideally reflect its general administrative and legal structure.

BACKGROUND

In terms of absolute numbers Austria ranks on 4th place with 286 EMAS registered organisations and 1108 EMAS registered sites in May 2016. Due to its relatively small size, it has the *second-highest number of EMAS registrations per one million inhabitants*, i.e. about 33 registrations per million inhabitants.

From 1999 until 2002 registration numbers in Austria rose continuously, peaking at 362 before declining until 2005 to a level of about 250 registered organisations. Since then, numbers have remained fairly stable with a slight increase (see figure next page). *The initial rise can largely be ascribed to the direct financial support* that the Austrian government offered to organisations implementing EMAS until 2001. The funds were aimed at covering the consultancy costs involved in an initial EMAS registration and could reach up to 500,000 shillings (approximately €37,000) for a medium-sized organisation. This attractive financial support led to a rapid increase of EMAS registrations in Austria with registration numbers more than doubling within two years, from 141 in January 1999 to 294 in January 2001. Since the funding only supported the initial registration, this led a significant number of organisations not to renew their registration and to only stay registered for three years, leading to a high turnover of registered organisations.

With the first EMAS revision in 2001 the funds were phased out. As a consequence, registration numbers fell during the following four years until 2005. From then on absolute registration numbers have remained relatively stable, fluctuating between 250 and 290 registrations. Since 2012 registration numbers have increased again slowly but constantly to now 286 organisations, which is the highest level in Austria since 2004.

To understand the regulatory and financial support for EMAS in Austria it is important to understand the country's administrative and legal structure. Austria is a federal state, resulting in a *division of powers between the federal government and that of the nine individual states*. The states again are subdivided into districts and municipalities which form their own administrative units. In contrast, *EMAS is administered centrally in Austria, on a national level*.

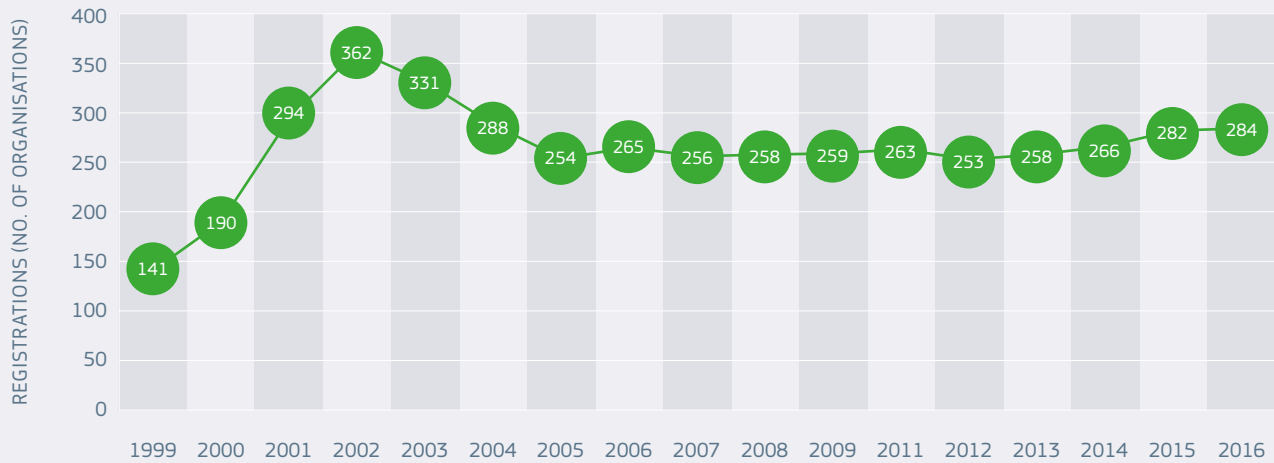
METHODOLOGY

Data for this case study consists of extracts from the Austrian EMAS register for the years 2011, 2013 and 2016 as well as a graph depicting the development of the total registration numbers from 1999 until present. The figures for the years 2011, 2013 and 2016 were divided by NACE code in order to provide a basis for analysing the trends across the different sectors of activity, and by region to examine the geographical distribution of EMAS registrations in Austria. Furthermore, information was gathered from the national Competent Body (CB) in the form of a questionnaire and a follow-up interview.

Officially the Federal Minister of Agriculture, Forestry, Environment and Water Management is the Austrian Competent Body. Practically, however, the Austrian Environment Agency is acting as Competent Body in his stead. Both the Ministry and the Environment Agency are located in the capital city of Vienna; there are no additional institutions responsible for EMAS in the local administrative units. *Due to this constellation the Austrian CB depends on the cooperation of the local authorities in putting regulatory or financial support into practice* and the level of support for EMAS varies accordingly across the states. The strongest support for EMAS exists in the state of Vienna and its neighbouring state of Lower Austria which together account for 52% of all Austrian EMAS registrations. Further implications of this administrative model will be discussed in more detail below.

The current *top three sectors in Austria are the waste sector (NACE code 38), the cleaning sector (NACE code 81) and the energy sector (NACE code 35)*. EMAS registered organisations in the waste sector benefit from the Austrian national waste management law which excludes them from their obligation of setting up a waste management concept. Instead, their EMAS environmental statement doubles as their waste management concept. For the cleaning sector an EMAS registration is especially advantageous when bidding for public tenders held by Austria's Federal Procurement Agency. A more detailed description of the most important regulatory and financial support measures will be presented in the following section.

EVOLUTION OF EMAS REGISTRATIONS IN AUSTRIA 1999 TO 2016



SOURCE: AUSTRIAN COMPETENT BODY

SPECIFIC POLICIES

EMAS was implemented in Austria through the federal law on environmental management (Umweltmanagementgesetz / UMG). The UMG contains its own chapter on regulatory relief comprising seven paragraphs. In practice the most relevant ones are § 21, setting out a simpler registration procedure of modifications in installations for EMAS-registered organisations, and § 22, allowing organisations which have performed an environmental audit according to EMAS to apply for a »consolidated notice of authorisation«, which summarises all authorisations for an installation in one single notice. Financial incentives still exist to assist during the initial implementation phase. These funds, however, are lower than those provided in the early years of the scheme and are available on a regional and no longer on a national level.

In general, Austria applies a mix of different types of support measures: legal, financial, informational and promotional. The Member State has found this *mix between legal and financial measures on the one hand, and informational and promotional measures on the other hand to be very effective and crucial for the success of the scheme*. To inform about EMAS the Environment Agency organises workshops for EMAS beginners and offers on-site visits of registered sites to organisations interested in implementing the scheme. On an annual basis, the Agency organises two workshops for EMAS registered organisations on topics of particular relevance and interest, such as on the new ISO 14001:2015 held in April 2016.

Furthermore, the Agency hosts an annual EMAS conference and awards a national EMAS award. The Austrian CB is faced with limited funds and despite this, has found ways to be very effective in their information and promotion efforts, by *spending their budget on promotion measures for EMAS in a targeted manner, selecting and addressing relevant stakeholders, rather than the full extent of the general public, and relying on these to act as multipliers*. The CB also focusses on constantly expanding their personal network of regulators and local enforcement authorities, also providing targeted information to these stakeholders. The CB considers EMAS primarily as a business-to-business tool, hence targeting their communication activities at enforcement authorities, policy-makers and organisations. Finally, the CB aims to be a reliable, informative and helpful point of contact to interested stakeholders, hence providing an incentive to organisations and regulators rather than giving the impression that EMAS is a tool fraught with bureaucratic burdens.

According to the Austrian CB, financial incentives alone should never be the primary incentive for organisations to enter the scheme. As mentioned, direct funding still exists on a regional level, however, with lower funding amounts and the aim solely being to facilitate the initial registration process. Austria emphasises that *once organisations enter the scheme it is crucial to provide them with structural, long-term support to keep them inside*.

One of the most effective structural measures supporting EMAS organisations in Austria is the [Austrian Federal Procurement Act](#) of 2006. Public procurement services in Austria are provided centrally by the Federal Procurement Agency (Bundesbeschaffung GmbH, henceforth FPA). The services of the FPA are not only utilised by Austria’s federal agencies but also by regional authorities and municipalities, as its clients. Already since 2003, the FPA included ecological evaluation criteria when selecting service providers, stipulating that environmental criteria can play a role in the procurement process. More recently, paragraph 19 of the Federal Procurement Act of 2006 now explicitly states that the environmental dimension must be considered during the procurement process. The FPA fulfils this by including ecological criteria in its award criteria or the technical specifications of a call for tender.

When awarding service contracts for public bodies in Austria, the FPA considers the presence of an environmental management system as part of the ecological aspects. EMAS registered organisations receive extra points in the bidding evaluation in comparison to ISO 14001 certified companies. Article 38 of the EMAS Regulation forms the basis for this decision since it states that EU Member States should consider how EMAS can be taken into account in GPP, while such a commitment does not exist for ISO 14001. The regulators see this advantage as justifiable primarily because of [EMAS’s requirement for independently certified legal compliance](#). They see EMAS as going beyond ISO 14001 because it is validated by government in the form of a Competent Body, on top of being verified by an independent third party. By considering EMAS within the terms of reference of calls for tender, [EMAS registered organisations are given a direct advantage over comparable competitors without EMAS](#). According to the Austrian CB it is that very difference that has allowed EMAS registered companies in the past to win the bidding processes. In other words, an EMAS registration may contribute directly to the economic success of these companies, providing them with a continuous, tangible advantage.

In the past few years, the advantage given to EMAS registered organisations when bidding for public tenders in Austria [has led to a remarkable increase in the number of EMAS registered cleaning service companies](#): Austria currently has 28 EMAS registered organisations (with 215 sites) in the cleaning sector (NACE code 81), 25 of which entered the scheme after the introduction of the Federal Procurement Act in 2006. The registration numbers illustrate how effectively Austria’s sustainable procurement initiative is not only attracting but also retaining companies within the cleaning sector: While 29 cleaning companies joined the scheme since the introduction of the Austrian Federal Procurement Act in 2006, only four of them have dropped out. Austria’s sustainable procurement initiative is not only providing benefits to cleaning companies but also to organisations from other sectors providing services to the country’s public sector – such as printing. Here, the effects are less visible and numbers more modest.

The success of the Federal Procurement Act in Austria is facilitated by the fact that the FPA as a central entity is providing procurement services to its clients, i.e. public agencies, across Austria. In Austria, regional authorities and municipalities can choose to make use of the services of the FPA, but can also opt to carry out their own public procurement. According to the CB, in the latter situation EMAS is often not considered in procurement. This highlights the challenge of supporting EMAS via public procurement in Member States where this activity is conducted in a decentralised manner and no uniformly applicable national law exists. The Austrian government uses sustainable procurement as one tool to reach its sustainability goals, notably its goal to support sustainable products and services. Through considering ecological criteria in the procurement process, Austrian policy-makers are intending to provide companies with an incentive to develop, offer and improve ecological products and services. Considering EMAS within the terms of reference allows the FPA not only to achieve greater environmental awareness among organisations but also [to utilise the scheme as a proof for strong environmental performance](#). Across the EU Member States there is significant potential to develop similar initiatives, exploiting the synergies between EMAS and the national or regional requirements set for GPP. [Due to its specific features, such as third party verification and data collection on core performance indicators, EMAS lays a solid foundation for proving sustainable practices](#).

“We receive extra points in the bidding evaluation thanks to EMAS. These points are helping us as a company a lot.”

LARGE EMAS REGISTERED CLEANING SERVICE
COMPANY FROM AUSTRIA

REASONS WHY AUSTRIAN POLICY-MAKERS TRUST AND SUPPORT EMAS

One of the main reasons that Austrian policy-makers trust and support EMAS is *the scheme's credibility due to independent audits by accredited environmental verifiers*. The Austrian CB stresses that environmental verifiers licensed for EMAS are themselves subject to regular examinations by the Licensing Body represented by the Ministry for Environment. In contrast, auditors performing the ISO 14001 certification are examined by the country's Accreditation Body (the Ministry for Economic Affairs) which is in charge of all other types of audit. Due to the substantially larger number of auditors overall and the Economic Ministry not having particular environmental expertise, it can be assumed that the examinations of EMAS environmental verifiers are carried out to a higher level of quality. In addition, auditors are able to grant ISO 14001 certification without having been officially accredited, which is not the case for EMAS.

Furthermore, the aspect of guaranteed legal compliance provides another major reason why Austrian policy-makers support EMAS. *Legal compliance guaranteed through EMAS can create benefits for both organisations and regulators* when it is taken into consideration in existing policies. Austria has taken this aspect into consideration when allowing organisations that have performed an environmental audit according to EMAS to apply for a »consolidated notice of authorisation«, which summarises all authorisations granted for an installation in one single notice. This reduces the workload – and hence the human and financial resources invested – for both regulators and organisations.

“You need to have a personal commitment to EMAS in order to support it. Otherwise it does not work.”

MONIKA BROM
AUSTRIAN COMPETENT BODY

Despite the proven quality standards that EMAS fulfils, this comment demonstrates the *importance of the EMAS representatives taking an active role in making the benefits of EMAS known to regulators* in order to achieve regulatory relief and economic benefits for EMAS registered organisations. Direct face-to-face exchanges often prove to be the best means to achieve these measures. Due to the political structure of the Member State, much of the action taken by the CB is dependent on good personal contacts, resulting in their efforts being most effective in the state of Vienna and the neighbouring state of Lower Austria. In these states many public authorities themselves have adopted EMAS. In contrast, many local authorities in other regions of Austria do not have sufficient knowledge about EMAS, lack the experience in working with the scheme and are reluctant to accept EMAS as a substitute for their inspections. The CB states that regulators at state level do not make full use of the regulatory relief measures for EMAS that are proposed by the national government. Since these authorities are independent from the federal ministry, the CB has no direct influence on how and to what extent EMAS support measures are put into practice by local authorities. For instance, Austrian law allows authorities to reduce the frequency of inspections for EMAS registered organisations falling under the IED Directive. Yet some local authorities do not make use of this measure, stating that insufficient grounds exist for applying it. This situation is caused by the Austrian CB being a central institution in a federal state. The Austrian CB concludes that in order to be effective nationwide, *the way EMAS is being administered in a Member State should ideally reflect its general administrative and legal structure*.

Convinced that commitment is the key to success for EMAS, the Austrian CB *welcomes actions taken by the European Commission that demonstrate political commitment to the scheme at EU level, such as the consideration of EMAS within other policy areas*.

GET IN TOUCH

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3. CASE STUDY ON GERMANY

KEY LEARNINGS

- ✓ The way EMAS is administered in Germany reflects the country's overall legal and administrative framework. This constellation, as well as the close connection between the Competent Body and EMAS registered organisations, provides a strong basis for successfully implementing EMAS support measures in Germany.
- ✓ Similar to Austria, Germany has a dedicated law detailing the legal privileges exclusive to EMAS registered organisations, called the EMAS Privilege Act.
- ✓ Germany's Energy Efficiency Law from 2015 recognizes EMAS as fulfilling the obligation of large companies to conduct an energy audit. This law is an excellent example of how Member States can create a win-win situation for both regulators and organisations.
- ✓ While the convoy concept provides financial support similar to that offered by other initiatives, it sets itself apart from direct funding measures by generating more long term benefits, such as the chance for members to network or the potential to gain wider knowledge about environmental management through co-learning and exchange. Hence, the convoy concept offers support to SMEs in a number of ways, including financial, organisational and technical.

BACKGROUND

In terms of absolute numbers *Germany has the highest number of EMAS registrations across the EU, with 1,223 EMAS registered organisations and 2,047 sites* (June 2016). Overall, the number of German EMAS registrations has experienced a slight but continuous downward trend approximately between 2001 and 2014; during this time the number of sites fell from 2669 in 2000 to 1875 in 2014. In 2015 this trend was reversed and the number of registered organisations stabilised, while the number of sites clearly rose from 1875 to 2047 at present. This rise can to an extent be ascribed to the phenomenon that many registered organisations in Germany have introduced EMAS at one or more of their additional sites in recent years: between 2005 and 2016 the average number of registered sites per organisation increased from 1.3 to 1.7. German organisations thus appear to be satisfied with the scheme, implementing EMAS across their locations.

Including the organisations that left the scheme over the years, EMAS has been implemented at over 6,000 sites in Germany. To date, approximately 4,000 sites have left the scheme; notably around 40% of these sites did so before their first renewal, meaning within three or four years. At the same time almost *one third (31%) of the organisations that introduced EMAS in its initial version (before 2001) were still EMAS-registered in 2015*.

The regional development of EMAS in Germany mainly corresponds to the national trend. The two largest states by area, Baden-Württemberg and Bavaria, together account for more than 50% of all EMAS registrations. Similar to the distribution at EU-level, SMEs comprise the majority of EMAS registered organisations in Germany, representing 70% of all registered organisations.

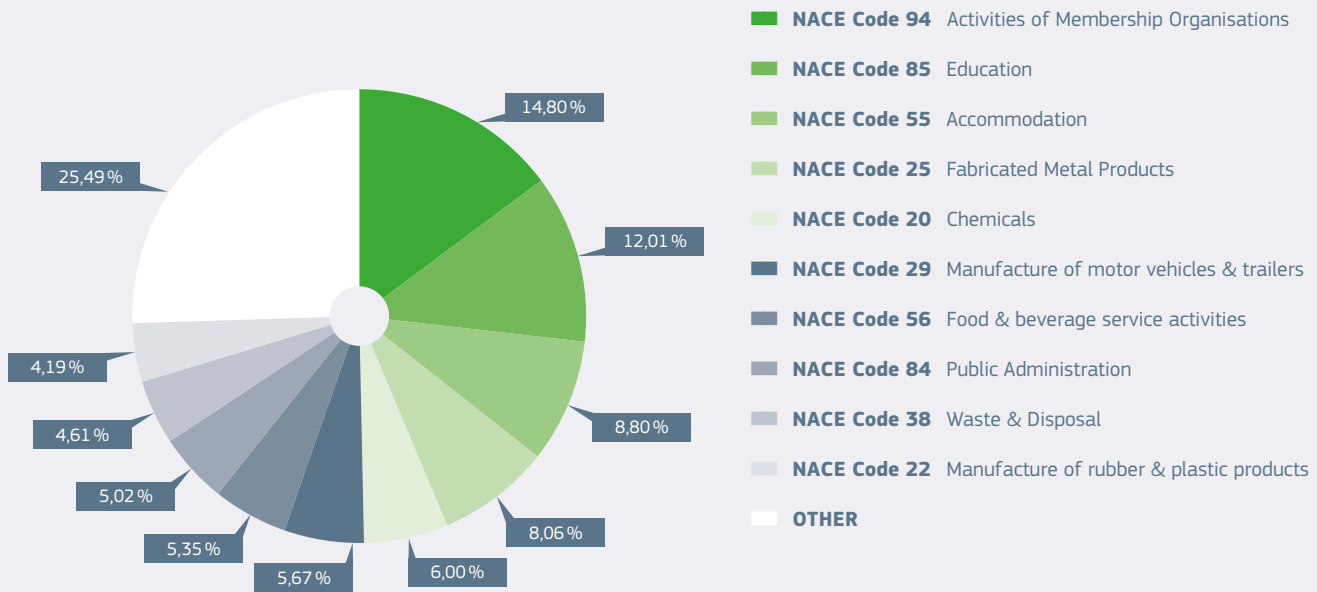
The manufacturing sector (NACE code section C) accounts for the highest number of registered organisations (38%) in Germany. At the level of individual NACE codes however, activities of service providers fill the top two spots: NACE code 94 (activities of membership organisations) and NACE code 85 (education). The industrial NACE code 25 (manufacture of fabricated metal products) ranks third overall (see table next page).

METHODOLOGY

Data for this case study includes the German EMAS registration numbers divided into regions for the years 1998 to 2015. This data was compiled from figures published by the German Competent Body in yearly summaries from 2010 to 2015 and from statistics provided by the German EMAS Advisory Board, based on the German national EMAS register. Additionally, the German Competent Body provided the authors with a breakdown of registration numbers according to NACE codes of activity for the years 1999, 2001, 2002, 2006, 2010, 2012, 2014 and 2015. The statistics were complemented by figures derived from monthly reports sent by the German Competent Body based on the German EMAS register, the latest one being from June 2016. Together, these numbers provide a basis for analysing the trends across the different sectors of activity, and by region to examine the distribution of EMAS registrations in Germany. Furthermore, information was gathered from the German national ministerial representative for EMAS and a representative from the Office of the German EMAS Advisory Board in the form of a questionnaire and follow-up interviews.

In Germany, the registration of EMAS organisations is carried out by the Chambers of Commerce and Industry and the Chambers of Crafts, with each federal state having their own Competent Body. While EMAS is largely administered on a regional level, the national umbrella Association of German Chambers of Commerce and Industry (DIHK e.V.) acts as the national Competent Body, with a central coordinating role and a responsibility for national support measures. The Chambers of Commerce and Industry and the Chambers of Crafts represent the political and commercial interests of all organisations within their respective state at national level. They are public statutory bodies with a self-administering role under the inspectorate of the state ministries of economy. Hence, the way EMAS is administered in Germany reflects the country's overall legal and administrative framework as a federal nation-state. *This constellation, as well as the close connection between the Competent Body and EMAS registered organisations, provides a strong basis for successfully implementing EMAS support measures in Germany.*

TOP 10 NACE CODES IN GERMANY IN 2015



SOURCE: GERMAN COMPETENT BODY

SPECIFIC POLICIES

Both the German federal government and the individual states offer EMAS-registered organisations and those organisations interested in implementing EMAS a variety of financial and non-financial support measures. Direct federal funds are available to SMEs, covering 50% (Western Germany) or 75% (Eastern Germany) of the consultation costs. In addition, several regional and sector-specific funds exist. Similar to Austria, Germany has a dedicated law detailing the legal privileges exclusive to EMAS registered organisations, called the EMAS Privilege Act (EMAS-Privilegierungs-Verordnung). These privileges concern the federal emission control act, the waste management law and the water management law and include exemptions for EMAS registered organisations from their duty of disclosure, from appointing a dedicated person and from presenting reports on the organisation's emissions, given that these criteria are already covered by the EU scheme.

The EMAS Privilege Act is a federal law and as such needs to be implemented by the individual states in the form of administrative directives. While these privileges decrease the general administrative burden for EMAS registered organisations in Germany, according to the German EMAS Advisory Board, in practice they are less attractive to organisations than some laws passed directly by the states. Based on the EMAS Privilege Act, many states in Germany grant EMAS-registered organisations reduced or eliminated fees for inspection, licensing or permits. According to information from the German EMAS Advisory Board, these financial privileges are particularly significant for large organisations and represent more relevant and tangible incentives than the above-mentioned reduced administrative burdens.

Financial support measures do not only exist at regional level. The German federal government has recently introduced two indirect financial benefits for EMAS registered organisations in the manufacturing sector. The Energy Tax and Electricity Tax Acts that were amended in 2013 recognize EMAS as fulfilling the requirements for an energy tax rebate of up to 90% for energy intensive users, while Germany's Energy Efficiency Law from 2015 recognizes EMAS as fulfilling the obligation of large companies to conduct an energy audit. These laws are excellent examples of how Member States can create a win-win situation for both regulators and organisations, and as such these measures have also been discussed in other relevant publications, such as the EMAS Compendium. According to the German EMAS Advisory Board, these measures mainly provide benefits to large organisations from the private sector.

At a regional level, the state of Baden-Württemberg has introduced the convoy procedure, including financial support. This measure provides benefits to SMEs and has proven highly successful in encouraging new organisations to implement EMAS. *The convoy procedure is a concept under which SMEs, membership organisations, municipalities, schools or universities can jointly work towards their individual EMAS registrations.* They do so by organising joint workshops with an external consultant on the principles of an environmental management system according to EMAS and the preparation for the environmental audit. The external consultant also performs on-site visits for each convoy member, providing them with individual advice. The convoy is composed of 5 to 10 members and needs to be set up and run by a responsible body, such as a business membership organisation, a public corporation, a chamber, an association, or a municipality. Individual private organisations are not authorised to fill this role. The responsible body is in charge of organising the convoy procedure, including acquiring the convoy members, hiring the external consultant, conducting informational meetings and applying for financial support. The financial support by the Ministry of the Environment of Baden Württemberg covers up to 80% of the expenses for the convoy procedure or up to an amount of € 5,000 per member and is paid out after a successful EMAS registration. Financial support is also available to a convoy leading to an ISO 14001 certificate, however only up to an amount of € 3,000 per member.

Offering financial support to convoy procedures provides substantial benefits to both the participating organisations and the authority providing the support (in this case the Ministry of Energy of Baden Württemberg). Driven by the idea that it is easier for a small or medium-sized organisation to implement EMAS within a group, the convoy procedure offers members the chance to share the costs for the external consultant, to support each other during the implementation process and to create a network which they can use even after the convoy procedure has ended.

For the ministry, on the other hand, it is *economically much more efficient to grant funds for a consultant leading a group of up to 10 organisations than to fund the expenses for 10 consultants for 10 individual organisations.* Furthermore, the ministry only needs to administer one single application for the whole convoy instead of 5 to 10 individual applications, leading to further administrative relief.

The convoy concept is a highly successful measure in the state of Baden-Württemberg and many small and medium-sized private and public organisations, such as hotels and restaurants, social institutions and municipalities, have made use of it. Since the introduction in 2000 the ministry has invested more than €900,000 into the programme. According to the ministry, *approximately 40 convoys have been successfully completed in Baden Württemberg, covering more than 250 member organisations.* While not all organisations joining a convoy decide to take the final step of implementing EMAS, the state currently has 416 active registrations overall. The ministry concludes that fostering the convoy programme has significantly contributed to Baden-Württemberg being the state with the highest number of EMAS registrations in Germany.

EMAS convoys could easily be reproduced in other Member States as the financial support for the convoy procedures may be integrated into the existing administrative structure. While the measure provides financial support similar to that offered by other initiatives, it sets itself apart from direct funding measures by generating more long term benefits, such as the chance for members to network; the potential to gain wider knowledge about environmental management through co-learning and exchange; or a wider awareness of the benefits of environmental protection. Hence, the convoy concept offers support to SMEs in a number of ways, including financial, organisational and technical. In contrast to conventional direct funding, the convoy concept represents a more holistic approach by *acknowledging the fact that financial constraints are not the only obstacle for small and medium-sized organisations implementing EMAS.*

“Without the convoy it would have been difficult for our business to get through the implementation process.”

“We would advise everyone to go about such a project in a group.”

SMALL EMAS REGISTERED HOTEL & MEMBER OF AN EMAS CONVOY¹

¹ HOLLAND, H (2006). UMWELT-AUDIT: FÜNF HOTELS AUS DER REGION MACHEN ES VOR- IM KONVOI INS EMAS-REGISTER. WIRTSCHAFT IM SÜDWESTEN 10/2006. RETRIEVED FROM WWW.ECKARDTCONSULTING.DE/DE/DOWNLOADS/2006_EMAS_KONVOI_IHK.PDF

REASONS WHY GERMAN POLICY-MAKERS TRUST AND SUPPORT EMAS

German policy-makers support EMAS in large part because they consider it to be *the most ambitious environmental management system*². In Germany environmental protection has emerged as an important political topic over the past decades and politicians – both at national and local level – have set themselves ambitious environmental goals. In order to reach these goals, policy-makers have started combining legal instruments, i.e. obligations and prohibitions, with incentives to use a voluntary instrument – in the form of EMAS – to fulfil these obligations. This is the case under Germany's new Energy Efficiency Law. According to the ministerial representative for EMAS, there is great potential to expand such a combination to other areas, creating an even stronger basis for EMAS as a useful tool in achieving legal compliance.

However, an ISO 14001 certification, which does not contain a guarantee of ongoing legal compliance or a mandatory environmental statement, tends not to be seen as sufficient by German regulators to fulfil reporting requirements. In this context EMAS serves as an *effective tool to engage organisations in the efforts towards systematic and sustainable environmental protection*³. The state in turn can benefit from fostering greater environmental commitment than it could by legal obligations and prohibitions alone, while regulators can profit from administrative relief regarding EMAS registered organisations. They can refer to the EMAS environmental statement with its guarantee of validated data, rather than having to request additional data that may be incorrect.

Despite the strong political support and the high EMAS registration numbers there is still room for improvement in Germany. According to the German Ministerial Representative and the German EMAS Advisory Board, EMAS with all its undisputed advantages is *still not sufficiently known among external consultants, environmental auditors and regulators*. Often, policy makers do not know the scheme sufficiently well and it partially suffers from the *stigma of being a voluntary instrument* which is falsely perceived as being less reliable than direct legal obligations and prohibitions.

Another practical difficulty for regulatory agencies is that the environmental statements of some EMAS organisations do not contain sufficiently detailed information in order to satisfy the requirements set out by the agency. Therefore exempting EMAS organisations from certain reporting requirements, such as industrial emissions, may not work in practice, even though the EMAS Privilege Act provides the basis for such an exemption. The German Ministerial Representative concludes that after more than 20 years *EMAS still needs more political support on all levels from local and regional to national and EU-level*.

“Being known is the prerequisite for regulatory relief.”

ANNETTE SCHMIDT-RÄNTSCH

GERMAN MINISTERIAL REPRESENTATIVE FOR EMAS

² BMUB (2015). EMAS-KONFERENZ DER EU-KOMMISSION. RETRIEVED FROM WWW.BMUB.BUND.DE/E1350

³ BUNDESMINISTERIUM FÜR UMWELT, NATURSCHUTZ, BAU UND REAKTORSICHERHEIT (2016). EMAS- ECO-MANAGEMENT AND AUDIT SCHEME. RETRIEVED FROM WWW.BMUB.BUND.DE/P399/

GET IN TOUCH

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