



**EUROPEAN COMMISSION**  
**IMPACT ASSESSMENT BOARD**

Brussels,  
 D(2013)

**Opinion**

**Title**                    **DG ENV - An EU initiative on a Communication on Building the Single Market for Green Products**  
**(Resubmitted draft version of 21 January 2013)\***

**(A) Context**

According to the present Impact Assessment there is growing pressure on companies to demonstrate that the way they are producing is environmentally friendly, both at the level of individual products and as organisations. Consumers want to be able to better understand the environmental impacts associated with their production and consumption. The provision of this information in a transparent and reliable way is complicated by the fact that a wide range of different methodologies for the assessment of the environmental footprint of products and organisations has been developed. This has contributed to a situation of distrust (by consumers and by business alike) of environmental claims, both those attached to products and those included in companies environmental reports. The report argues that providing more reliable information will be beneficial for companies and households, and the environment, and will allow in the medium term a higher uptake of green products and of greener practices by companies in the EU market, contributing to reducing the global environmental impacts of the EU consumption and providing opportunities for economic growth and job creation. The present Impact Assessment accompanies a Communication to contribute to building the Single Market for Green Products.

**(B) Overall opinion: POSITIVE**

**While the report has been improved along the lines of the Board opinion, it requires further work on a number of points. The report should clarify why too many diverse methodologies is a problem, should estimate its magnitude and incidence of impacts. Given that some stakeholders, particularly from the private sector, agree to a lesser extent that there is a problem, the report still needs to demonstrate the need to define one environmental footprint of product methodology at EU level. The report should also better demonstrate how and to what extent the identified problems lead to costs for businesses, consumer confusion and resource inefficiency. The no further EU action option should provide more details and quantifications of how the problem drivers (e.g. proliferation of methodologies) would evolve. Against this background the report should clarify why an EU approach is needed, explaining for instance why industry led initiatives and action at the international level are seen as insufficient. Finally, the report should assess and compare the different options on the basis of the same criteria. It should explain how in practical terms consumer confusion will be reduced.**

\* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted  
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### **(C) Main recommendations for improvements**

**(1) Strengthen the problem definition and reinforce the baseline scenario.** The report should clarify why too many diverse methodologies is a problem, estimate its magnitude and incidence of impacts. It should explain why it could not be sufficiently addressed through the revision of the Unfair Commercial Practice Directive. It should also explicitly state what are the overarching consequences stemming from the drivers and problems described in the text (e.g. low uptake of green products, internal market fragmentation). Given that some stakeholders, particularly from the private sector, agree to a lesser extent that there is a problem, the report should demonstrate the need to define one environmental footprint of product methodology at EU level on the basis of credible evidence. This analysis should include a more developed assessment of the relevant 'green product markets' (e.g. size, scope/sectors, typology of companies, uptake of green products, impact on prices, single market efficiency potential). The report should also place the provided overview of the various national (and international) schemes as well as already existing EU schemes (such as EMAS and Eco-design) in the single market perspective, by better arguing to what extent the proliferation of methodologies is detrimental to its smooth functioning. It should also better demonstrate, with clear references to the sources, how and to what extent the identified problems lead to costs for businesses, consumer confusion and resource inefficiency. In this context, the problem analysis should better show why the mutual recognition principle cannot be applied. On that basis the no further EU action option (baseline scenario) should be further developed, including more details and quantifications of how the problem drivers (e.g. proliferation of methodologies) would evolve, clearly differentiating the outlook for smaller and larger business.

**(2) Better demonstrate the need for and value added of EU action.** On the basis of the strengthened baseline scenario the report should clarify why an EU approach is needed, explaining for instance which companies/sectors would benefit most from EU action and why industry-led initiatives and action at the international level are seen as less effective (or less efficient).

**(3) Better assess and compare options.** The report should further strengthen the impact analysis by substantiating attributed scores, and by providing greater clarity on the underlying methodologies, calculations and assumptions (for instance, by presenting more relevant data and references found in the annexes upfront). The report should assess and compare the different options on the basis of the same criteria (e.g. using comparable cost categories throughout the assessment). This should include a more developed analysis of competitiveness issues, including a more differentiated and more quantitative analysis of administrative burden/cost on businesses and Member States. Finally, the report should explain how in practical terms the consumer confusion will be reduced and how much this could eventually contribute to higher uptake of green products.

### **(D) Procedure and presentation.**

The report should support the argumentation by providing clearer references as to the scope and assumptions of the underlying studies and sources.

**(E) IAB scrutiny process**

Reference number	2012/ENV/019
External expertise used	No
Date of Board Meeting	Written procedure. An earlier version of this report was submitted to the IAB in October 2012, for which the Board has issued an opinion on 9 November 2012.