



ECO-LABELLING IN THE CZECH REPUBLIC



**MINISTRY OF ENVIRONMENT
OF THE CZECH REPUBLIC**

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ECO-LABELLING IN THE CZECH REPUBLIC

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PREFACE

Protection of the environment belongs amongst what is termed "negative market externalities", i.e. amongst matters that the market cannot resolve as they lie outside of the action of its mechanisms. Consequently, protection of the environment must lie within the economic policy of the state and the state is obliged to be concerned with this matter. The state must formulate a policy of care for the environment and simultaneously create this policy and support the creation of effective instruments for its implementation

One of the instruments of environmental policy that is extensively introduced at the present time consists of Eco-labelling systems or programs of labelling products that are friendlier towards the environment than other products used for the same purpose. There are now more than 24 Eco-labelling systems around the world and new ones are constantly emerging.

This publication explains the principle of the action of these Eco-labelling programs and describes in detail the Eco-labelling program in the Czech Republic – the National Program for Labeling Environmentally Friendly Products.

For comparison, the publication mentions some important foreign Eco-labelling programs, specifically the German, Canadian, Japanese and Scandinavian programs and the program of the European Community. It follows from the comparison of these programs with Eco-labelling in this country that the Czech program is fully compatible with these important programs.

1. INTRODUCTION

1.1 THE BEGINNINGS OF ECO-LABELLING AND ITS USE THROUGHOUT THE WORLD

1.1.1 The Concept of Eco-labelling

The word "Eco-labelling" means labelling of products (and services) that are friendlier to the environment than similar products (or services) – substitutes.

(The term substitute is used in economics to indicate an alternative product that, from a functional standpoint, is comparable or interchangeable.)

At the present time the words Eco-labelling, Eco-labelling system or Eco-labelling program are understood to correspond to a certification system directed by an independent third party (i.e. neither the producer nor the consumer). The tasks of Eco-labelling consist of:

- selection of "categories" of products, i.e. groups of products for which the detrimental impact on the environment can be decreased in some manner,
- the laying down of Product Categories, i.e. a set of requirements that a product in a given category must meet in order to be justifiably considered environmentally friendlier,
- the awarding of Ecolabels to products that comply with the set requirements,
- the carrying out of controls of identity of the qualities of the labelled products with the set requirements.

1.1.2 The Beginnings of Eco-labelling

The idea of specially labelling products that are less detrimental to the environment than other, alternative products originated in the nineteen seventies, similar to "green" marketing. At that time, there was a considerable increase in the information available to the general public on the consequences of production processes for natural ecological systems. The incorporation of these preferences into market policy had an understandable impact on the strategies of companies and led to intensive development of green marketing and to extensive advertising of products that could be declared to be environmentally friendly for one reason or another. Manufacturers began to clearly label these products themselves.

Consumers reacted not only by passive purchasing of such labelled products, sometimes for a higher price, but also by searching out such products. As a consequence, the turnover of companies that were capable of supplying such products began to increase. However, there was a proportionate increase in the number of products that the companies claimed to be environmentally friendly, without in any way demonstrating a significant decrease in detrimental environmental impact. Competitors and environmental pressure groups pointed out the determined differences between the actual and advertised properties of products and, analogous to the concept of "brain washing", began to employ the concept of "green washing". The demonstrated discrepancies decreased customer faith in producers, their advertisements and their products. Both consumers and honest producers began to demand that order be restored and that a reliable system be introduced for labelling environmentally friendly products.

1.1.3 The Introduction of Certified Eco-labelling Systems (Programs)

The first centrally directed certification Eco-labelling system (Eco-labelling program) whose reliability was guaranteed by an independent third party was introduced into practice in the Federal Republic of Germany in 1978 (guaranteed by the Federal Office for Protection of the Environment). The program spread rapidly in Germany and foreign countries active in the German market also began to apply for awarding of its Ecolabel, the "Blue Angel" Ecolabel.

The success of the German Eco-labelling program led to the establishing of further Eco-labelling programs. The second country to introduce uniform labelling of environmentally friendly products was Canada in 1988. The Canadian program (Environmental ChoiceM Program, abbreviated ECP) was created in the framework of the commitment of the Canadian government to support sustainable development or to include aspects of environmental protection in economic decisions. ECP was included in Canadian environmental protection laws (the Canadian Environmental Protection Act) and its implementation was greatly supported in 1991, when a total of 12.5 million dollars was set aside for its development.

The German and Canadian Eco-labelling programs are state and national programs, i.e. they are directed by the pertinent government and created for the market in the given country. In 1989, the Concilium of Ministers for Consumer Affairs of the Scandinavian countries announced the Scandinavian state Eco-labelling program, which was the first international program, as its implementation was carried out jointly by Finland, Iceland, Norway and Sweden.

In the same year, a state national Eco-labelling program was announced in Japan and the first private program (directed by the Green Seal private company) was introduced in the USA.

Since the beginning of the nineteen nineties, Eco-labelling programs (state, private, national and international) have been introduced in a great many other countries. A chronological list of their creation with indication of the type of program is given in the Table in Chapter 3.

1.2 THE CURRENT IMPORTANCE OF ECO-LABELLING FROM THE STANDPOINT OF PREVENTATIVE STRATEGY

1.2.1 The Chief Difference Between Preventative Strategy and Reactive Strategy

Protection of the environment can be achieved both through preventative strategies and through reactive strategies. The forms of preventative strategy, which include Eco-labelling, have better prospects for the future and their implementation should be favoured. This conclusion followed from extensive experiments carried out in the USA over the period from 1975 to 1985, in which it was demonstrated that the application of reactive strategy, including advanced forms, termed the strategy of control and management, need not necessarily lead to an improvement in the environment and to implementation of sustainable development.

There are several reasons for this statement. The chief lies in the fact that the forms of reactive strategy do not act on the causes leading to detriment to the environment, but only attempt to alleviate the consequent results. An illustrative example consists of the functioning of purification or separation facilities. Pollutants that have already been formed and that would enter one of the components of the environment (e.g. the air) are captured in separation equipment with various designs and, after separation, transferred to some other component of the environment (e.g. to the soil), where it is assumed that they will be less detrimental. The result of this process is a decrease in the amount of pollutants in one component of the environment (air) but an increase in the amount of the pollutant in some other component of the environment (here the soil).

A second fundamental disadvantage of reactive strategy of the control and management type lies in the fact that the separation equipment (end technology) never attains one hundred percent efficiency. It thus follows that, in spite of effective measures (that are sometimes very expensive), the pollution of the environment increases with an increasing number of pollution sources.

Further failures of reactive strategy could arise from the setting of emission limits. There is a very real danger that the set emission limits will not be sufficient in relation to the fact that we are still not aware of the "fates of substances in the environment", i.e. all the forms into which a substance emitted into the environment can be converted through subsequent reactions and act through secondary effects on human beings and ecological systems. A typical example of lack of knowledge of the fate of substances in the environment is the disturbance of the ozone layer by freons, which were considered to be almost ideal unreactive gases and which were used because of these properties as carrier gases in sprays, refrigerators, etc.

It follows logically from the given disadvantages of reactive strategy that the only way to maintain a healthy environment in the long term is not to rely on alleviation (remedies) for problems that have already arisen, but rather to concentrate on elimination of their causes, i.e. to prevent the creation of sources of pollution and the occurrence of the causes of deterioration of the environment. This approach, which is based on the fundamental difference between reactive strategy and preventative strategy has been shown in practice to have not only the expected favourable impact on the environment, but also simultaneously leads to savings, to financial and economical benefits, to a decrease in costs and to an increase in the competitiveness of the company. For this reason preventative strategies are denoted as win-win strategies – economical and environmental.

1.2.2 The Difference of Eco-labelling from Other Forms of Preventative Strategy

In contrast to most forms of preventative strategy, which achieve the desirable effects only through systematic verification of production processes within a given enterprise, Eco-labelling utilizes market mechanisms, i.e. mechanisms acting outside of the enterprise. From the standpoint of environmental policy, it is thus included amongst market-oriented instruments.

The basis for market mechanisms utilized in Eco-labelling is demand and supply related to environmentally friendly products rather than to alternative products.. The demand is created by consumers who are informed about environmental problems and are active, responsible and willing to help the environment. The supply is created by similarly motivated producers or importers who thus also simultaneously obtain an opportunity to increase the profits and the competitiveness of the company. All the factors that can in some way affect the magnitude of the supply and the magnitude of the demand are decisive for the success of Eco-labelling. In relation to supply, this consists primarily of proper selection of the kind of product. The best kind of product from this point of view is a high-consumption product for which, without significant investments, it is possible to significantly decrease its negative impact on the environment. In relation to demand, a great role is played both by the above characteristics of consumers and also by the magnitude of the real purchasing power of the population, the price of the product, its availability on the market and consumer information on its existence.

1.2.3 The Advantages of the Eco-labelling System

The implementation of the Eco-labelling system has a great many advantages both from the standpoint of the environment and also from the view point of the producer or of the state bodies. These advantages follow not only from the preventative consequences of Eco-labelling, but also from its market character.

The chief advantages of the implementation of an Eco-labelling system from the standpoint of the environment include:

1. A greater range of means for decreasing the detrimental impact on the environment

Inclusion of methods of life cycle assessment in Eco-labelling programs has changed from the original emphasis on a decrease in the detrimental impact of the finished product

to a search for ways to decrease the detrimental environmental impact of the product throughout its entire life cycle. Although Eco-labelling remains an instrument related to the product, not only the properties of the finished product are evaluated, but also all the phases of its creation. Preventative measures decreasing the detrimental environmental impact of the product can thus be related to any of the phases of the life of the product, the raw materials (e.g. replacement of deficit raw materials by renewable raw materials), the actual production (decrease in emissions, waste, contents of toxic substances used, etc.), use of the product (savings of energy, water, etc.) or its final liquidation. The use of methods of life-cycle assessment can determine not only the detrimental consequences of the individual stages for the environment, but also the optimal ways to decrease these consequences. The Ecolabelling program can also be employed to affect the use of raw materials, choice of technology and manner of liquidation of the used product.

2. Constant pressure on the development of environmentally friendly products

As the validity of the requirements in the Product Categories that must be met by the environmentally friendly product is limited in time (usually 2-3 years in dependence on the rules for the particular Eco-labelling program), the monitored values can be made more stringent. As the Ecolabel trademark is awarded for only a limited period of time (related to the validity of the Product Category), producers can be forced by this mechanism to continue to improve the properties of their products from the standpoint of overall impact on the environment.

3. Ways of utilizing the great information potential of Eco-labelling for education of the population

Publication of reasons for selection of labelled products is a way to informally and relatively rapidly inform the consumer of the detrimental effects of various substances and processes on the environment and thus to generally increase the level of knowledge of the population on the subject of the environment, and the benefits of purchasing and using environmentally friendly products.

4. Affecting the entire supply chain

A producer who wants to be awarded an Ecolabel selects the necessary raw materials and materials so that (s)he can demonstrate that they have the smallest possible detrimental impact on the environment. Individual suppliers who would not, on their own, participate in Ecolabelling, are forced in the light of competition to choose, for the production of their products, methods that are friendliest to the environment and thus also participate in increased environmental protection.

5. Emphasis of the need for social changes

It clearly follows from environmental policy oriented towards products, one of the examples of which consists of Eco-labelling programs, that the achieving of a healthy environment is not only a technical and technological problem, but also a social problem. The necessary change in consumer patterns is related to a change in values, to a change in the life style of society and to increased social sensitivity and individual responsibility.

2. ECO-LABELLING IN THE CZECH REPUBLIC

2.1 THE BEGINNINGS OF ECO-LABELLING IN THE CZECH REPUBLIC AND ITS PRINCIPLES

2.1.1 Introduction of the National Program of Labelling Products with the "Environmentally Friendly Product" Ecolabel

The Eco-labelling system was introduced in the Czech Republic on the basis of an initiative by the Ministry of the Environment and the Ministry of the Economy. The proposal was submitted by the Minister of the Environment and Governmental consent was issued for implementation in Government Decision No. 159/93 of April 7, 1993. On the basis of this Decision, the Eco-labelling system was announced on April 14, 1994, entitled the National Program of Labelling Products with the "Environmentally Friendly Product" Ecolabel Trademark (hereinafter the Program), as an effective instrument of preventative strategy in conservation of the environment.

The concept of the Czech Program was modified in the last stage of preparation so as to be as compatible as possible with other Eco-labelling programs, especially with the programs of the EU and of the OECD countries. This harmonization is also intended to contribute to sales of Czech products abroad. The program is also becoming an active part of European integration in the sphere of the environment.

2.1.2 Basic Concepts Employed in the Program

The Ecolabel trademark is the protected trademark of the Program that, in the framework of a licensing agreement with the applicant/supplier, is awarded for a limited period of time (lent) to a product of the applicant/supplier that complies with all the criteria laid down for an environmentally friendly product. The Ecolabel trademark is owned by the Czech Environmental Institute (CEI). The trademark is registered with the Office for Industrial Ownership in Prague. The Ecolabel trademark of the Czech Program is depicted in the figure. It consists of a stylized letter "e" with the logo "Environmentally Friendly Product" in the upper part and an identification four-numeral number in the bottom part. The first pair of numbers gives the number of the Directive, while the second set is the serial number of the party to the licensing agreement. The Ecolabel trademark may be used only in a single-colour form (green or black) and the pertinent identification number must always be given.

The product category is the selected precisely limited kind of product for which requirements are laid down that a product of this kind must fulfill in order that it be awarded the Ecolabel trademark. Correct choice of product categories is very important for the success of the Program (see Chapter 2.3).

The Directive with requirements on the awarding of the Ecolabel trademark (hereinafter the Directive) consists of a brief list of the basic and environmental requirements, that must be met by products in the given category of products, in order that they be awarded the Ecolabel. The Directive also contains definitions of basic concepts, description of the means of verification and control of identity of the product with the prescribed requirements and the period of its validity. Directives are drawn up for each category of products (for more details, see Chapter 2.3).

The technical report forms a basis for drawing up a draft Directive. Its purpose is to provide the most complete information possible on the impact of the given product category on the individual components of the environment from the standpoint of the entire life cycle of the product and simultaneously to evaluate the suitability of choice of the given category of products. In contrast to the Directive, the technical report also contains an economic analysis of the expected costs of carrying out tests, control, etc. and also a survey of requirements on the same category of products following from analogous foreign Directives (for more details, see Chapter 2.3).

2.1.3 Principles of the Program

The Czech Program is based on principles that are common for the most important global Eco-labelling systems and that are also recommended in the declaration of the International Chamber of Commerce. The following principles are involved:

1. The principle of orientation towards products of a consumer character

(The reason lies in the great extent of consumption and the considerable variety of products of a consumer nature, increased occurrence of substitutes and the great number of consumers).

2. The principle of positive impact and friendliness of the product in relation to all the components of the environment

(The environmental friendliness of products must be achieved only through an increase in their favorable impact on the environment. A situation must not occur where the elimination of the detrimental impact of the product on one component of the environment is gained at the price of a detrimental impact on some other component of the environment).

3. The principle of voluntary participation

(No one may be forced to participate in the Program by state or other administrative bodies and no other advantages may be connected with participation in the Program, other than those that follow from the Program itself).

4. The principle of comprehensibility

(The requirements related to the environmental friendliness of the product and the manner of control thereof must be comprehensible to all participating parties).

5. The principle of credibility

(The management of the Program must be impartial and based on scientific foundations. Guarantees must exist that the environmental impact of the ecolabelled product is considerably less than the impact of alternative unlabelled products).

6. The principle of application of the LCA – life-cycle assessment – method

(Assessment of the product and its impact on the environment is carried out in the framework of its entire life cycle, i.e. from choice of raw materials through the actual production of the product, its use and liquidation of the consumer waste created).

7. The principle of exclusion of products for which other specific regulations are valid (Foodstuffs, beverages, medicinal substances, firearms, explosives, etc.).

8. The principle of a limited period of time

(The trademark of the "Environmentally Friendly Product" – hereinafter the Ecolabel – is awarded for a limited period of time, which corresponds to two years at the present time).

9. The principle of finality of the product

(The Ecolabel is awarded to the product as a whole, and not to its components).

10. The principle of openness

(The awarding of the Ecolabel must not in any case depend on the qualities of the applicant. The applicant may be any company, domestic or foreign, state or private, large or small, known or unknown, with a large or small portion of the market, etc. The only decisive factor is the product and its identity with the required qualities).

11. The principle of control

(The Program must contain mechanisms that prevent misuse of the Ecolabel and ensure control of compliance with the set requirements, both from the standpoint of awarding of the Ecolabel and from the standpoint of its use).

12. The principle of international harmonization

(The conditions for awarding of the Ecolabel must be harmonized with the conditions of other national or regional programs and thus permit mutual recognition of these programs).

2.1.4 Targets of the Program

The main targets of the Program include:

- to provide the consumer with a state guarantee that, on the basis of environmental impact assessment of the properties of products (in accord with the current state of the art and level of knowledge), detrimental impacts on the environment and natural resources are minimized for the ecolabelled product,
- to ensure safe orientation of the environmentally aware consumer in a broad range of almost identical products,
- to increase the sales of these products and thus to create one of the basic mechanisms of a market economy, i.e. consumer demand, to increase competition amongst producers.

2.2 DIRECTING OF THE PROGRAM

The National Program of Labelling Environmentally Friendly Products in this country is directed by the Minister of the Environment of the Czech Republic. The Minister is assisted both by the pertinent Department of the Ministry, and also by the Council for Environmentally Friendly Products and the Agency for Environmentally Friendly Products.

In addition to these chief sections, the Program must also include authorized and accredited laboratories and testing institutes. Similarly to abroad, the necessary professional institutes or individual experts also cooperate in the implementation of the Program in this country.

2.2.1 The Function of the Minister and the Ministry of the Environment of CR in the Program

The Ministry of the Environment as the guarantor of the Program publishes approved Directives and all the other conditions for obtaining Ecolabels in the Bulletin of the Ministry of the Environment CR, in the Bulletin of ÚN of the Ministry of Health, the Newslet-

ter of the Ministry of the Environment and, according to circumstances, in the professional and daily papers.

The Minister of the Environment

- approves and signs Directives with requirements for awarding of Ecolabels
- awards the right to use an Ecolabel to a concrete product
- issues standpoints on all basic and decisive aspects of development of the Program.

A meeting of the directorate of the Ministry of the Environment CR

- expresses comments and suggestions on the Program
- issues consent to categories of products and draft Directives
- decides on basic tasks and directions for further development of the Program.

2.2.2 The Composition and Function of the Professional and Consulting Body of the Program

The Council for Environmentally Friendly Products (hereinafter the Council), which is a professional and consulting body of the Minister of the Environment in affairs related to the Program, consists of important personages from economic and social life so that it includes representatives of environmental protection interests, producer protection interests and producers, representatives from science and research and the universities and representatives of selected central state administrative bodies. Members of the Council are named and recalled by the Minister of the Environment of CR. The position of Executive Chairman of the Council is held, on the basis of appointment by the Minister of the Environment, by an employee of the Department of Strategy and Environmental Statistics of the Ministry of the Environment of CR. Membership in the Council is honorary.

The Council is subject to a Statute and Procedural Rules, which are approved by the Minister of the Environment, and which are part of the basic documents of the Program. The Council meets on the basis of the program of its activities, at least twice annually. The chief contents of the work of the Council consist of:

- evaluating and recommending proposals for evaluation of categories of environmentally friendly products, and also submitting suggestions for such proposals
- evaluating applications for products proposed for labelling as environmentally friendly in the form of Directives and, where appropriate, formulating such requirements and recommending them to the Minister of the Environment for approval
- submitting their own suggestions for any revisions of valid Directives and proposals for improving the effectiveness of the Program
- controlling at random compliance with the conditions for awarding the Ecolabel.

2.2.3 The Function of the Executive Body

The executive body of the program is the Agency for Environmentally Friendly Products (hereinafter the Agency). The Agency is an independent organizational unit of the Czech Environment Institute. The functions of the Agency include:

- accepting suggestions from producers, importers, institutions, interested organizations and the general public (proposers) on products suitable for labeling as environmentally friendly and submitting them to the Council; on this it issues a written standpoint to the proposer
- providing for the preparation and completion of technical reports and proposals for Directives (choice of experts, keeping records of experts and professional workplaces and reviewers) and submitting them to the Council for evaluation (the Agency is responsible for the factual accuracy of Directives) and to a meeting of the directorate of the Ministry of the Environment CR for approval
- providing applicants with application forms for awarding of the Ecolabel together with the complete wording of the pertinent Directive and all other information and instructions
- registering and processing applications for awarding of the Ecolabel, preparing a summary report on products for which the right to use the Ecolabel is to be permitted
- on the basis of a decision by the Minister of the Environment, concluding a licensing agreement with the applicant
- collecting registration fees for activities connected with evaluation of an application and providing of the right to use the Ecolabel
- recommending a suitable accredited laboratory, testing institute or other specialized workplace to the applicant
- submitting a report on its activities once annually to the Minister of the Environment and the Council
- carrying out on, the basis of the requirements laid down in the Directives, control of the producer's premises in relation to compliance with conditions for awarding the Ecolabel.

2.2.4 Authorized and Accredited Laboratories and Testing Institutes

The tasks of selected authorized and accredited laboratories and testing institutes consist of:

- cooperation in preparing draft Directives
- evaluation of the properties of products defined in the Directives and issuing protocols on the results of verification of identity of products with the pertinent Directive
- in cooperation with the Agency, carrying out controls at the premises of users of Ecolabels of products in the extent set forth in the licensing agreement.

2.2.5 External Experts and Professional Workplaces

The task of selected experts (reviewers) and professional workplaces is to cooperate in the preparation of proposals for Directives. This can consist of preparation of a proposal for a Directive or its evaluation, or preparation of review expert reports.

2.3 PROCEDURE IN SELECTING A CATEGORY OF PRODUCTS AND CREATION OF DIRECTIVES

2.3.1 Selection of a Category of Products

The selection of categories of products is discussed with the Council and selected proposals are submitted to the Minister of the Environment for approval. In selecting categories of products, the Council is governed by the following principles:

1. The given category of products is produced in a large range and consist primarily of goods of a consumer nature.
2. There are considerable differences in relation to environmental impacts between the products of a single category from different producers/importers.
3. There is a competitive environment in the given sphere of production (category of products).

2.3.2 Creation of Directives

Organization of the creation of Directives for the given category of products is provided by the Agency. The technical report forms the basis for preparation of Directives. The technical report must contain:

- the reason why the given category of product was selected from the standpoint of its environmental impact,
- the volume of production and consumption of the given category of product,
- the production technology from raw material resources to the final products including their impact on the environment (emissions into the air, pollution of water and the soil, consumption of raw materials, energy, etc.),
- the impact of the given category of products on the environment during use, including consumption of energy, the content of hazardous substances and the possibility of such substances entering the environment and the possible hazards for the environment during emergencies (fires, accidents, misuse),
- a survey of requirements of Product Categories in countries where eco-labelling programs have already been introduced, provided that such Directives have been issued for the given category of products.

In addition, classification of categories of products is given, to which the requirements are related, along with the means of demonstrating identity of the product with the set requirements, etc. The information given in the technical report indicates the phase in the life cycle of the product that unfavorably burdens the environment, the magnitude of this burden and which requirements are important in evaluating the product from an environmental standpoint.

After preparing and evaluating the technical report, work is begun on preparing the Directive. The Directive is a technical document for evaluation of the pertinent category of products. In addition to exact delimitation of the product category, it also contains definitions of principal concepts, basic and specific requirements on products, means of verification, organizational details and the period of validity.

The basic requirements are requirements related both to environmental and also to useful and technical properties of products and should ensure that the useful properties of the

product are fully comparable with competitive products used for the same purpose (i.e. the environmental friendliness was not achieved at the expense of quality) and that the product is produced in accord with all the relevant Laws and regulations.

The specific requirements consist of requirements on the environmentally friendly properties of the product; the environmentally friendly product differs from other products through fulfilling of these requirements. The values of the specific requirements are far stricter than the values given in the generally binding regulations and standards. They are established in relation to the current state of the art in science and technology and must be practically attainable for the producer.

Evaluation of the properties of products required in the Directive, including the testing methods that will be employed to evaluate products, are unambiguously defined in a separate part of the Directive. Preference is given to methods that are already described in Technical Standards (e.g. CS Standards, EN, DIN). The period of validity of each Directive is given in the conclusions.

A summary survey of the Directives of the Czech program is given in Annex No. 1.

The names of newly approved Directives are published in the Bulletin of the Ministry of the Environment of the Czech Republic.

2.4 PROCEDURE FOR COMPANIES IN APPLYING FOR AWARDING OF AN ECOLABEL

2.4.1 Submitting Applications

If a company wishes to label its product with the Ecolabel trademark of the Program, it must first determine whether the given product can be assigned to any of the categories of products for which Directives have already been published.

If so, and a Directive has already been promulgated, then the applicant requests the Environmentally Friendly Product Agency for an application form for concluding of a licensing agreement for temporary awarding of an Ecolabel (hereinafter an application form), which (s)he receives together with the pertinent Directive and further instructions.

If the proposed product is not included in already announced categories of products, the company informally submits a suggestion for a product suitable for labelling to the Agency. The proposal should emphasize the favorable effects through which the products has a far less detrimental environmental impact than other similar products with the same function. It is beneficial if a description of the product or the pertinent documents are submitted. The suggestion that is thus obtained by the Agency is submitted through the Vice-Chairman and Chairman of the Council to a meeting of the directorate of the Ministry of the Environment CR and also to a meeting of the Council for the purpose of its evaluation. If the proposal is accepted, the category of products in which the proposed product will belong is delimited and a Directive is then prepared for this category of product in the usual manner. Following promulgation of the given Directive, the applicant then proceeds as in the first case, i.e. requests the Agency for an application form for temporary awarding of the Ecolabel trademark.

The completed application form and the documents on compliance with the requirements laid down in the Directive are once again submitted by the applicant to the Agency

which commences a selection procedure. The results of this procedure are processed by the Agency at the latest two months following its commencement in the form of a summary report on the product for the decision-making process on awarding the right to use the Ecolabel trademark. The Agency submits this summary report to the Minister of the Environment. Following a favorable decision by the Minister, the Agency concludes a licensing agreement with the applicant on the provision of the right to use the "Environmentally Friendly Product" Ecolabel trademark. If the Minister decides unfavorably, then the Agency sends the applicant a written list of the reasons for refusal of the application. An applicant may repeatedly apply for the trademark, but a period of six months must elapse between applications.

Information on producers that have been awarded the right to use the Ecolabel trademark (current conditions are set forth in the Survey in Annex No. 2) is regularly published by the Ministry of the Environment of the Czech Republic in its Bulletin.

Annex No. 3 gives contacts to the Council and the Agency.

2.4.2 Fees

The costs of testing products and completion of documents required for the application and commencement of the selection process are paid by the applicant.

A single registration fee is paid on submitting the application, to cover costs for the activities connected with evaluation of the application and provision of the right to use the Ecolabel trademark. At the present time, this fee equals 20 000 CZK and the applicant pays this sum to the Agency when signing the licensing agreement.

It should be noted that, compared to other Eco-labelling programs, the Czech Program has the lowest fees, as in most programs a percentage of turnovers for the product and/or some other type of fee is also paid (for more details, see Chaps. 3 and 4).

2.4.3 The Importance of Awarding of the Ecolabel

The temporary awarding of the Ecolabel trademark does not mean that the product is completely nondetrimental for the environment; however, there must be a guarantee that the product has a smaller detrimental impact on the environment than other alternative products (substitutes), whose properties correspond to the limits laid down in the valid regulations and technical standards.

The obtaining of the Ecolabel trademark is of great importance for a producer or importer; in addition to improving their environmental profile, they thus gain a better position in placing their products on both the domestic and especially the foreign market. With the current trend of international harmonization of Directives, the trademark of the Czech Program is becoming comparable with other important trademarks, and its temporary awarding is far less expensive for the producer/importer.

As the Directives contain not only environmental requirements, but also basic requirements connected with the quality of products, the awarding of the ecolabel is a demonstration of maintenance of product quality. This is one of the reasons why purchasers from abroad prefer products labelled with Ecolabel trademarks.

It is obvious that a commitment to produce/import products with such high environmental parameters must be voluntary on the part of the producer or importer and that the

Government, central environmental bodies and other state administrative bodies cannot demand that such strict requirements be met or require this in any other direct manner. This is thus not a legal obligation that could be compared to basic environmental requirements, but a voluntary activity (see Chap. 2, The principle of voluntary participation).

2.4.4 Rules for Use of the Ecolabel

1. The Ecolabel trademark may be used only on the basis of a licensing agreement concluded with the Agency.
2. The Ecolabel may be used only in a single-colour version, either green or black, with the obligation to include its identification number.
3. The Ecolabel may be used only for those products that are the subject of the licensing agreement.
4. The Ecolabel may be used only for direct advertising of products set forth in the licensing agreement and must not be used in the framework of general advertising of the producer/importer (company).
5. The Ecolabel may not be transferred to a third party.
6. If it is not technically possible to place the Ecolabel on the product, some other manner of use may be discussed with the Agency.
7. The user of an Ecolabel is obliged to provide true information on the importance of the Ecolabel.

If a party using the Ecolabel trademark fails to comply with the conditions of the licensing agreement or, in the period of validity of the agreement, fails to comply with the pertinent Directive and its requirements, then the Council makes a decision on remedial measures or recommends to the Minister of the Environment that the right to use the Ecolabel trademark be terminated. An appeal may not be submitted against such a decision by the Minister of the Environment.

3. FOREIGN ECO-LABELLING PROGRAMS

There are about 24 eco-labelling programs in the world at the present time; these programs can be classified from various points of view. The most important include the type of organization administering the program and the size of the area in which the program is implemented. The manner of financing is also very important and may have a feed-back effect on the character of the program.

According to the type of organization, this can be a state program (the program is organized under the patronage of one or more governments) or a private program (the program is administered under the patronage of one or more private organizations or persons), or a mixed program, which is owned by a private organization but influenced by governmental bodies.

Depending on the size of the area in which the system is to be active, the program can be an area program (active only in part of a given state or federation), national program (active in a single state), super-national program (active in several states) or global, international program (active around the world). At the present time, national programs predominate. Of the super-national programs, the best known are the program of the Scandinavian countries, the "White Swan" and the program of the European Community. The eco-

labelling program announced by the autonomous government of Catalonia is an example of an area program.

At the present time there are two global (international) eco-labelling programs; both are private in nature and somewhat different from normal eco-labelling programs. They could be characterized as programs concerned with special areas. The first was founded in 1992 by the nonprofit nature conservation organization "Earthtrust" in Hawaii, and was concerned with protection of dolphins. The second was established in 1993 by the Collins Pine Co., Chester CA Div. Collins Almanor Forest and is concerned with conservation of forests.

A survey of the best known eco-labelling programs is given in Tab. 1.

Tab. 1. Survey of the best known eco-labelling programs

In this table, the column denoted "Year" contains the date of issuing of the basic document establishing the system. This date differs from the date on which the first Directive was issued for a selected category of products and also from the date when the first ecolabel was awarded in the given system, which has been identified in some publications with the date of founding the system. The entry in the "Country" column refers to the country (or countries) that established and operate the system. The term Scandinavian countries here refers to Iceland, Finland, Norway and Sweden. (Denmark did not join the Scandinavian system.) If the system is not under the patronage of a government, the party administering the system is given following its name.

Year	Country	Name of System
1978	Germany	Umweltzeichen – Der Blau Engel
1988	Canada	Environmental ChoiceM Program
1989	Japan Scandinavian countries USA	ECO MARK The Nordic Swan (Super-national system) Green Seal (private system of the Green Seal organization)
1990	New Zealand	Environmental Choice New Zealand
1991	Australia India France Austria	Environmental Choice Australia ECOMARK Marque NF-Environment (AFNOR) Das Österreichische Umweltzeichen
1992	European Community Korea The Netherlands Singapore Sweden	EC Ecolabel Award Scheme (Supernational system) Eco-Mark Stichting Milieukeur (Private foundation) Green Label Singapore Bra Miljöva (Swedish Society for the Conservation of Nature)
1993	Czech Republic Croatia Hungary China Taiwan	National program of labelling substances with the "Environmentally Friendly Product" Ecolabel Environmentally friendly Qualifying Environmentally SoundHuan Huan Green Label
1994	Catalonia Spain	El Distintivo de garantía de calidad ambiental Medio Ambiente (AENOR)

4. COMPARISON OF THE CZECH ECO-LABELLING PROGRAM WITH IMPORTANT FOREIGN PROGRAMS

4.1 COMPARISON FROM THE VIEWPOINT OF THE GENERAL PRINCIPLES OF ECO-LABELLING PROGRAMS

It follows from comparison of the general principles of the Program of the Czech Republic with the principles of important global eco-labelling programs as given in Table 2 that the Czech program includes all the important and necessary principles set forth in these programs.

It is important from the standpoint of the possible accession of the Czech Republic to the European Union that, where there are differences amongst the individual programs, the Czech Program has the same principles as the eco-labelling system of European Community. This is true, for example, of the principle of exclusion of products with specific requirements, such as foodstuffs, beverages and medicinal substances, and also of emphasis on products of a consumer nature.

4.2 COMPARISON FROM THE VIEWPOINT OF ADMINISTRATIVE STRUCTURE

From the standpoint of the administrative structure, the Czech Program has one of the simplest structures and the smallest number of active bodies. It probably also has the lowest number of employees concerned exclusively with the program.

4.3 COMPARISON FROM THE VIEWPOINT OF PROCEDURE IN THE CREATION OF PRODUCT CATEGORIES AND USE OF THE LCA METHOD

In the choice of categories of products, which can be considered to be the first step in the preparation of Product Categories, the Czech Program employs a democratic approach, similar to that employed in the most advanced programs in the world. Any one may submit a proposal for a product category and such proposals are evaluated with participation of representatives from all interested groups. The preparation of a Draft Product Category follows the preparation of an extensive technical report, by a group of professionals from various fields. The Draft Product Category is then discussed, once again in the presence of representatives from all the interested groups.

The Program has certain inadequacies in the use of methods of life cycle assessment, apparently as a result of the lack of suitable professionals and the relatively short time that the program has been in effect.

x – means explicit agreement in the regulations

no – explicit disagreement, an empty square means that information is lacking

The numbers given with life cycle assessment (LCA) is the date when the system began to include LCA in its analyses.

Tab. 2: Comparison of the eco-labelling systems from the standpoint of their chief characteristics

Characteristics		Systems					
		Ger	Can	Nord	Jap	EC	CR
Year of creation		78	88	89	89	92	94
Type of system	State	x	x	x	x	x	x
	National	x	x		x		x
	Super-national			x		x	
Concerned chiefly with consumer goods					no	x	x
Excludes	foodstuffs					x	x
	beverages,						
	medicinal substances					x	x
Voluntary participation		x	x	x	x	x	x
Open		x	x	x		x	x
Positive evaluation x		x	x	x	x	x	
Life cycle assessment		x	x	x	no	x	x
from year			91		94	94	
Based on self-financing		x	no	x	x	x	no
Time-limited validity		no					
Label awarded – years		3	no	3	2	2	2

4.4 COMPARISON FROM THE VIEWPOINTS OF APPLICANTS AND CONSUMERS

From the standpoint of applicants for temporary awarding of the Ecolabel, one of the most important points of view is the economic factor, i.e. financial expenditures – payments connected with awarding of the Ecolabel and benefits gained by the applicant through the awarding of the Ecolabel.

It follows from comparison of various eco-labelling programs that, from the standpoint of the amount of payments, the Czech program is the most advantageous. The applicant pays only a single registration fee, whose value is either comparable with or lower than similar fees in other programs. In contrast to these programs, annual license fees based on turnover for the given product are not paid in the Czech program. In Japan, where the applicant also pays a single fee, this is not a constant registration fee, but a fee which depends on the turnover for the given goods for the entire period of use of the ecolabel.

The benefits gained by the applicant from the awarding of the ecolabel are very varied and dependent on further factors. In any case, it increases the competitiveness of the company and improves its "environmental profile". Orders for products exported to developed countries often increase or the market is extended.

In cases of agreement of the requirements in the Directives of the Czech program with those in Directives in other programs, a further ecolabel can be obtained, with consequent broadening of the market.

The position of "environmentally friendly" products on the domestic market depends primarily on consumer willingness to prefer an ecolabelled product over other alternative

products. As this willingness depends on the extent and quality of information available to consumers on the program and its products, it is necessary that provision be made for effective advertising both of the program itself (employees of the Ministry of the Environment CR) and of the given product (the producer). One of the effective means consists of regular public opinion polls, from which further valuable information can be obtained, e.g. in connection with the emphasis of the program.

5. ECO-LABELLING IN AN INTERNATIONAL CONTEXT

5.1 THE STANDPOINT OF IMPORTANT GLOBAL ORGANIZATIONS

In proportion to the spread of eco-labelling programs throughout the world and their introduction in an increasing number of countries, their existence has become the subject of international conferences and discussions in various international organizations.

One of the first global organizations expressing a standpoint on the idea of eco-labelling was the International Chamber of Commerce (ICC). In its declaration of 1990, ICC states that eco-labelling is one of the instruments that is suitable for achieving sustainable development and it also gives a survey of 13 principles that should be incorporated into a well managed eco-labelling program. (These principles were stated in Chapter 2.1.)

The importance of eco-labelling as an instrument of environmental policy was also recognized in Agenda 21, a document that was one of the outcomes of the international conference on the environment in Rio de Janeiro in 1992.

At the beginning of 1995, eco-labelling was included in the working program of the Committee for Trade and the Environment, which was created in the framework of the World Trade Organization (WTO). Prior to the creation of WTO, eco-labelling, together with the subject of packaging and waste management, was considered in the Group for Measures for Environmental Conservation and International Trade. Eco-labelling was later the subject of substantial, prolonged interest in the Committee for Trade and the Environment. Industrially developed countries, especially Canada, the countries of the EU and Scandinavian countries extensively promote these programs. Developing countries, such as Argentina, Egypt, India and Nigeria are concerned that eco-labelling could be connected with technical impediments to trade. However, such fears are not justified.

In the framework of a discussion of this subject in the Committee for Trade and the Environment, the European Community has promoted harmonization of the scheme of existing eco-labelling programs. Harmonization should be ensured through compliance with the following four principles:

- 1) the same requirements must be placed on domestic and imported goods,
- 2) operations connected with a defined category of products and the preparing of criteria must be clear,
- 3) it is necessary to achieve international harmonization of eco-labelling procedures and mutual recognition of ecolabels,
- 4) it is necessary to avoid possible detriment consequences for export from developing countries.

Except for the fourth principle, all these principles are in accord with the basic principles of eco-labelling. The fourth requirement is of different character than the other three. It is basic-

ly necessary that the financial, commercial and other specific requirements and the special development of developing countries should be taken into consideration when proposing and implementing eco-labelling schemes. Simultaneously, developing countries should be provided with advice and technical assistance related to establishing eco-labelling schemes; this is important from the standpoint of attaining their environmental targets and for support for exports to countries with a high level of environmental consciousness and consumer awareness.

Canada, which greatly supports eco-labelling, emphasizes that the principles must be valid for all kinds of eco-labelling and that eco-labelling must develop further and be introduced in accord with the basic GATT/WTO regulations on a nondiscriminatory approach.

Eco-labelling has high priority for the representatives of the Scandinavian countries, as it provides an incentive for dealing with environmental problems and its nature ensures a change in production characteristics and consumer habits, which should lead to sustainable development. Eco-labelling based on LCA will be of especial importance in future attempts to deal with environmental problems. However, it is necessary to ensure a high degree of transparency in eco-labelling programs to prevent trade restrictions. Norway has suggested that a proper practice code be introduced for voluntary eco-labelling schemes. The code could include notification procedures, the right of interested members to express their opinions on the eco-labelling schemes and should take into consideration the needs of developing countries.

One of the specific aspects of eco-labelling programs, i.e. the subject of establishing requirements (criteria) for labelling environmentally friendly products, was the subject of deliberations by the United Nations Environmental Program (UNEP), which has carried out an extensive analysis of the environmental criteria of important eco-labelling programs.

Over a period of two years, the WTO Committee for Trade and the Environment examined and analyzed eco-labelling programs, including programs based on life cycle assessment, and their relationship to the WTO principles, especially the Agreement on Technical Impediments to Trade. The Committee concluded that well laid out eco-labelling programs can be an effective instrument in environmental policy for broadening the environmentally aware consumer habits of the general public. Fears about the possible detrimental impacts on trade can be dispersed by sufficient transparency during the preparation, approval and application of eco-labelling programs.

5.2 CLASSIFICATION OF ENVIRONMENTALLY LABELLED PRODUCTS ACCORDING TO INTERNATIONAL STANDARDS OF THE ISO 14000 SERIES

The importance of eco-labelling programs in an international context has been greatly increased by their inclusion in the ISO 14 000 series of international standards.

ISO (International Standards Organization) is a technical, non-governmental organization including national standardization institutes in 118 countries. In the developed countries, the members of the national standards institutes are usually recognized private organizations. In the developing countries, the ISO member organizations are government agencies or ministries. ISO technical work is carried out in approximately 3000 technical committees, subcommittees and working groups. The work of ISO leads to international agreements, which are published as International Standards. All these standards are international, voluntary and prepared on the basis of a consensus. Although ISO standards are voluntary, they are prepared as a response to market requirements and are used on an extensive

scale. ISO has published about 400 environmental standards related primarily to testing and measuring pollution of the air, water and soil and measuring noise levels.

At the present time, work is progressing on the series of standards denoted ISO 14 000, which is being created in analogy to the formerly issued series ISO 9 000, devoted to complex quality control. Standards of the ISO 14 000 series are basically concerned with complex, environmentally-oriented management and, in relation to basic standards ISO 14 001 and 14 004, are termed environmental management systems. Further standards of the 14 000 series are divided into four groups: Assessment of environmental behaviour (ISO 14 031), Environmental audits (ISO 14 010 – ISO 14 012), Life cycle assessment (ISO 14 041 – ISO 14 044) and Environmental labelling (ISO 14 020 – ISO 14 024).

The standards related to environmental labelling are still in the stage of the commentary process. The leading country collecting comments and organizing the necessary processes is Australia. These regulations will consist of five standards with the following contents:

- ISO 14 020 Basic principles for all environmental labelling
- ISO 14 021 The actual declaration of environmentally friendly properties – terms and definitions
- ISO 14 022 The actual declaration of environmentally friendly properties – symbols
- ISO 14 023 The actual declaration of environmentally friendly properties – methodology, testing and verification
- ISO 14 024 Basic principles, procedures and criteria for certification programs.

6. CONCLUSIONS

The basic principle of eco-labelling programs (systems) for labelling environmentally friendly products consists of certification of the product by an independent third party. If the product fulfills the prescribed criteria, it is issued an Ecolabel in the framework of certification.

The set criteria are related primarily to a decrease in the detrimental environmental impact of the product in the framework of its entire life cycle. They are based on various requirements, e.g. standards, that can be related to the method of production, to characteristics and to the useful properties of the product, as well as to its final liquidation.

The creation of a good eco-labelling program is very important, as eco-labelling programs constitute an important instrument in environmental policy, primarily in the sphere of preventative strategy. Their great advantage is their ability to affect supply and demand for environmentally friendly products and assist market mechanisms as well as to assist in influencing changes in consumer patterns leading to the implementation of sustainable development.

Comparison of the eco-labelling Program of CR with important national programs established at an earlier date (the German, Canadian and Japanese programs) and super-national programs (the Scandinavian program and the program of the European Community) has demonstrated that the Czech Program, although much younger, is fully comparable.

The only difficulty with the program in the Czech Republic is the relatively low participation of domestic producers (foreign producers constitute one third of participants), even though the Czech Program is amongst the least expensive for applicants.

Eco-labelling in the Czech Republic