BRIEFING PAPER

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Indian Ecomark Scheme – The Need for an Alternative Framework

While the world market has become progressively anti-pollution and eco-conscious, 'Greenness' seems just not viable in India. The Indian Ecomark Scheme has not caught the fancy of the buyer or the industry, even after 15 years in existence. Only a very few manufacturers of various products like paper, pulp, leather and wood particle board have applied and got the Ecomark licence. But none of these manufacturers find much utility of the 'matka' (earthen pitcher) coupled with the ISI mark on their package. Moreover, there is no consumer demand for the products with an applied Ecomark. Without the incentive of greater demand for products, a manufacturer will not apply for an Ecomark licence, especially for some products, since greater investment is needed to reach the high stringency standards for acquiring an Ecomark licence. In addition, with no political backup, the Ministry of Environment and Forests (MoEF) has been unable to maintain the momentum and subsequently the Scheme has failed to acquire adequate support of the Ministry of Finance. Currently, the Indian Ecomark Scheme has turned into a stalemate situation with lack of interest of most of the stakeholders.

I. Introduction

The demand for "environment-friendly" products and the urge to protect the environment developed in the late 1970's due to the rise in awareness for a safe and clean environment. Such awareness gradually opened the doors for markets for green or environment-friendly products, which subsequently led to a new concept called "eco-labels".

Eco-labelling was first initiated by Germany in 1978 with the release of the "Blue Angel" programme. This programme intended to enlighten consumers about the environment friendly nature of a particular product. It evaluates, authenticates and standardises "green" claims about a product's overall environmental character, and if appropriate certifies it as being more environment friendly than most in its product category. Apart from quality, information is provided about the whole life cycle, including generation of inputs, production processes, consumption and waste disposal.

By the late 1980s and early 1990s, over 15 independent national and multinational eco-labelling programmes were established. At present, most of the countries, both developed and developing, have established eco-labelling programmes in many different forms at local, national, regional and international levels. The relevance of this subject has significantly increased as a result of its implications for trade relations, economic development and the environment.

In 1991, India too launched its own eco-labelling scheme called "Ecomark" for easy identification of environment friendly products. The criterion follows a cradle-to-grave approach, i.e. from raw material extraction to manufacturing, and to disposal. The 'Ecomark' label is awarded to consumer goods, which meet the specified environmental criteria and the quality requirements of Indian Standards. Any product with Ecomark is supposed to be the right environmental choice. However, in spite of its 18 long years of existence, it has hardly caught the attention of buyers. Neither the producers nor the consumers are either aware about its existence or willing to go for this label. Those who have got the license to use the label for their product hardly use the same on their product's packaging. The reason – no consumer demand for such labelled products and hence no profit.

This briefing paper attempts to make a comparative study of the existing provisions of the scheme and suggest suitable modifications or changes needed with necessary justifications. This paper assumes vital significance because the National Environment Policy Statement of India adopted in 2006 has recognised the role of eco-labels in promoting environmental conservation. The Policy states that action would be taken to formulate "Good Practice Guidelines" for eco-labels to enhance their scientific basis, transparency and suitability of requirements for participation and at the same time promote the mutual recognition of Indian and foreign eco-labels, which adhere to the Good Practice Guidelines, to ensure that Indian exporters enhance their market access at lower costs.

II. Suitability of the Scheme: Comments and Recommendations

Existing Provision	Comments	Proposed Changes
The scheme will operate on a national basis and provide accreditation and labelling for household and other consumer products, which meet certain environmental criteria along with quality requirements of the Indian Standards for that product. [Stated by Resolution no G.S.R.85 (E)-(1)]	As per this provision, the Scheme was to provide accreditation and labelling for 'household and other consumer products'. However, in practice, there is no limitation and the scope of Ecomark covers many intermediate products. For instance, lubricating oils, powder coatings, and fire extinguishers relate more to industrial purchase and application rather than individual consumer use.	Need to include 'intermediate or even industrial products' under the Scheme. This has merits of its own, since institutional purchase, for instance by government, of eco-labelled products would boost demand and have resultant benefits. However, for this there is a need for a directive to Central and state governments and public sector undertakings (PSUs) to accord preference to the purchase of Eco-marked products, thus taking a step towards green public procurement. Similarly, some incentives like tax breaks could also motivate industries to go for the purchase of products labelled with Ecomark. These initiatives would certainly assist to popularise the scheme within a short span of time.
The specific objectives of the scheme are as follows: (i) To provide an incentive for manufacturers and importers to reduce adverse environmental impact of products. (ii) To reward genuine initiatives by companies to reduce adverse environmental impact of their products. (iii) To assist consumers to become environmentally responsible in their daily lives by providing information to take account of environmental factors in their purchase decisions. (iv) To encourage citizens to purchase products which have less harmful environmental impacts. (v) Ultimately to improve the quality of the environment and to encourage the sustainable management of resources. [Stated by Resolution no G.S.R.85 (E)-(2)]	No trade related concern is espoused as a factor behind the launch of the Scheme. Though many see eco-labelling as a non-technical barrier to trade because it is often linked to environmental agreements, it can actually help promote trade by certifying quality. Due to the rise in concern about climate change and increase in global debates on green house gas (GHG) emissions, one of the objectives should be to inform consumers more precisely on product-related CO2 footprints.	Add the following objectives: To promote trade across borders. To inform consumers precisely on product related CO2 footprints.

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Existing Provision	Comments	Proposed Changes
Administrative and Organisational Structure: There will be three stages leading to the award of the "ECOMARK":- 1. A steering committee, set up in the MoEF, to determine the product categories for coverage under the scheme and also formulate strategies for promotion, implementation, future development and improvements in the working of the scheme. 2. A technical committee, set up in the Central Pollution Control Board (CPCB), to identify the specific product to be selected and the individual criteria to be adopted, including, wherever possible, inter-se priority between the criteria if there be more than one. 3. The Bureau of Indian Standards (BIS) to assess and certify the products and draw up a contract with the manufacturers, allowing the use of the label, on payment of a fee. [Stated by Resolution no G.S.R.85 (E)-(3)]	The three-tiered system has often resulted in undesired information gaps due to its intricacy. The communication among different branches/ ministries of the government has been very inefficient at times, responsibilities have become diffused and the entire management has been weak. Close coordination within the implementing body is vital. For example, when the BIS awarded the first set of Ecomark licences to three paper products, the CPCB was not aware of the development. According to the CPCB officials, they learnt about this from the market and then asked for confirmation from the BIS. Also, due to the existing organisational structure with Inter-Ministerial participation, fixing accountability is complicated. There is no single official who is 100 percent responsible for the implementation of the scheme.	Improving coordination: Periodic meetings and updating of information available to each other need to be ensured by incorporating specific provisions regarding the same under the scheme and making such meetings and updating mandatory. Need to consider setting up of an independent eco-labelling board replacing the three-tiered system. This new, independent board should have an advisory nature and comprise of representatives of the scientific community, and consumer, environmental and business groups.
The composition of the Steering Committee shall be as follows: (i) Secretary, Department of Environment & Forests; Chairman (ii) Secretary, Department of Civil Supplies (or his representative); Member (iii) Secretary, Ministry of Industry (or his representative); Member (iv) Secretary, Ministry of Chemicals & Petrochemicals (or his representative); Member (v) Secretary, Ministry of Agriculture (or his representative); Member (vi) Secretary, Ministry of Information & Broad-casting (or his representative); Member (vii) Director General of Technical Development (or his representative); Member	Despite the fact that it is mandatory to have at least two consumer groups on the steering committee, environmental groups have been ignored. As per practice followed in other countries like Canada, Sweden, Japan and Germany, environmental groups and consumer groups along with industry groups should also be part of the scheme's management. The exclusion of the Ministry of Finance from the steering committee from inception is regarded as inappropriate. The Ministry of Finance could have played a useful role in determining the feasibility of suggestions on incentives and rewards more actively. This exclusion has led to the undermining of the two prime	Need to specifically mention about the involvement of environmental groups in the steering committee. At least one should represent the environmental groups. Secretary, Ministry of Finance (or his representative) could be made as a Member under the steering committee.

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Existing Provision	Comments	Proposed Changes
(viii) Director General, Council of Scientific & Industrial Research (or his representative); Member (ix) Director General, Health Services (or his representative); Member (x) Development Commissioner, Small Scale Industries (or his representative); Member (xi) Chairman, CPCB (xii) Not more than five non officials, to be nominated by the Central government; to represent the interests of industry, consumer groups or other non governmental organisations; of which at least two will represent consumer groups; Member (xiii) Officer in charge, "ECOMARK" in the MoEF. In case of special requirement of expertise in specific fields, the committee may invite-experts as special invitees. The terms of the Committee shall be for three years or until reconstituted. [Stated by Resolution no G.S.R.85 (E)-(3.1.1)]	objectives of the Ecomark Scheme as set out under the scheme (i) to provide an incentive for manufacturers to reduce adverse environmental impact of products; and (ii) to reward genuine initiatives by companies to reduce adverse environmental impact of their products and processes. There was no representation of the BIS in the steering committee nor were they invited to attend the steering committee meetings.	BIS should be a part of the steering committee meetings.
Composition of the Technical Committee shall be: (i) Chairman, CPCB. (ii) Director General, BIS, New Delhi; Member (iii) Director, National Environment Engineering Research Institute, Nagpur; Member (iv) Director, National Chemical Laboratory, Pune (v) Director General, National Test House, Calcutta (vi) Director, Industrial Toxicology Institute, Lucknow (vii) Director, National Institute of Occupational Health, Ahmedabad; Member (viii) Not more than five non-officials to represent the interest of industry & consumer groups,	Despite the fact that it is mandatory that at least two consumer groups be represented in the technical committee, environmental groups have been ignored. As per practice followed in countries like Canada, Sweden, Japan and Germany, environmental groups and consumer groups along with industry groups should also be part of the scheme's management. A closer look at the existing composition of the two committees indicates that a majority of the members represent government organisations. Moreover, as government officials are transferable, there has always been a lack of continuity in regard to the functioning of specialised officials from member government agencies or	Need to specifically mention about the involvement of environmental groups in the technical committee. At least one should represent the environmental groups. Specialists who remain in the institution till the task is well accomplished must handle a serious and complex issue, such as eco-labelling.

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Existing Provision	Comments	Proposed Changes
of which at least three will represent the consumer groups, be nominated by the Central government. (ix) Officer in charge, (Eco-Mark scheme) Central Pollution Control Board. The Committee may co-opt experts on different products, as special invitees. The terms of the Committee shall be for three years or until reconstituted. [Stated by Resolution no G.S.R.85 (E)-(3.1.2)]	ministries. As a result, the momentum of the scheme has been adversely affected.	
The BIS shall implement the scheme. Following shall be functions of the BIS: (1) Assess the product for Ecomark (2) Review suspend or cancel a licence, for the use of the Ecomark (3) Make inspections, and take such samples for analysis of any material or substances as may be necessary to see whether any article or product in relation to which the Ecomark has been used, conforms to the contract or whether the Ecomark is improperly used in relation to any article or process with or without a licence [Stated by Resolution no G.S.R.85 (E)-(3.1.3)]	During a study done by CUTS on Ecomark two years before, the BIS was asked to provide data on the total number of applications made since 1991 to calculate the rate of success *vis-à-vis* applications. However, the response of the central office was surprising and reflected inefficiency as it said that 'such data is not readily available with the Bureau'. This shows their lack of interest in the implementation of the scheme and lack of capacity to update information. The functioning of the BIS also lacks transparency, and does not provide room to identify and resolve the bottlenecks faced in the implementation of the Scheme. An independent Eco-labelling Board appears a more practical option for maintaining focus on the promotion of the Ecomark Scheme and its transparent functioning. The BIS could be asked to provide experienced technical staff for such a Board.	Independent Eco-labelling Board imperative to maintain focused attention to promote the Ecomark Scheme with transparency. The experienced technical staffs in BIS could be involved as Members under this Board.
Certification and Licensing: The terms and conditions governing operations of licenses including fees shall be as per the BIS Act and the regulations framed there under. Hence, the procedure for grant of a license by the BIS under the Scheme of Ecomark shall be the same as applicable for grant of license by the	One of the factors responsible for the apathy shown by the industry towards the scheme is the existing complex procedure for getting the Ecomark license. Unless this entire process is simplified and made less time consuming, industry will continue to exhibit such apathy. Moreover, many manufacturers refuse to apply for BIS certification, which is	Certification and licensing procedure needs to be more simplified. De-link the ISI mark from the Ecomark.

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Existing Provision	Comments	Proposed Changes
BIS under its Product Certification Marks Scheme. Testing and certification shall be carried out by the BIS. For product categories, which have the Indian Standards mark, the BIS will ordinarily complete the task of certification within a period of three months. Products certified as eligible for the ECOMARK shall be licensed to carry the ECOMARK for a prescribed time period. The product shall be reassessed after the prescribed period and the license fee shall have to be paid again for the mark. [Stated by Resolution no G.S.R.85 (E)-(4)]	a prerequisite for getting the Ecomark license. They find the procedure cumbersome and expensive. In the interest of the Scheme, the procedure for awarding license for eco-friendly products needs to be simplified. The requirement for the ISI mark should not be mandatory for the award of the Ecomark.	
The Criteria for Ecomark: Environmental criteria for each product category will be notified by the Central Government and later on shall be translated into Indian Standards by the BIS. The criteria shall be for broad environmental levels and aspects, but will be specific at the product level. Products will be examined in terms of the following main environmental impacts: (a) That they have substantially less potential for pollution than other comparable products in production, usage and disposal. (b) That they are recycled, recyclable, made from recycled products or biodegradable, where comparable products are not. (c) That they make significant contribution to saving non-renewable resources, including non-renewable energy sources and natural resources, compared with comparable products. (d) That the product must contribute to a reduction of the adverse primary criteria, which has the highest environmental impact associated with the use of the product, and which will be specifically set for each of the product categories.	The Scheme needs to be made more dynamic and forward looking through periodic revisions of criteria on the basis of wide stakeholder consultations, say every five years. This process of revision should be made public to enable interested parties to contribute to the setting up of criteria and place grievances, if any, on the table. The EU Flower, for instance, has a long drawn out process that usually starts one year in advance of actual concretisation of criteria. 'Five years' is suggested on the basis of the experience of other countries. A lower number of years would constitute too short a time period and can pose managerial problems for the scheme since revision of criteria takes more than a year, even if done efficiently. The EU, for instance, changed the duration of the mentioned term from 2-3 years to 5 years because of difficulties facing both the producers and Agency. This system of revision could bring about clarity and better the participation of the interested parties in the implementation of the Ecomark Scheme. This periodic revision is vital for products characterised by rapidly changing technology such as electronic items. This will also motivate	Need for mandatory periodic revisions of the criteria for each product category at the completion of every five year. There should also be a provision for a separate one-stop interactive website for the Ecomark Scheme, modelled on the lines of the EU Ecolabel, or Oeko-tex. This should provide all information relating to the label to both the consumers and the producers; including the list of producers labelled, testing centres, product specific parameters, and the like.

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Existing Provision	Comments	Proposed Changes
In determining the primary criteria for a product the following shall be taken (a) Production process including source of raw material; (b) Case of Natural Resources; (c) Likely impact on the environment; (d) Energy conservation in the production of the product; (e) Effect & extent of waste arising from the production process; (f) Disposal of the product and its container; and (g) Utilisation of "Waste" and recycled materials; (h) Suitability for recycling or packaging; and (i) Biodegradability.	and encourage industry to attain a higher gradation. Government should link such promotions with incentives in the form of excise duty exemption, rebates, and preferential purchase or even tax holidays. In addition, the proposed criteria should also take into account existing Indian standards that cover such product categories. The specific criteria of say impurity levels in the products have been made stricter without adequate basis.	
The criteria shall be reviewed from time to time. The draft criteria shall be released for public comments for a period of 60. [Stated by Resolution no G.S.R.85 (E)-(5)]	The whole process of developing criteria for the grant of an Ecomark license is certainly complex and time consuming. The steering committee initially decides the category of products for coverage under the Scheme. Then technical committee or sub committees set up by the technical committee develop the desired criteria. The draft criteria are then placed before the steering committee for comments. The comments are sent back to the technical committee which incorporates those comments and then sends it back to the steering committee. The steering committee then notifies it for public comments. The comments received from the public are sent to the technical committee by the steering committee. The technical committee includes these comments and finalises the criteria. The criteria are then returned to the steering committee for final notification. The BIS, subsequently, translates the product specific specifications into Indian Standards for the Ecomark certification. As a consequence, it was found that during the initial years after the launch of the Scheme, proper attention could not be given by the three bodies to the popularisation of the Scheme in an effective manner.	The current convoluted process of developing criteria needs to be simplified.

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Period of Award: The label shall be awarded for a minimum period of one year and shall roll forward annually. The BIS has the powers to withdraw the licence at any time if they find any misleading information. The award may also be withdrawn in case of any change in criteria due to the advancement of technology or any other valid reasons, in consultation with the technical committee. The time period of the award may be reviewed from time to time. [Stated by Resolution no G.S.R.85 (E)-(6)]	It may be beneficial to increase the period of validity of the license when it is been issued for the first time to attract industry participation. Moreover, after undergoing the complex and lengthy process of procedures to obtain the licence it is generally desired that the benefits of having a licence must be enjoyed for a fair amount of time.	Initial period of license should be extended to two or three years.
The Logo: An earthen pot has been chosen as the logo for the Ecomark Scheme in India. The familiar earthen pot uses a renewable resource like earth, does not produce hazardous waste and consumes little energy in making. Its solid and graceful form represents both strength and fragility, which also characterises the eco-system. As a symbol, it puts across its environmental message. Its image has the ability to reach people and can help to promote a greater awareness of the need to be kind to the environment. The logo for the Ecomark Scheme signifies that the product, which carries it, does the least damage to the environment. [Stated by Resolution no G.S.R.85 (E)-(7)]	Question does arise about the authenticity of the earthen pot that is used as a logo to depict the environment friendly nature of the product that it endorses. The basic question is whether it really put across its environmental message as envisaged? This fundamental question arose based on certain undeniable facts that are associated with an earthen pot: • Depletion of fertile soil • Inefficient energy consumption • Short service life • Improbability of recycling • Property of not degrading back to the original soil (Pottery from ancient civilisation provides crucial archaeological evidence)	Need to reconsider the logo due to the message it conveys.
Consumer Awareness: The MoEF shall take appropriate measures to launch a country wide mass awareness campaign, including encouraging consumer groups. Assistance will be given to consumer organisations for comparative testing of products and dissemination of information to the public. [Stated by Resolution no G.S.R.85 (E)-(8)]	One of the major challenges for the success of any eco-labelling scheme is its popularisation, i.e. raising awareness among producers, consumers and the society at large. Ecomark, as a concept, would not work unless consumers are aware about its importance and demand products bearing the mark. However, the process of educating consumers to demand environmentally sustainable products is a gradual one	Need to develop an appropriate, well-targeted and continuous communication strategy to raise awareness. An effective National Awareness Campaign should be carried out to raise both consumer and industrial awareness and demand for the Ecomark. The government should support public awareness programmes and

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Existing Provision	Comments	Proposed Changes
	and will not be achieved overnight since it takes time for such culture to take root.	environmentally responsible procurement schemes on a long term basis. They should make people realise that product sustainability is a big issue.
Under the Scheme of Ecomark, the Standard Mark of the Bureau shall be single mark being a combination of the ISI Mark and the Eco-logo. (As laid down under the Scheme)	It was observed by several members of the technical committee that the Ecomark certification should be separated from the ISI certification as the standards for quality, performance and safety were already in-built in the Ecomark criteria, and that this could have been done by amending the BIS Act 1986 as has been done for Ecomark Scheme (EMS) certification[1] .	Ecomark Scheme should have a single mark – Eco-logo. The need for ISI certification should be done away with.
The following fees are required to be paid to the BIS for obtaining the Ecomark: • Application fee of Rs 500 per application, which is non-refundable; • Testing charges of the independent laboratories for the samples drawn prior to the grant of license; • Annual license fee at the rate of Rs 500 per license; • Renewal application fee at the rate of Rs 300 per application when a license is due for renewal; and • Marking fee, depending upon the quantum of the annual production of the license. (As laid down under the Scheme)	It would be better to initially go for license fee waivers to attract industry participation. The cost of testing charges varies from product to product; however according to the respondent from Madhya Bharat Paper Mills it should not be a deterring factor if companies understand the utility of the entire Scheme.	License fee waiver for first time applicants. And /Or; Testing charges of the independent laboratories could be reduced to 25 percent of the original charges for first time applicants. And; There should be provision for lower application fee for small and medium-sized enterprises (SMEs), and eco-friendly traditional producers.
16 product categories taken into consideration under the eco-labelling scheme: 1. Soaps & Detergents 2. Paper 3. Food Items 4. Lubricating Oils 5. Packaging Materials 6. Architectural Paints and Powder Coatings 7. Batteries 8. Electrical/Electronic Goods 9. Food Additives 10. Wood Substitutes 11. Cosmetics 12. Aerosol Propellants 13. Plastic Products	Criteria development for so many products resulted in both inadequate attention to awareness generation of the Ecomark, with most efforts directed towards criteria development, and also a loss of focus during criteria development as it had to be completed at a fast pace. A better approach would have been to start with an even lower number of product categories. The categories initially chosen for such a scheme should by common consensus be those that on the basis of a life cycle analysis (LCA) carry the maximum adverse environmental impact. Second,	Go for a lesser number of product categories that have larger impact on the environment and consumption. The Thailand green label, which was, introduced in 1993, initially focused on 9 products and at present this label is far more successful than the Ecomark introduced during the same period. At present, the Thai Green Label criteria have been achieved for 32 product categories, while study is underway for another 11 product categories.

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1 Sudhir K Ghosh, Director, Menaka Environment Management Services, Bhopal and former Officer-in-charge of Ecomark Scheme in CPCB

Existing Provision	Comments	Proposed Changes
14. Textiles 15. Fire-extinguisher 16. Leather (As laid down under the Scheme)	the total consumption of such identified products/categories in the country should be significant. Third, an equal emphasis should be placed on the inclusion of consumer goods so that individuals could be induced to express their environmental concern through informed action.	

Conclusion

The procedure of developing and adopting eco-label criteria needs to be thoroughly changed and simplified. There needs to be more involvement of stakeholders in the process, thereby increasing ownership and self-regulatory aspects of the scheme. At the same time the administrative burden currently on the government bodies needs to be reduced. The role of the government should be restricted to that of a facilitator and a provider of incentives to industries contributing to environmental improvement. Also, synergies with existing eco-labels at the international level need to be addressed. There is a need to put some limit on the costs and fees which the applicant needs to pay while applying for the label.

As mentioned, a programme such as eco-labelling, which is a voluntary policy instrument to achieve environmental goals, needs to offer something positive to the business community to ensure their maximum participation. The manufacturers and retailers should be made to realise that participation in such a programme would enhance competitiveness in the market place, thus enhancing their brand image. Credibility aspects are more important to them. Also a reasonable fee that is assessed fairly without any discrimination on the grounds of size, location and/or other factors do play a crucial role while attracting industry participation.

Involvement and support from environmental and consumer NGOs and also the media are other key factors that have contributed to increasing the level of consumer awareness regarding environmentally preferable products in most other countries. In a country where consumer awareness of environmental issues is low, it is difficult to convince companies that there is any advantage to be gained from an eco-label. Some initial awareness education is vital prior to, or in conjunction with, the re-introduction of eco-labelling. Beyond eco-label recognition by consumers in the form of household products, institutional and industrial purchases of eco-labelled products are a key success indicator. Greater impacts have been realised in most countries when eco-labelling criteria have been used as guidance tools for identifying greener products for government procurement and institutional purchasing. Hence, any form of inducement to go for green products should begin from the government, once the scheme has been re-imaged!

This Briefing Paper is based on a research report by Pradeep S Mehta, Secretary General, CUTS International entitled, 'Why was India's Ecomark Scheme not successful?' It has been compiled by Simi T B, Assistant Policy Analyst & Researcher (International Trade Law), CUTS Centre for International Trade, Economics & Environment.